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## Contents

### 2021, Vol.4, Issue.3

<table>
<thead>
<tr>
<th>Title</th>
<th>Authors</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the Optimal Tax Treatment That Motivates Donor Corporations to Make More Monetary and in-Kind Donations to Their Communities and With Minimal Damage to The Interests of All The Parties Involved, and The Content of The CSR Idea?</td>
<td>Younis A. Battal Saleh</td>
<td>197-219</td>
</tr>
<tr>
<td>The Effects of Social Media Marketing on Business Performance of Supermarkets in Tanzania</td>
<td>Stella Dominick Haule, Omary Swallehe</td>
<td>234-249</td>
</tr>
<tr>
<td>Corporate Donations as a Source of Financing an Innovative Strategic Economic Plan to Strengthen the National Economy in More Than One Axis in Developing and Poor Countries: A Justified View</td>
<td>Younis A. Battal Saleh</td>
<td>259-277</td>
</tr>
<tr>
<td>Personal Selling As A Means of Increasing Performance of Service Providers in Akure Metropolis, Nigeria</td>
<td>O. A. BANKOLE, C. F. OGUNDIPE, I. O. OBALAKIN</td>
<td>278-284</td>
</tr>
</tbody>
</table>
What is the Optimal Tax Treatment That Motivates Donor Corporations to Make More Monetary and In-Kind Donations to Their Communities and With Minimal Damage to the Interests of All the Parties Involved, and the Content of the CSR Idea?

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Abstract
This theoretical study attempted to answer the following question: What is the optimal tax treatment that motivates donor corporations to make more monetary and in-kind donations to their communities and with minimal damage to the interests of all the parties involved, and the content of the CSR idea? To answer this complex question, the researcher was forced to imagine all possible tax treatment methods for corporate monetary and in-kind donations and to determine their advantages and disadvantages according to certain criteria, to choose the optimal tax treatment method. This study recommends the adoption of the method of government's rights and then corporation's rights in government's rights "donations as if they are loans" by legislative bodies in all countries of the world due to the abundance of its advantages. This method is optimal. This method will motivate donor corporations to make more monetary and in-kind donations to their communities and with minimal damage to the interests of all the parties involved, and the content of the CSR idea. Given the importance of this method, this study has drawn up a draft law for this method, which could be used as a guide by the legislative bodies, if a decision is made to adopt this method.


INTRODUCTION
Usually, the tax treatment of corporate monetary and in-kind donations-in any country, stems primarily from the law-makers’ view about corporate philanthropy” their interpretation and understanding of the meaning “What do donations mean to them?”. Through this interpretation and understanding, they can determine tax treatment that fits their seeing and perception of monetary and in-kind donations provided by donor corporations. Such treatment is often associated with a reduction in taxable income. This is the usual treatment in most countries of the world. It definitely will not be the only treatment. Those donations can also be addressed through a reduction in the value of the income tax or a complete disregard for such contributions when determining income tax. According to the researcher, the perceptions about understanding the meaning of corporate donations (interpretation of the meaning “What do donations mean?”)
cannot exceed one of the following five scenarios: Donations as if they are operating expenses or donations as if they are indirect taxes or donations as if they are not granted or donations as if they are loans or donations as if they are joint cost. Based on this perception, by using new distinctive terms and idioms, possible methods for the tax treatment of corporate donations can be classified into five main methods: (1) Method of "society’s rights" donations" and then government’s rights" income tax " (tax exemption in the sense of deduction "the deduction is made on taxable income") . Donations as if they are operating expenses; (2) Method of "society’s rights and then government’s rights (tax exemption in the sense of restoration " the deduction is made on income tax"). Donations as if they are indirect taxes"; (3) Method of "government’s rights and then society’s rights". Donations as if they are not granted"the deduction is made on taxable income"; (4) Method of government’s rights and then Corporation’s rights "part of the donation value (installment)" in government’s rights. Donations as if they are loans"the deduction is made on income tax" [Saleh, p.75]; (5) Method of" government’s rights and then part of society’s rights in government’s rights. Donations are joint cost: as an investment in competitive advantage "or for other purposes unknown and unspecified, motivated by humanitarian, or religious, or patriotism, etc." and a cost that contributes to achieving the social benefits ". Part of the cost is an investment in competitive advantage. This part should be excluded from the calculation "arithmetic operation". And the other part of the cost contributes to achieving the social benefits. This part can be considered indirect taxes, and therefore this part must be deducted from income tax "government’s rights" (tax exemption in the sense of restoration), or considering it necessary operating expenses according to the concept of the idea of the social contract, (tax exemption in the sense of deduction "which must be deducted from the taxable income"). The prevailing economic conditions in society may directly affect the identification and selection of tax treatment that is appropriate to these circumstances.

HIGHLIGHTING THE PROBLEM

The tax treatment that allows the granting of tax incentives to donor corporations is not optimal" because it suffers from many distortions." According to the following justifications: 1) This method distorts the content of the idea of CSR; 2) This method suffers from legal imbalances; 3) This method creates undesirable economic effects. And in light of the perception that there is a package of alternative tax treatments, "what is the optimal tax treatment that motivates donor corporations to make more monetary and in-kind donations to their communities and with minimal damage to the interests of all the parties involved, and the content of the CSR idea?" That tax treatment that will not be accompanied by any unwanted distortions, and that will contribute to the improvement of corporate income tax laws.

Logical interpretation of the phrase "Corporate donations are a joint cost"

In the modern era, in developed countries that are now more open to the global economy, and in light of full competition "at the local and international level," the competitive advantage has become one of the most important requirements affecting the survival, continuity and growth of corporations in the economic, social and political environment in which they operate. The commitment of corporations to their social responsibility is one of the pillars and ingredients that contribute to creating a competitive advantage. The philanthropic responsibility "interacting with societies' issues and aspirations through a monetary and in-kind donation" is considered one of the responsibilities of the corporation, which directly and significantly contributes to creating a competitive advantage. One of the explanations that the researcher provided in this study is to consider corporate donations as a joint cost. According to the researcher’s perception, corporate donations are an investment in the competitive advantage that results in achieving social benefits for society or one of its sects- at the same time. Donations contribute to achieving two purposes: "competitive advantage "or for other purposes unknown and unspecified”; and social benefits.”
Therefore, it can be considered as a joint cost that contributes to creating and enhancing the competitive advantage "intangible asset" and the production of social benefits to other parties in society, regardless of the impact of the total donation value on the amount of social benefits or on the growth and strengthening of the mass of the competitive advantage of the corporation. The process of separating the costs "donations" to distribute them on the competitive advantage and social benefits achieved is very difficult. The part that relates to social benefits can be considered indirect taxes (especially if the donations are in the areas of government spending), amounts paid to the public interest without mediating the tax authority in the process of receiving and re-spending", or considering it necessary operating expenses according to the concept of the idea of the social contract.

If the donations are considered operating expenses, this can be justified as follows: Although donations are voluntary, non-compulsory, they are in the modern era and in the world of competition are necessary for survival, continuity and growth within the mass of competitors. Donations are necessary to create the competitive advantage that ensures the continuation and growth of corporations. For this reason, these donations may be seen as operating expenses that are no less important than other expenses in generating income and improving the economic performance of corporations. The corporation provides donations to its society-in which it operates, as compensation for the depletion of its resources and damage to its environment, as a result of the corporation’s practice of its economic activity. Without this price, the economic performance of that corporation will be negatively affected. Bills for the purchase of raw materials, salaries and wages paid for workers' effort, and expenditures for environmental restoration are considered incomplete without that price "Donations." According to the social contract theory, the value of bills for purchasing raw materials and services from the community in which the corporation operates, and the value of workers' paychecks are not real. They are much less than their real values. And the complementary value of those values (added value to those values to bring justice to society) is what corporations make as donations to their societies. Operating expenses are the sacrifice that corporations must make for survival, continuity and growth. Operating expenses contribute to achieving the profit, and donations are to enhance the competitive advantage that ensures the continued economic growth of these corporations. Donations like all other expenses, they contribute to achieving the profit "economic growth", but indirectly. Hence, donations can be considered operating expenses that are no less important than the rest of the other operating expenses, especially in light of full competition and in the presence of the consumer and investor most aware of the importance of the role of CSR. In light of full competition and corporations’ reliance on a competitive advantage in achieving their economic goals, corporations will not stop making donations. Making more donations depends on the tax benefits and incentives granted and permitted by laws and regulations in the country.

Corporate donations can be seen from several angles. Each angle represents a particular perception. These visions are derived from how to interpret the meaning of those donations by legislative bodies, depending on the analysis of the effects that such donations can produce. Donations can be envisioned as if they are operating expenses. The idea of this perception stems from the following justification: In the modern era, donations contribute indirectly to improving the economic performance of corporations by gaining the loyalty and satisfaction of employees, consumers, investors and community - especially in communities that recognize the importance of CSR. In contemporary societies, such expenditures (voluntary contributions) are becoming increasingly necessary without them those corporations will not be able to enhance their position in the markets of these communities" as one of the requirements of competitive advantage acquisition". As well as, according to the content of the social contract theory "this contract implies some indirect obligations of business towards society." The annual invoices value paid by
corporations for the purchase of materials, goods and services, and the annual values paid in exchange for purchasing the human effort’s salaries and wages” are incomplete. They are much less than their real value. Annual donations made by corporations to their societies are to supplement the paid values "the incomplete values" in exchange for depleting their resources and harming their environments, in order to reach the real values of those materials, goods, services and the human effort gained from those societies. On this, it can be said that the corporate annual donations are operating expenses. Donations can be envisioned as if they are indirect taxes. The idea of this perception stems from the following justification: The government uses the money earned from corporate taxes to finance public sector expenditures in order to provide services to its citizens, as well as to finance various development programs. Donations made by corporations also contribute to promoting economic and social development in the communities in which they operate, and solving many social issues of certain communities in those societies. These donations have a positive impact in field of the service of the common good. Therefore, donations can be considered as indirect taxes provided by corporations to their communities without mediation the government in the process of receiving and re-spending. Ignoring these expenditures may create a state of double taxation. Donations can be envisioned as if they are not granted. The idea of this perception stems from the following justifications: Donations are expenditures that have nothing to do with the economic activity of corporations. In other words, they do not contribute directly to achieving the profit and their impact on the corporation's economic performance is unclear. Donations are voluntary activities "charitable acts" that should be completely ignored when determining taxable income. Not to ignore these expenditures will contribute to harming the government by reducing its tax revenues. CSR does not mean giving benefit to a party at the expense of another. CSR means achieving justice among all stakeholders. As is known, donations are often given to non-profit organizations or charities, with the aim of providing assistance to specific communities or to addressing special issues. In this case they are not to support the vital expenditures of the government. When donations are made to nonprofit organizations or charities, the claim that these donations should be ignored will be justified. Those charitable acts - in these areas, must be borne by donor corporations and not the government "by reducing its tax revenue." Equitable rights must be achieved among the donor corporation, the government, and the beneficiaries of such donations. The interest of the donor corporation and the beneficiaries of the donation should not be at the expense of the government "at the expense of government revenue." As a result of these contributions, the corporation may gain the tax savings resulting from those contributions and government will bear the burden of the decline in the volume of its revenue from taxes, so this result will be considered unfair to the government. As well as, Donations may be the entrance to pass many unethical practices and behaviors. This vision may be acceptable in the case of monopolistic corporations and non-competitive markets." As there is no indirect positive impact of those expenditures on the profitability of the corporation." Also, this vision can be accepted in the most corrupt societies. Another argument to support this vision, corporate donations can be considered are alms made by shareholders or owners paid from their ownership rights in the corporation. Donations, according to this vision are nothing more than a reduction in the value of ownership rights. The deduction of donation values from shareholders’ equity reflects corporations’ pure commitment to their CSR. Donations can be likened to withdrawals from invested capital for personal purposes that have no effect on the results of the corporation’s activity. Donations can be envisioned as if they are loans "interest-free loans." The idea of this perception stems from the following justifications: CSR does not mean giving priority to philanthropic responsibility over economic responsibility. Rather, the two responsibilities must be adhered to in a more harmonious manner. The idea of corporate donations as if they are loans is to create real harmony between corporate economic responsibility" protecting the corporation’s economic capabilities”
and corporate philanthropic responsibility" providing social benefits by moving from a waiver approach to a lending approach ". Government spending is for the purpose of achieving well-being in all areas for citizens- it is the responsibility of the government. Taxes represent government rights in corporate profits. Any obligations paid by the corporation on behalf of the government must be returned to corporation by reducing the value of taxes due to the government. The non-return of these contributions to donor corporations means covering up the government’s failure to manage its affairs, including the search for financial resources other than taxes (corporate donations may contribute to the emergence of a surplus in the state budget. This surplus does not reflect the effectiveness and efficiency of the government in the management of state affairs.). Spending on public sectors and government bodies, addressing social issues and strengthening the infrastructure of the state is the competence of the government, it is not the competence of corporations.

If corporations do not make donations, then governments will resort to borrowing. Donations are voluntary, not compulsory. They are mostly to finance what the government is unable to finance or to finance projects and programs that serve the public interest and that are not included in the government’s plan at the present time. Of course, those programs and projects, if the government wants to implement them in the current period, it would have to borrow to finance them. Regardless of any other considerations, for this reason, corporate donations can be considered as indirect loans to support the government. The intended meaning of this perception lies in tax treatment and not in the acceptance or non-acceptance of such donations by the government. Donations can be envisioned as if they are joint cost. One of the visions that the researcher provided in this study is to consider corporate donations as a joint cost. According to the researcher’s perception, corporate donations are an investment in the competitive advantage (as an intangible asset)"or for other purposes unknown and unspecified ", that result in achieving social benefits for society or one of its sects- at the same time. Donations contribute to achieving two purposes, "competitive advantage and social benefits." The process of separating the costs "donations" to distribute them on the competitive advantage and social benefits achieved is very difficult. When determining tax exemption in exchange for these donations" for these donations" , the part that relates to competitive advantage is an investment "intangible asset" that must be excluded, while the part that relates to social benefits can be considered indirect taxes (especially if the donations are in the areas of government spending), "amounts paid to the public interest without mediating the tax authority in the process of receiving and re-spending" ( tax exemption in the sense of restoration), or considering it necessary operating expenses according to the concept of the idea of the social contract "(tax exemption in the sense of deduction)."

Based on these visions and perceptions, the researcher identifies all tax treatment methods that cannot exceed the following five methods: Method of society’s rights and then government’s rights (tax exemption in the sense of deduction)" donations as if they are operating expenses Method of society’s rights and then government’s rights (tax exemption in the sense of restoration "return") donations as if they are indirect taxes; Method of government’s rights and then society’s rights" donations as if they are not granted; Method of government’s rights and then corporation’s rights in government’s rights" donations as if they are loans. Method of government’s rights and then part of society’s rights in government’s rights, "donations are joint cost: as an investment in competitive advantage and achieving social benefits ", and a part of donations as if it is indirect taxes( tax exemption in the sense of restoration), or considering it necessary operating expenses according to the concept of the idea of the social contract, (tax exemption in the sense of deduction).
The most used method in most countries of the world is the tax treatment that allows a portion of corporate donations to be deducted from taxable income - with the difference in discount rates adopted in those countries. "According to the perception of donations as if they are a joint cost." This method motivates corporations to make donations because it allows tax incentives to be granted to donor corporations. The questions posed by the researcher, is this law or tax treatment optimal or not? In other words, does this method contribute to the promotion of economic development and infrastructure in the country? Does this method suffer from legal imbalances? Is this method in tune with the content of CSR idea? These questions can only be answered after evaluating all the methods that are expected to be used and that can be used (or actually used) for the tax treatment of corporate donations by studying their economic effects, legal imbalances and their impact on the content of the idea of CSR. And to this end, there is an idea .That idea is to visualize all the methods that are expected to be used and that can be used (or actually used) for the tax treatment of corporate donations that could be used in comparison processes. Here, the following question can be raised, what criteria can be used in the comparison process? The problem raised by this theoretical study in this part lies in the following questions: What are the legal imbalances associated with the tax treatment methods of corporate donations? What are unethical practices can be passed through these methods? What are the economic effects that these methods can produce? Do specialized legislative bodies in the field of issuing corporate income tax laws take into account the impact of tax treatment of corporate monetary and in-kind donations on the real content of the idea of CSR when making laws or not? In other words, are the laws issued by legislative bodies "enacted legislation in the area of tax treatment for donations" in line with the content of the CSR idea? How can this be explained" compatibility between tax treatment methods and the content of the idea of CSR? Do the laws aim to encourage corporations to incur such expenditures without taking into account the content of the CSR idea or are they to consolidate the CSR's high principles such as achieving justice in rights, combating of immoral behaviors and the rejection of opportunism, etc.? Where all tax treatment methods have an impact on the core of CSR idea, but with an interpretation and philosophy differ from one method to another. The specialized legislative bodies in the field of issuing corporate income tax laws in all countries of the world must be aware" must be fully informed" of the impact of laws "enacted legislation in the field of tax treatment of corporate monetary and in-kind donations" on the content of the CSR idea. To achieve this, these bodies can rely on the content of the controversy that will be raised by the researcher in this study.

Objectives of the study

The objectives of this theoretical study can be defined in the following points:

(1) Identification of potential" possible" methods that can be used for tax treatment of corporate monetary and in-kind donations; (2) Defining the advantages and disadvantages "positive and negative effects" of the methods of tax treatment for corporate donations. In other words, to identify the legal imbalances, the economic effects resulting from these methods and the extent of the harmony of these methods with the content of the idea of corporate social responsibility; (3) Determining the optimal method according to legal and economic considerations, that optimal method that can also safeguard the content of the idea of CSR and develop it.

The importance of studying

This study will open new horizons for evaluating and developing tax treatment methods for corporate donations and more scientific research opportunities in this field.
Materials and methods

In order to determine the advantages and disadvantages of tax treatment methods for corporate donations and make comparisons for the purpose of determining the optimal tax treatment-Its advantages are more than its disadvantages, this study identified three reasonable criteria that can be used in evaluating tax treatment methods and making comparisons. Those criteria are: Economic impact; Legal imbalances; The extent of closeness to, or distance from the content of the idea of CSR

LITERATURE REVIEW

The Corporate Social Responsibility (CSR)

The idea of CSR is nothing new. The new is the evolution that has occurred in the content of its thought over time. CSR - which means the need to conduct business in a socially responsible manner, evolved from an era of philanthropic initiatives to an era of strategies and policies that meet the needs and ambitions of the communities in which they operate. CSR was no more than philanthropic initiatives by employers to help workers and the poor. Improving working conditions, consumer protection and welfare, environment protection, interacting with community issues and aspirations, compliance with all sustainable development requirements represents the recent salient developments in CSR thought.

The charity provided by the employers to the poor and their employees in the past centuries has had a great impact on the emergence of CSR thought. Among the general public, there is still confusion between the concept of philanthropic responsibility and CSR. The first is considered one of the components of the second. It contributed to its development. Development does not only include the concept of CSR, but also encompassed the concept of philanthropy - as one of its components, to transform from a mere practice into an effective strategy.

There are many definitions of CSR with similar meanings. In this study, the researcher has developed a definition that includes almost all those meanings. The researcher defines CSR in its general sense as follows: Corporate Social Responsibility (CSR) means exercising economic activities (by corporations) with legal guidance and ethical behavior, when achieving their desired goals that ensure the growth and continuity for them. Taking into account compliance with the following requirements: Contributing to the continuation of life and improving its quality, and achieving prosperity on the planet Earth for present and future generations; Not to inflict material and moral damage on others, and serious interaction with them to achieve common interests, and belief that they are a important and irreplaceable part to ensure the process of their continuation and achievement of their objectives; Commitment to everything that makes life organized in the environment in which they work.

Corporate Philanthropic Responsibilities

The philanthropic responsibilities are the voluntary responsibilities of the enterprise. They reflect the current expectations of the public towards the enterprise. These volunteering activities are animated only by the desire of the enterprise to involve itself in community activities which are not imposed or requested by law and which generally are not to be expected from an enterprise, in an ethical way. The public expects that an enterprise should involve in philanthropic actions and thus this category becomes a part of the social agreement between the enterprise and the society. Such activities can include donations of goods and services, volunteering activity, the involvement of the enterprise or of its employees in the community or of the stakeholders. Philanthropy includes those corporate actions which answer to the society’s expectations, according to which the enterprises are good corporate citizens. This includes the efficient commitment in actions or programs of promoting the welfare or the human good will [Grigore,
The researcher defines philanthropic responsibility as a component of CSR as follows: It is a set of the initiatives that includes philanthropic “material and non-material donations” that contribute to improving the quality of life within the communities in which they operate, which is voluntarily provided by corporations without any legal coercion, in response to the aspirations of contemporary societies and their urgent desires to develop the role of corporations to be the ideal partner who will bear part of their worries and problems due to the inability of governments - in most countries of the world, to meet all the needs of their contemporary societies and achieve all their aspirations.

Population explosion and increasing government burdens

In modern times, and in light of the population explosion in most countries of the world, and the scarcity of economic resources and the growing burden of the government in the face of contemporary challenges, foremost of which are to achieve the economic well-being of their communities, improve the standard of living of their citizens, and enhance the security and integrity of their lands. Governments are no longer able to finance all development projects, strengthen infrastructure, meet contemporary challenges, meet the aspirations of their people at the same time, and with the same economic resources available. It was necessary to have a reliable partner, which could contribute to shoulder part of the burden of those governments. That partner is the private sector corporations, by adhering to its social responsibility towards the community in which it operates, as a compensation for the depletion of its economic resources and the damage to its material and moral components by that sector in order to achieve its economic gains. Therefore, both corporations and governments should contribute to the achieving well-being and improving the quality of life of their communities. No one can achieve this alone.

Corporate Philanthropy / Corporate Giving / Corporate Donation

Philanthropy is a term connected with the American tradition of charitable giving. At first it was associated with a person- philanthropist, but today the term corporate philanthropy is more developed, meaning business sector’s voluntary giving [Mihaljevic and Tokic, p. 804]. Philanthropy stems from the Greek word which means love of humanity. Popular interpretations today refer to private initiatives for public good (J. W. Gardner) or initiatives directed at the improvement in the quality of human life (Robert Bremner). Colloquially, philanthropy is most commonly used interchangeably with charitable giving. – WINGS [John et al, p.136]. Corporate philanthropy is the act of corporations donating a portion of their profits or resources to various non-profit organizations [Madrakhimova, p.125]. This definition may be consistent with the laws in some countries that require the payment of donations to nonprofit organizations to prevent fraud and deception. This definition is limited, it excludes direct donations to poor people, completion of some public projects such as building schools and hospitals, etc. as well as non-material help for the public good” volunteer work “, unless the laws of the State so require, where the public interest so requires. Here, nonprofits will play the role of mediator. Another definition is: The use of discretionary financial and human resources for primarily public benefit, while recognizing that impact might also accrue for the company’s shareholders and employees [John et al, p.133]. The researcher defines corporate philanthropy (corporategiving or corporatedonation) as follows: It is all material donations” money, assets and goods “ and non-material ”services “, which are provided to nonprofit organizations or the poor and the needy or for the public good to improve the quality of life in the community. This may result in the achievement benefits for corporations such as exemptions and tax incentives, in addition to enhancing the competitive advantage. There is increasing interest by corporations in their philanthropic responsibility, especially in developed countries, where many studies have shown that corporate giving has been on the rise in recent years. For example, a study on corporate
donations in the United States in 2005 has shown that 62 biggest companies in the U.S. gave $8.4 billion last year, an increase of 14% from 2004. Also, 87% of the companies surveyed indicated that they have an employee volunteer program, with 44% of them offering paid time off to employees who volunteer [Man, p.1; Perry]. The global survey of CSR spending over the period 2011 – 2013 by Dattani et al. (2015) revealed that the top 10 most generous companies worldwide gave US$ 17.7 trillion towards CSR spending annually. An estimated 28 percent of this sum (nearly US$5 trillion) was in the form of grants rather than in-kind donations or volunteering [John et al, p.18]. Donations may be a stone for more than a bird “more than a purpose.” They may hide behind them many unwanted behaviors, in addition to legitimate purposes. The purpose of the donation depends on the intentions of the donor. In general, donations can be a tool to achieve the following purposes: Embezzlement "collusive embezzlement"; Tax evasion; Political gains; Tax incentives; Competitive advantage; Improving the quality of life; Distracting the attention of the public opinion on a particular issue; To reduce or avoid losses resulting from obsolescence or expiration of inventory [Saleh, p.89-93].

Income tax is a key source of funds that the government uses to fund its activities and serve the public. Those funds of the taxes are part of the revenues of the state government, without those funds the government cannot manage the state affairs. Corporations must be committed to supply" pay" the value of taxes to the tax administration"tax authority." That commitment comes from the reality of the legal responsibility of corporations to the community and its institutions. Also, non-compliance with tax laws and tax evasion by corporations meanfacing sanctions in accordance with the law of the State’s economic crimes.” Academics have advocated including the paying of taxes in CSR. For example, the American professor Avi-Yonah adamantly maintains that companies bear a social responsibility that includes loyally paying taxes. He also argues in favor of companies refraining from business transactions whose sole objective is to minimize taxes” [Avi-Yonah; Svernlöv, p.8]. On the contrary, in recent years, there have been calls for the development of tax laws on corporate income in many countries of the world. This calls for the need to change the Laws to conform to the strengthening requirements of the idea of practice of CSR by corporations through the creation of a system of incentives to achieve tax justice among the corporations and contributes to encouraging corporations to adopt the idea of social responsibility. For example, Jordanian Al Rai newspaper published an article on 18 - 11- 2014 under the title “The private sector calls for legislation to stimulate the adoption of the idea of CSR.” Also, there were some actual initiatives in many countries aimed at reforming tax systems, for example, tax reform in France in 2003 about incentives for corporate giving corporate philanthropy [Lordermus, p. 16]. The Sudaress website published an article in 2013 under the title "Donations for Taxes". This article was an invitation to the Sudanese government to develop the tax code to encourage taxpayers to donate as is the case in the United States. This article stressed the need to find a law that allows deducting the contributions of corporations and businessmen from the taxes imposed on them [Sudaress]. In order to encourage taxpayers to contribute to charity and community service. In 2017, the Sultanate of Oman carried out tax reforms "Amendment to the Tax Code" under Royal Decree No. 9/2017. Those reforms included tax treatment of donations. In kind donations are as costs that must be deducted when determining taxable income. Those amendments were as incentives for donors [Ministry of Finance].

RESULTS

The tax treatment of corporate donations emanating from the perception of "donations as if they are loans" is considered the best, given the many advantages of it. It can contribute to achieving the following: Motivating donor corporations to make more donations; Creating true harmony between corporate economic responsibility and corporate philanthropic responsibility;
Developing the concept of corporate philanthropic responsibility by moving from a donation approach to a lending approach; It is consistent with the content of the CSR idea; According to the perception of this study - regarding this method, it will contribute to achieving real economic development and strengthening the infrastructure in the country; It will reinforce the concept of social solidarity within the community "the development of contemporary societies is a collective responsibility."

CONTENT OF THE IDEA OF CSR:

The idea of CSR includes many lofty principles, including but not limited to the following: The fight against all forms of corruption, fraudulent practices and unethical behaviors such as tax evasion, deception and fraudulence "pay with your right hand and take with your left hand." Achieving justice in rights among all stakeholders. CSR means promoting freedoms and rights, supporting human and economic development, and contributing to improving the standard of living, economic well-being and infrastructure development in societies. The corporations ‘ purpose of the commitment to social responsibility should be to enhance their competitive advantage by gaining the satisfaction and loyalty of society and government, consumers, investors, etc. Corporations take their resources from the communities in which they operate, and often those communities are affected by the damage produced by those corporations. Corporations will be obliged to compensate those communities. Donations and loans are part of that compensation. It is not within the content of the idea of CSR to gain economic benefits out of the scope of the competitive advantage. If this problem "defect" occurs, the CSR will lose its meaning and lofty principles.

TAX TREATMENT METHODS OF CORPORATE MONETARY AND IN-KIND DONATIONS

Tax treatment methods for corporate donations in all countries of the world cannot exceed one of the following scenarios: (1) Method of society’s rights and then government’s rights (tax exemption in the sense of deduction “the deduction is made on taxable income”). Donations as if they are operating expenses; (2) Method of society’s rights and then government’s rights (Tax exemption in the sense of restoration “return” “the deduction is made on income tax”). Donations as if they are indirect taxes; (3) Method of government’s rights and then society’s rights. Donations as if they are not granted; (4) Method of government’s rights and then corporation’s rights in government’s rights. Donations as if they are loans[Saleh,p.95]; (5) Method of government’s rights and then part of society’s rights in government’s rights, (Tax exemption in the sense of restoration) or Method of a part of society’s rights and then government’s rights (Tax exemption in the sense of deduction). "Donations are joint cost "as an investment in competitive advantage "or for other purposes unknown and unspecified," and achieving social benefits ". A part of donations as if it is indirect taxes (Tax exemption in the sense of restoration), or this part as if it is operating expense (Tax exemption in the sense of deduction).

There is a real harmony between the expected visions of corporate donations and the tax treatment methods derived from those visions. Donations as if they are operating expenses (donations are deducted from taxable income). Donations as if they are indirect taxes (donations are deducted from income tax). Donations as if they are not granted (donations are completely ignored). Donations as if they are loans (the total value of donations is deducted from income tax in annual installments). Donations as if they are joint cost: A part of the donations is deducted from the taxable income or a part of the donations is deducted from the income tax.
DONATIONS AS IF THEY ARE OPERATING EXPENSES

Method of society’s rights and then government’s rights (Tax exemption in the sense of deduction). This method may be used as a tool to motivate corporations to make more and more donations. According to this method, corporate monetary and in-kind donations are considered as expenditures “operating expenses” which must be deducted from revenues. This method allows deducting the value of monetary and in-kind donations from the value of revenue to determine the value of taxable income and the value of the tax invoice. To calculate income tax: Revenue – (Operating Expenses + Donations) = Taxable Income X Income Tax Rate = Income Tax. Or Revenue – (Operating Expenses + Society’s Rights) = Taxable Income X Income Tax Rate = Income Tax” Government’s Rights.”

DONATIONS AS IF THEY ARE INDIRECT TAXES

Method of society’s rights and then government’s rights (Tax exemption in the sense of restoration). In this method, the exemption is in the sense of restoration “return” and not the in the sense of deduction “reduction.” This method is similar to the previous method and the difference between the two methods lies in the interpretation of the meaning of tax exemption. For this method, corporate monetary and in-kind donations are considered as indirect taxes that must be returned to the donor corporation by reducing the value of the tax invoice by the value of those donations- to avoid double taxation. According to this method, community rights” value of donations” must be deducted from the value of the income tax” government’s rights”, what remains of the value of that invoice will be considered as the rights of the government. To calculate income tax: Revenue– Operating Expenses = Taxable Income X Income Tax Rate = Income Tax- Donations=The Final Value Of The Tax Invoice.

DONATIONS AS IF THEY ARE NOT GRANTED

Method of government’s rights and then society’s rights. According to the principle of non-confusion “non-mixing” between the rights of stakeholders “government and society.” This method pays no attention to monetary and in-kind donations, and it does not grant any tax exemptions. Where taxable income and income tax would be calculated without taking into account such donations. To calculate income tax: Revenue – Operating Expenses = Taxable Income X Income Tax Rate = Income Tax. (Taxable Income- (Income Tax+ Donations)=Shareholders’ Equity Or Distributable Income”.

DONATIONS AS IF THEY ARE LOANS

Method of government’s rights and then corporation’s rights in government’s rights. This method is very similar to the method of society’s rights and then government’s rights (tax exemption in the sense of restoration), however, the difference between the two methods lies in the interpretation of the meaning of the donation. Also, how to return donations to donor corporations,(how to return donations to donor corporations). According to this method, donations must be made by corporations in the areas of government spending. Donations must be returned in full to the donor corporations in installments that must be deducted from annual income taxes of donor corporations. Donations, according to this method, can be considered as loans to support the government that must be returned to the donor corporations in batches” in installments.” To calculate income tax: Revenue– Operating Expenses = Taxable Income X Income Tax Rate = Income Tax- A Part Of The Donations” Annual Installment”= The Value Of The Final Invoice For The Annual Income Tax.
DONATIONS AS IF THEY ARE JOINT COST

Method of “government’s rights and then part of society’s rights in government’s rights. A part of the donations as if it is indirect tax (tax exemption in the sense of restoration), or Method of a part of society’s rights and then government’s rights. A part of donations as if it is operating expense (Tax exemption in the sense of deduction). Corporate donations are an investment in the competitive advantage (as an intangible asset)” or for other purposes unknown and unspecified “motivated by humanitarian, religious, or patriotism, etc.” to the legislative body,” that results in achieving social benefits for society or one of its sectors at the same time. Donations contribute to achieving two purposes “competitive advantage and social benefits.” Therefore, they can be considered as a joint cost that contributes to creating and enhancing the competitive advantage and the production of social benefits to other parties in society, regardless of the impact of the total donation value on the amount of social benefits or on the growth and strengthening of the mass of the competitive advantage of the corporation. When determining tax exemption in exchange for these donations, the part that relates to competitive advantage is an investment that must be excluded, while the part that relates to social benefits can be considered indirect taxes (especially if the donations are in the areas of government spending), "amounts paid to the public interest without mediating the tax authority in the process of receiving and re-spending”. To calculate income tax: Revenue – Operating Expenses = Taxable Income X Income Tax Rate = Income Tax- A Part Of The Donations Share Of Social Benefits From The Joint Cost” = The Value Of The Final Invoice For The Annual Income Tax (Tax Exemption In The Sense Of Restoration). Or considering it necessary operating expenses according to the concept of the idea of the social contract, (tax exemption in the sense of deduction). Revenue – ( Operating Expenses+ A Part Of The Donations Share Of Social Benefits From The Joint Cost”) = Taxable Income X Income Tax Rate = Income Tax. A Part Of Donations As If It Is Operating Expenses (Tax Exemption In The Sense Of Deduction).

TAX EXEMPTION, TAX SAVING AND THE REAL SACRIFICE

Tax exemption means reducing the value of the tax invoice, either by reducing the value of taxable income or by reducing the value of the income tax. There is a difference between tax exemption in the sense of reduction and tax exemption in the sense of restoration. In the first status: Exemption means reducing taxable income by the value of donations "or a part of it." In the second status: Exemption means the reduction of the value of the tax invoice "income tax" at the value of such donations or part thereof.” Both "reduction and restoration" contribute to the reduction of the value of the tax invoice payable.

Tax Saving and the Real Sacrifice

Tax saving resulting from donations can be defined as follows: It is the amount of the decrease in the value of the income tax paid by the corporation to the fiscal administration on a definite financial period as a result of incurring monetary and in-kind donations during that period. The Real Sacrifice is the difference between the value of monetary and in-kind donations and the value of tax savings. The Real Sacrifice = The Monetary And In-Kind Donations - Tax Savings. Tax exemptions result in what is known as a compulsory partnership between the government and the corporation in financing the donations made to their beneficiaries. The tax saving earned by the donor corporation is the sacrifice that the government makes as an incentive for that corporation, and it represents a decrease in the value of its tax revenues.
ADVANTAGES AND DISADVANTAGES OF THE FIVE METHODS OF TAX TREATMENT OF CORPORATE MONETARY AND IN-KIND DONATIONS

All previous methods have advantages and disadvantages, but to varying degrees. To adopt one of these methods to be used in the treatment of monetary and in-kind donations in any country depends on philosophy of the legislative body about donations, and the extent of its understanding of the depth of the idea of CSR, taking into consideration the prevailing economic conditions in the state.

Evaluation and comparison criteria

To determine the advantages and disadvantages of tax treatment methods, one must first find a set of logical criteria. These criteria will be used to infer "conclude" the advantages and disadvantages of those methods. The researcher has identified three criteria that can be used in comparison operations for evaluation purposes and for extracting advantages and disadvantages of those methods. Those criteria are:

Economic Impact

This criterion refers to the extent to which the tax treatment method of corporate donations contributes to the promotion of economic development and infrastructure development in the country in an effective manner. As well as a statement of the positive or negative impact on government revenues from taxes, the market value of the shares of the donor corporations and shareholders' equity.

Legal Imbalances

This criterion refers to the legal imbalances that can be produced by the tax treatment method of corporate donations such as double taxation, failure to achieve tax justice among corporations and failure to achieve justice in rights among all stakeholders affected by such treatment "government, society, investors, etc."

The Extent of Closeness to, or Distance from the Content of the Idea of CSR

This criterion refers to the extent of harmony between the tax treatment method of corporate monetary and in-kind donations and the content of the idea of CSR and its supreme principles. In other words, the contribution of the method of tax treatment in reducing or preventing the phenomenon of tax evasion, the practice of unethical behavior, and opportunistic behavior by corporations. As well as, achieving justice in rights.

The idea of CSR has come into existence in order to create a greater role for corporations in their communities, and fruitful interaction between those corporations and their communities in which they operate. Those communities, through which such corporations obtain their economic resources, market their products, on the other hand, those corporations are exporting their damages to those communities. That role that transcends the barriers of their traditional role of maximizing profits and gains. This does not mean that corporations will not achieve any economic benefits by adhering to their social responsibility, on the contrary, corporations can achieve economic benefits by adhering to their social responsibility, but the only way to reach that goal is through gaining the competitive advantage, which can be created by that commitment. Competitive advantage can be achieved through the loyalty and satisfaction of employees, consumers, society, government and investors. That loyalty and satisfaction can be gained through a corporate commitment to their social responsibility; CSR means not waiting for any economic benefits, except for those benefits that are achieved by competitive advantage; CSR means devotion, the sincerity of the intentions, and great loyalty in commitment, not pretending the commitment for misleading propaganda purposes in accordance with the policy of giving
with the right hand and taking with the left hand through a detestable opportunistic behavior; CSR does not mean providing benefits to a particular community at the expense of another community; CSR means achieving justice in rights. CSR means keeping away from opportunistic behavior. CSR means not to exploit legal gaps to achieve economic gains. CSR means not to deceive public opinion, even if it is legally permissible. Where data and information should be disclosed in accordance with transparency standards. CSR is a thought that embraces all lofty meanings that oppose all unethical behaviors and practices and tools that contribute to the spread of those behaviors and practices; CSR is not a way to export the failure of management in managing its resources to society or a means to reduce economic losses. For example, it is not a tool to reduce economic losses in inventory by donating obsolete inventory "obsolete stock" or inventory whose validity period is nearing completion, in order to achieve tax savings that contribute to reducing the amount of economic damage resulting from the obsolete inventory and the validity or expiration dates of the product " validity of inventory usage in the coming period."

WHAT IS NEW ABOUT CORPORATE PHILANTHROPIC RESPONSIBILITY?

One of the common mistakes in the field of CSR is that people are used to understanding CSR in the field of interaction with the community as donations to charities and nonprofit organizations without waiting for the restoration of those expenditures by the donor corporations or with some positive achievements "such as tax incentives." The content of the idea of corporate philanthropic responsibility means contributing to the achievement a real revolution in the field of economic development and infrastructure within society, the method used to achieve that end is not important, as long as it is legitimate. Loans are a type of financial contribution that corporations make to their communities in which they operate, which can be included in the list of corporate philanthropic responsibilities. Financial assistance in the form of loans contributes to creating a harmony between corporate economic responsibility (safeguarding the economic resources of the donor corporation) and corporate philanthropic responsibility (contribution to the creation of real economic development and infrastructure development in the communities in which they operate).

The content of the CSR idea is still under development. It does not mean stagnation but rather the search for the best trends that corporations can take in order to fulfill their social responsibility towards their communities. Accordingly, it is possible to say that governments and legislative authorities - in any country in the world, must look for the best ways to make corporations truly contribute to the development of their communities in which they operate and at the same time maintain their economic potential. This means the necessity to create a kind of harmony between the corporate economic responsibility and the corporate philanthropic responsibility. One of the common misconceptions about the concept of corporate social responsibility is to consider donations as the only evidence to prove that corporations interact with the issues and aspirations of the communities in which they operate. The interaction between corporations and the community can be in the form of loans rather than donations that weaken the economic capabilities of corporations. If this perception "scenario" happens which refers to adopting the idea of lending instead of the idea of giving or donation, it can be said that, there is a state of harmony between the corporate economic responsibility and the corporate philanthropic responsibility. Whereas the growth of the corporation’s economy is the growth of the state economy or society. The content of the idea of CSR means the effective contribution of corporations to the creation of real economic development and the enhancement of infrastructure in the communities in which they operate, regardless of the method or approach taken to achieve this purpose. Adopting the idea of lending instead of the idea of giving or donation means commitment to CSR in a rational way. The new in the field of corporate philanthropic
responsibility lies in changing the policy of interaction with society "transition from donation policy to lending policy." The new policy aims to create a kind of harmony between corporate philanthropic responsibility and corporate economic responsibility. This change should be supported by the development of income tax laws. Especially, in the area of tax treatment of corporate spending in the field of interaction with the aspirations of the community to support economic development and infrastructure.

Advantages and Disadvantages of Tax Treatment Methods for Corporate Monetary and In-Kind Donations

Through the researcher's deep understanding of the nature of these methods and his visualization of all the negative and positive effects that they can produce, a set of advantages and disadvantages can be devised for each method of tax treatment for monetary and in-kind donations.

It should be noted that, the evaluation results (for the five methods) may differ according to the following three variables: The deduction amount "tax exemption"; The value of the donation; The method of tax treatment of corporate donations. As well as, the level of impact of the used method differs according to the following two variables: the deduction amount "tax exemption"; The value of the donation. This study describes how to evaluate the methods used in the tax treatment of corporate donations, based on specific criteria.

FIRSTLY: Donations as if they are operating expenses: method of society's rights and then government's right (tax exemption in the sense of deduction).

When the value of tax incentives (value of the tax savings) increases, the value of the government’s tax revenue decreases by the amount of these gains. Therefore, the level of gains and damages will depend on the amount of these incentives.

The disadvantages of this method

This method contributes to reducing state tax revenues; This method contributes to creating what can be called a mandatory "Compulsory" partnership between the government and the donor corporations; This method contributes to achieving the tax savings. This is incompatible with the content of the idea of CSR referred to above; This method does not contribute to the achievement of tax justice among corporations "donor and non-donor." It does not achieve fair economic growth for corporations. This method is unfair to shareholders, as it adversely affects shareholders' equity. By deducting the value of donations from the value of taxable income, the value of distributable income to shareholders will decrease. Compared with other treatment methods, this method may also contribute to a reduction in the market value of the shares of the donor corporations. Especially when the amount of the donation is large, and also in the absence of a role for competitive advantage; This method generates tax savings and therefore the value of donations does not represent real sacrifice incurred by corporations; This method is incompatible with the meanings and contents of the CSR. One of the most important of which is the realization "achievement" of justice in rights among all stakeholders. This method may be a gateway to pass many unethical practices and behaviors.

As for the advantages—for donor corporations: Donor companies can realize economic benefits (tax savings); Enhancing competitive advantage. This method is considered stimulating for corporations to continue their charitable activities in the communities in which they operate.

SECONDLY: Donations as if they are indirect taxes: method of society's rights and then government's rights (tax exemption in the sense of restoration" return").

In practice, this method is not used, but it remains one of the scenarios.
The Disadvantages of this Method

This method contributes to reducing state tax revenues; This method may contribute to the atrophy and the disappearance of the idea of CSR or loss of the true meaning of the CSR in the field of interaction with the issues and aspirations of society. Donations will be refunded to the donor corporation as if those who incur those donations are the governments and not the corporations. As for the advantages, the only potential advantage is to enhance the donor corporation's competitive advantage.

The method of society's rights and then government's rights "tax exemption in the sense of deduction" is inconsistent with the content of the idea of CSR, for the following reasons:

According to the researcher's point of view, the accurate analysis of this method "tax exemption in the sense of deduction" conceals behind it a state of compulsory partnership. CSR is a commitment based on voluntarism in most of its areas. According to this method, donations are voluntarily incurred by corporations while the government is obligated by law to bear "incur" a portion of those donations (tax savings earned by donor corporations). The researcher believes that this method compels the government to contribute to these donations in a mandatory, non-voluntary manner. The tax laws that permit this are in fact distorting the true meaning of CSR; The idea of CSR did not appear to exist for economic gain outside the competitive advantage, and it did not come into existence to promote opportunistic behavior and exploit legal loopholes. If this happens, the CSR will lose its true meaning and will deviate from its noble and lofty goals and motives. This method contributes to achieving the tax savings and economic gains outside the competitive advantage, thus it is incompatible with the content of the CSR idea; CSR is the performance of activities and the achievement of goals in an ethical manner and behavior. The CSR should be above the level of suspicion and uncertainty. CSR as a modern idea is antagonistic to the opportunistic behavior. The CSR is not a means of exporting the administrative failure to other parties, and is not a means of reducing the economic losses of corporations through the exploitation of legal gaps. This method may be a means to achieve that. This method may be exploited by corporations to get rid of obsolete inventory or inventory whose validity period is nearing completion through the donation to government agencies and bodies or charities, not to interact with the issues and aspirations of the community, but to reduce the economic losses of those corporations; CSR is not a means of circumventing and deception. This method, in the absence of a comprehensive disclosure of donations "not to disclose the tax savings and real sacrifice" can contribute to misleading public opinion about those donations. This is contrary to the principle of transparency in the presentation of data and financial information; One of the contents of the CSR idea is to achieve justice in the field of the rights among all stakeholders. Adopting this method is unfair to the government. It contributes to reducing government revenues from taxes. As well as, this method does not contribute to the achievement of tax justice for donor corporations" especially when there is no market competition. "This method also does not achieve tax justice for investors in the donor and non-donor corporations" taxes on dividends."; The idea of CSR is to achieve the goals of the organization in an ethical behavior. It fights corruption. It is a tool to make corporations above all suspicions. It avoids adopting all means and factors by which unethical behavior can be practiced by bad management. This method may be an entryway through which many unethical behaviors can be passed on; CSR is an idea above all suspicions. It did not emerge to exist to be within the circle of suspicion and interpretation of intentions by the public and evaluators. The adoption of this method does not reflect the hidden intent behind the incurring of monetary and in kind donations by corporations; CSR does not mean to cause harm to any of the stakeholders. CSR does not mean support for a party and at the same time harming another party. According to this method, the aggrieved party is the government. This method contributes to the reduction of government revenues from taxes.
THIRDLY: donations as if they are not granted: method of government's rights and then society's rights.

The disadvantages of this method

This method does not achieve tax justice among corporations "especially in a non-competitive market situation." As well as, it is unfair to shareholders. This method may contribute to the emergence of so-called double taxation. Shareholders will incur such donations in addition to tax on distributions; This method does not generate any tax savings for the donor corporations. This may contribute to the reluctance of corporations to continue to make donations.

Advantages of this method

According to this method, donations cannot be used as a means of tax evasion. This method prevents the use of donations as a means to pass some unethical practices and opportunistic behaviors by corporations; This method has no effect on government tax revenues. This method does not generate the tax savings, which can contribute to reducing the amount of real sacrifice incurred by corporations; This method reflects the true intentions of corporations regarding contribution to the development of the communities in which they operate. The obligation of corporations to pay donations will reflect the optimum level of corporate dedication "sincere intentions" to fulfill their social responsibility toward their societies.

The method of government's rights and then society's rights is consistent with the content of the idea of CSR, but not ideally, for the following reasons:

This method will put corporate donations above the level of suspicions. The sincere intention of corporations to develop their communities and their serious commitment to their social responsibility in the societies in which they operate can be confirmed when this method is adopted by the legislative bodies and applied by the tax authority, and with the continuation of corporations in the donation activities. This situation will reflect the desired ideal position of CSR in the community; This method is consistent with the content of the CSR idea with regard to the achievement of justice in rights. Justice here is in the sense not to harm a party in return for the benefit of another party. Government revenues should not be affected by donations paid by corporations. In light of the terrible population explosion and the increase in the burden of government, this method will contribute to support the government in meeting its obligations towards its society without any financial bottlenecks due to the decrease in revenue from direct taxes as a result of these unexpected donations. As the continuation of corporations to make donations despite the application of this method by the tax authority in the State reflects an idealism degree about CSR within the community. Here, it should be noted that both society and government are independent parties in the stakeholder group and both represent an area of CSR areas. Based on this it can be said that, the method of tax treatment that favors a party at the expense of another party will be a breach of CSR's content that calls for the achievement of justice in the distribution of rights; This method does not achieve justice among corporations, and among investors in corporations (because there are some corporations incur those donations and others do not incur; CSR means transparency and non-circumvention and this method is fully consistent with this matter. The tax treatment of monetary and in kind donations by using this method will reflect the real sacrifices incurred by corporations towards both the society-through donations in the context of interaction with its issues and aspirations "without achieving any economic gains outside the framework of competitive advantage," and the government through taxes paid without any deductions for those contributions. This method contributes to the promotion of noble and great principles of CSR. This method is not conducive to the practice of unethical behaviors.
FOURTHLY: Donations as if they are loans method of government’s rights and then corporation’s rights in government’s rights.

This method contributes to reducing the impact of legal imbalances in the field of rights to the lowest possible level, unlike the previous methods; This method contributes to strengthening of economic development and infrastructure in the country in a more effective and clear way “under the assumption that, donations will be made to accomplish those purposes, according to the vision on which this method depends”; This method also contributes to increasing the rate of flow of corporate donations to the public treasury of the state and the growing of the social role of corporations; This method safeguards the content of the idea of CSR and contributes to the achievement of an unparalleled harmony between corporate philanthropic responsibility and corporate economic responsibility (by preserving the economic resources of the corporation and contributing to the development of the society in which it operates, at the same time); This method contributes to the development of the concept of corporate philanthropic responsibility by moving from the traditional role (donation approach) to the modern role (lending approach).

As for the disadvantages, if the texts of this law and its articles are not selected in a professional manner and defined in a smart way and with the influx of large amounts of corporate donations to the State Treasury and the government is committed to returning “pay” installments of those donations to donor corporations. It will be expected that the government will be subjected to financial bottlenecks in future periods due to the decrease in the amount of tax revenues. This problem can be avoided by issuing an executive regulation that includes all the precautionary measures.

The method of government’s rights and then corporation’s rights in government’s rights is consistent with the content of the idea of CSR. It contributes to the development of the concept of corporate philanthropic responsibility.

Under the assumption that, donations will be provided to promote economic development and infrastructure in the country according to the vision on which this method depends, this method will reflect the desired social role of corporations. This method will reflect the real social interaction of corporations with the communities in which they operate. This method safeguards the content of the idea of CSR and contributes to the achievement of an unparalleled harmony between corporate philanthropic responsibility and corporate economic responsibility (by preserving the economic resources of the corporation and contributing to the development of the society in which it operates, at the same time); This method contributes to the development of the concept of corporate philanthropic responsibility by moving from the traditional role (donation approach) to the modern role (lending approach).

FIFTHLY: Donations as if they are joint cost: method of government’s rights and then part of society’s rights in government’s rights: a part of donations as if it is indirect taxes (tax exemption in the sense of restoration), or a part of donations as if it is operating expenses (tax exemption in the sense of deduction).

This method has the same advantages and disadvantages as the first and second methods, in addition to the following two disadvantages: There is a difficulty in apportioning the joint cost to determine the share of competitive advantage and the share of social benefits; The share of the social benefit in the joint cost does not represent the true cost that produced that benefit. Also, the share of the competitive advantage in the joint cost does not represent the true cost that enhanced that advantage.
THE BILL “PRELIMINARY DRAFT LAW”
Corporation as if it is a loaner for government: Optimal tax treatment of corporate monetary and in-kind donations

This method “law” is suitable for countries that suffer from problems and near-recurrent deficits in the public spending budget from year to year. Good governments are the ones that should avoid borrowing from foreign countries or the World Bank or raise fees and taxes, and then a disruption “confusion” of economic life (a disruption of livelihoods) and adopt the idea of relying on corporate donations to cover their public expenses.

Through the previous presentation, it is clear that the method of government’s rights and then corporation’s rights in government’s rights “donations as if they are loans” is much more advantageous than the other four methods. Given the importance of this method, the researcher proposed a bill dealing with the tax treatment of monetary and in-kind donations, which can achieve the following benefits and advantages: Reducing economic damage to donor corporations’ impact on market value of shares; The protection of the content of idea of CSR by considering that donations are as subsidies to the community” as a matter of lending, not granting” - use the money for a certain period, “great harmony between corporate economic responsibility and corporate philanthropic responsibility” ; Encouragement of taxpayers to make more donations; To come close to achieving justice in rights between governments and communities looking for greater prosperity; Approaching” getting closer” to a large extent of the case of achieving full tax justice among investors in donor corporations; Eliminating all negative phenomena associated with donation operations through the subjection of those donations to strict control; The Prevention of double taxation.

THE BILL “PRELIMINARY DRAFT LAW”
Corporation as if it is a loaner for government "donations as if they are loans"

Optimal tax treatment of corporate monetary and in-kind donations.

The lower number of installments will motivate corporations to pay more donations.

Article (1): Corporate monetary and in-kind donations should be in areas that are subject to government spending in the state such as “supporting government institutions, programs of economic development and infrastructure of the state. These donations are voluntary, and are not compulsory; Article (2): Donations are refunded by deducting them from income tax payable to the tax authority, and not from any other government financial resources; Article (3): Corporate monetary and in-kind donations are under the supervision and control of government in the country. The Ministry of Finance is an intermediary between donor corporations and governmental institutions, organizations and other ministries that benefit from these donations; Article (4): The Ministry of Finance in the State must adhere to the expenditure of voluntary contributions in the fields specified by the donor corporations. The Ministry of Finance is not allowed to spend voluntary funds “cash and non-cash donations” for purposes not specified by the donor corporations; Article (5): The value of donations is deducted from income tax payable to the tax authority in equal installments over five years. This means ignoring the contributions when determining the value of taxable income; Article (6): The support of charities and non-profit organizations is through corporate employees. With the mediation of the Ministry of Finance in the State concerning the receipt and distribution of the values of donations to charities and non-profit organizations, according to a specific policy. The donation is $ 3 per month from the salary of each employee works for the company. Corporate responsibility is to transfer those amounts to the Ministry of Finance monthly. These donations are mandatory; Article (7): Not to include staff contributions in the list of expenses to be deducted from the revenues of the
corporation "ignore those contributions when determining the taxable income."; "Article (8)" ignoring any donations made by corporations, contrary to what is specified in Article (1) when determining the value of the income tax payable or when determining the value of donations that must be deducted from income tax payable to the tax authority; "Article (9)" after 5 years, the corporation will have recovered the value of those donations. Provided that the income of the donor corporation in those years shall not be less than the income in the year of donation "installments are not deducted in the year in which income is less than income in the year of donation." Ignoring this issue may confuse the government when estimating its tax revenues in future periods. This is what can be called a corporation as if it is a loaner for government; "Article (10)" all donation activities must be supported by official documents; "Article (11)" in-kind donations must be estimated at the cost of manufacture or purchase; "Article (12)" obsolete inventory goods and fixed assets should be estimated at market value; "Article (13)" donations made by the donor corporations are in two areas: in the field of promotion of economic development and infrastructure; in the field of spending on government institutions, bodies and organizations. With the need to create a kind of the balance between the two areas.

Advantages of this method:

Adoption of this law will contribute to achieving the following benefits:

In the field of economic development and infrastructure enhancement. The adoption of this law will motivate corporations to make more donations that will contribute to enhancing the economic development and infrastructure in the country; This law will prevent the compulsory partnership and double taxation; To promote the idea of social solidarity within societies. Donations are made by corporations, employees and workers in the country, but in different fields. Building contemporary societies is a collective responsibility; All donation activities are under government supervision and control. All donations will be subject to government control. With this procedure, all the negative aspects associated with the donation activities will disappear; This law will prevent unethical practices and behaviors associated with charitable activities such as tax evasion, money laundering, etc.; This law preserves the content of the idea of CSR. This law does not undermine the freedom of corporations in the field of donations, but regulates its procedures and directs them on the right track. Here, CSR means contributing to economic construction of societies, as well as maintaining the economic capabilities of corporations "commitment to economic responsibility as well as a commitment to philanthropic responsibility towards the communities in which they operate" by supporting economic development and strengthening infrastructure for them. The retrieval of donations does not imply prejudice to the essence of the idea of CSR. This goal is fully consistent with the content of the idea of CSR and its noble principles; Developing the concept of corporate philanthropic responsibility. The proposed bill will contribute to the development of the concept of Corporate Philanthropic Responsibility "changing the philosophy of donations through the shift from the policy of giving to the policy of lending."; There is no significant impact on the government's annual revenues from taxes. If this law is adopted, there is no significant impact on the government's annual revenue from taxes. Given that corporate donations—which are considered as loans in this law, will not be deducted from tax income payable to the tax authority at once time but over five years. Thus, the reduction in government's annual revenue from taxes will be little; This law achieves justice in rights among government, donor corporations and society. The three parties will benefit from this law. According to this law, there is no losing party. Communities will benefit from the gains that will be made by the economic development programs and plans, and the public services that will be provided by the state's advanced infrastructure, which will be financed through corporate donations. Governments will receive financial support from donor corporations to perform their functions and complete of their
Donor corporations will recover their funds after five years and therefore they will not lose anything; Reducing economic damage to donor corporations’ impact on market value of shares.” Adoption of this law does not result in achieving tax savings. Not deducting donations from taxable income as in other laws and deducting them from income tax payable to the tax authority - in accordance with this law, will reduce economic damage to donor corporations” impact on the market value of shares” unlike other tax treatments that result in tax savings that vary their values among donor corporations, according to the amount of the donation value, and the consequent difference in the value of the true sacrifice among the donor corporations." Note: Donations are considered as accounts receivable, that are not involved in determining the result of the activity”; Positive change in government spending policies. This law will encourage corporations to donate in the areas defined by this law, and governments will receive huge amounts of money from donor corporations. This huge amount of money will make the governments rearrange their policies in the field of government spending and adjust their budgets, especially in the areas of economic development and strengthening the infrastructure in those countries; Advance knowledge “foreknowledge\prior knowledge.” This law will help the government to know the amount of decline in its tax revenues in future periods(by knowing the amount of annual installments to be returned to the donor corporations and quarterly activity results for those corporations,) and then take all early measures to address any deficit in the budgets.

The disadvantage of this method, and how to avoid it

In case of adoption and application of this law "method of government's rights and then corporation's rights in government's rights" there will be concerns about the decline in government revenues from taxes in future periods because of the accumulation of contributions resulting from corporations continuing to make donations, under the policy of returning these contributions to the donor corporations(returning the installments to the donor corporations).This decrease results in the possibility that the government will be unable to meet its obligations in the area of government spending. Factors that may contribute to the occurrence this problem are: A significant reduction in revenues of donor corporations in future periods; Lack of reasonable balance between donations in the field of promotion of economic development and infrastructure and donations in the field of spending on government institutions, bodies and organizations. The researcher believes that articles 13;9;4;3;2 will contribute to preventing this problem. (in the event that donor corporations continue to make donations from one year to another, there will be concerns about the decline in state revenues from taxes in the future due to the increase of installments value. Here it can be said that, the revenues and expenses of corporations as a whole are not fixed, that is, a decrease in the tax revenues of certain corporations may be offset by an increase in other corporations. Any increase in the value of taxable income for the base year (compared to the base year) must be used to pay the installments to prevent the accumulation of installments value. In the event that the value of the taxable income does not exceed the base year, the annual installment value must not exceed the value calculated in the base year).

In the case of growth of the revenues of the donor corporations from year to year there will be no significant impact on the state revenues from taxes. But in the worst circumstances, in order to avoid this problem, the following guidelines must be observed: Relocation of the surplus in the budget for the past year as a reserve in the current year's budget to face any decrease in the state revenues from taxes; Formation of a reserve in the budget to meet any reduction in the state revenues from taxes; Donations "loans” must be authorized by the government and in areas that need financial support through the contribution of corporations; The government should determine the value of the donation "loan" that the donor corporations should make. It is
desirable that the values should be small and equal to avoid the negative impact of a decrease in state revenues from taxes as a result of the decline in the revenues of those donor corporations in the future; Failure to accept any donation requests from corporations regarding the financing of a specific project in the event of obtaining sufficient funding for its completion by corporations; It is preferable to use the quarterly system in determining the income of the donor corporations after deducting the installments of the donations that should be returned to those donor corporations. To avoid any financial bottlenecks and try to address them early; The rate of donation in the field of spending on government institutions, bodies and organizations should be higher than the donation in the field of promotion of economic development and infrastructure. That rate depends on the number of corporations in the state.

RECOMMENDATIONS

The researcher recommends the need to adopt the method of government's rights and then corporation's rights in government's rights due to the many advantages. This method contributes to achieving the following benefits: Promoting economic development and infrastructure in the country; Creating a kind of harmony between corporate philanthropic responsibility and corporate economic responsibility (creating an effective social role for corporations by developing a real and productive interaction between the corporations and their communities); Minimize legal imbalances in the fields of tax justice and justice in the rights to the lowest level; Preventing unethical conduct.

CONCLUSION

Allowing taxable income to be reduced with a portion of donations may motivate donor corporations to continue making more donations, but it suffers from some failures related to "undesirable economic impacts; legal imbalances; violation of the content of the CSR idea," which makes this method not ideal, which can be avoided by using the method of government's rights and then corporation's rights in government's rights, "donations as if they are loans." More scientific research is expected in this area, as well as serious interest in the content of this study by legislative bodies.

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Saleh, Younis A. Battal (2020). Advantages And Disadvantages Of The Four Methods Of Tax Treatment Of Corporate Monetary And In-Kind Donations: A Theoretical Study Of Intellectual Enrichment In The Fields Of Taxation And Corporate Philanthropic Responsibility. JOBMER 4 (1) 74-139.


The Influence of Human Resource Strategies on Performance of Tanzania’s Local Government Authorities

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Abstract

The study sought to establish the influence of human resource strategies on performance of Tanzania’s Local Government Authorities (LGAs). The study employed survey design whereby both qualitative and quantitative methods of data collection were engaged. The study sample size was 59 respondents obtained through stratified random sampling and purposive sampling techniques in 10 randomly selected LGAs. Data were collected using an interview and questionnaire. The study confirmed the contribution of human resource strategies on the performance of Tanzania’s Local Government Authorities. Result from inferential analysis indicates that, the coefficient of correlation is 0.699 which shows a strong positive correlation; and the coefficient of determination (R-square) has the value of 0.489 which implies that 48.9% of the variation in the performance of LGAs in Tanzania is explained by human resource strategies subjected in this study, which are Staffing, Retention, Pay and Incentives, Training and Development; while 51% of performance of LGAs in Tanzania is influenced by other variables which were not part of studied variables in this study. The results of this study is expected to inform decision makers on improving human resource management policies to reflect current demands in terms of attributes of organizational performance.

Keywords: Human resource strategies, mixed method design, Local Government Authorities, Regression Analysis, Tanzania

1. Introduction

One of the very pressing and difficult issues in Tanzania’s Local Government Authorities (LGAs) is how to align and integrate human resource strategies in order to enhance performance. This is evidenced by Nchimbi (2017) who suggested that, lack of participation of human resource specialists from setting organizational goals and policies and lack of strategic integration between human resource strategy and business strategy hinders human resource personnel to act as strategic partners. In a move to suggest the best way of improving performance in Local Government Authorities, various studies have been done on the role of incentives on workers’ motivation, management of the training function in the local government authorities, the impact of remuneration on the performance of local government staff in Tanzania, employees motivation in rural local government in Tanzania to mention just
few (Mchele, 2015; Ngogo, 2013; Chitanda, 2017). However, even with this much success it has been difficult to pin down to what extent all these human resource strategies influence performance of Local Government Authorities. This study was set out to explore the influence of human resource strategies on performance of LGAs with major interest on staffing, training and development, pay and incentives and retention strategies.

2. Theoretical Review

The interest of the researcher was to ascertain the influence of Human Resource Strategies on Performance of Tanzania’s LGAs. In an attempt to ascertain the relationship between the variables, two theories were used. These are Resource Based Theory which contends that, competitive advantage is derived from the resources that are rare, strategic, inimitable, non-substitutable, appropriate and immobile (Ling & Jaw, 2011); and Contingency Theory which claim that states that there is no single best way or approach to manage organizations (Omalaja & Eruola, 2011) were used to operationalize the variables involved in this study.

2.1 Conceptual Framework

The study conceptualized that Human Resource strategies are likely to influence the performance of Tanzania’s Local Government Authorities, where that performance of Local Government Authorities would be determined by the extent to which decisions are timely done, the extent to which service delivery has improved within LGAs, the way employees are committed to work, the way employee competencies are improved and the extent to which employees are willing to stay longer in LGAs.

Figure 1: Conceptual framework

<table>
<thead>
<tr>
<th>Staffing</th>
<th>Pay and Incentives</th>
<th>Training and development</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Human Resource Planning</td>
<td>• Competitive salary</td>
<td>• In-house training</td>
<td>• House allowance</td>
</tr>
<tr>
<td>• Job analysis</td>
<td>• Monetary Incentives</td>
<td>• Short-term training</td>
<td>• Fringe benefits</td>
</tr>
<tr>
<td>• Recruitment process</td>
<td>• Non-Monetary Incentives</td>
<td>• Coaching and mentoring</td>
<td>• Promotion Plan</td>
</tr>
<tr>
<td>• Selection process and</td>
<td></td>
<td>• Long-term</td>
<td>• Good employee</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance in LGAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Timely decision making</td>
</tr>
<tr>
<td>• Improved service delivery</td>
</tr>
<tr>
<td>• Employee commitment</td>
</tr>
<tr>
<td>• Improved competence</td>
</tr>
<tr>
<td>• Reduce Labour turnover</td>
</tr>
</tbody>
</table>

Source: Researcher’s construct, (2021)
3. Material and Methods

A survey study used explanatory sequential design (Feilzer, 2010) to collect information from ten (10) LGAs located in three regions found in the coast zone of Tanzania. This type of design allows researchers to collect information at low costs with minimal observer subjectivity (Chandran, 2004; Creswell, 2015; Gibson, 2017). This study targeted to extract information from 75 human resources officers employed in ten (10) LGAs located in three sampled regions (Coast Region, Dar es Salaam and Lindi Region) in Coast zone. Both probability and non-probability sampling techniques were used to select study sample. Probability sampling (Multistage Random sampling) was used to select one (1) out of six (6) zones in Tanzania, then three regions were selected out of five (5) regions forming that respective zone, then ten (10) LGAs were also selected out of 20 LGAs found in three (3) selected regions. This technique involved using the concept of randomization at any stage of selecting a sample. Stratified random sampling was also used to select 59 respondents in ten (10) sampled LGAs which is 79% of the target population. This agrees with other scholars who agree that a research sample size of 10% is likely to be appropriate (Adam & Kamuzora, 2008; Cooper & Roger, 2012; Kothari & Garg, 2014; Creswell, 2015). However, purposive sampling technique was used to select all Heads of Personnel and Administration Department working in those ten (10) sampled LGAs. Questionnaires and interview were used to collect both qualitative and quantitative data. The reliability was determined using Cronbach alpha coefficient analysis which loaded above threshold of 70% in all variables. The regression model and content analysis were used to analyze quantitative and qualitative data respectively.

4.0 Results

This chapter describes the research findings of the study that has been obtained through questionnaires distributed to Human Resources officers and interviews conducted to Heads of Personnel and Administration Department from ten selected LGAs. The interest of the study was to examine the influence of Human Resource Strategy on performance of Tanzania’s Local Government Authorities.

4.1 Descriptive Analysis

This part presents findings resulting from descriptive analysis with respect to the variables influencing the performance of Local Government Authorities in Tanzania. The descriptive analysis provides a result of each specific objective as indicated here below.

4.1.1 The Influence of Staffing on Performance of Tanzania’s LGAs

The researcher wanted to investigate if Local Government Authorities really conduct Human Resource Planning (HRP) and whether HRP is useful to LGAs. The responses from the human resource officers extracted from questionnaires indicates that 88.9% of respondents said ‘Yes’ to mean that Local Government Authorities do conduct HRP. The majority of human resource officers involved in the study stated that Human Resource Planning is useful to their councils as it helps to identify current and future human resource gaps. On the other hand, 11.1% of the respondents said ‘No’ to mean that, they don’t practice HRP. About usefulness, 90.7% of respondents said “Yes” to mean that HRP is useful to their council while 9.3% replied “No” to mean HRP is not useful. Also, the qualitative information collected through the interview indicates that the majority of Head of Personnel and Administration Department involved in the study said Local Government Authorities do conduct HRP annually. While explaining the
way HRP is done and how is it useful to them, one of the Head of Department involved in the study elaborated as follows;

Every employer to prepare personal emoluments estimates in every second quarter of the financial year. It is during this period where human resource officers and respective heads of departments establish the number of employees required against existing employees on payroll to determine the exact future gap and budget for the same. Expected retirees report extracted from Human Capital Management Information System is also used to determine future recruitments and replacement (Interview, Name withheld, 24th February, 2021 at Kisarawe District Council).

The findings also concur with other scholars who affirms that, estimates indicating number, type of workers and costs are prepared during the budget process and discussed by councils’ standing committee before the final consolidated budget is endorsed by the full council and thereafter submitted to the President’s office, Public Service Management and Good Governance (Njovu, 2013; Munga, 2009). Their arguments confirm that, LGAs do conduct human resource planning and that it helps LGAs to identify the exactly staff number required to undertake an available job.

**Job Analysis**

In respect to job analysis the findings revealed that, 75.9% of the human resources officers involved in the study confirmed that LGAs do conduct Job Analysis while 24.1% did not agree on this practice. Also, on Job Analysis is useful to the functioning of LGAs, the results revealed that, 85.2% of the respondents agreed while 14.8% did not agree on the importance of job analysis before recruitment and selections in LGAs. This result correlates with other scholars who argue that, job analysis has a positive significant impact on organization performance in private sector and that proactive job analysis is helpful in sustaining and maintaining the corporate performance (Augustine, Umana, Inyang, Isaac, 2019). The arguments provide evidence that job analysis is an important human resource strategy that provides remedy to the changing work environment.

**Recruitment Process**

In respect to recruitment process, the results indicates that 70% of the respondents agreed on the presence of the established recruitment procedure which allows the council to attract the right applicants, while 6% of the respondents disagreed with the statement and 24% of them were neutral. Moreover, interviews with Heads of Personnel and Administration Department revealed that, recruitment is not done to meet the council’s demand, rather recruitment process seems to be timely only after the release of the recruitment permit. During interview, one of the Head of Personnel and Administration Department elaborated as follows;

We always establish our demand regarding new recruitments, transfer, appointment vacancies and expected replacements but when it comes to implementation, we do implement recruitment permits with fewer vacancies and sometimes describing cadres out of council’s demand. Generally, recruitment permits reflect national priority sectors such as Health and Education sectors. For the past four years we have been receiving recruitment permits for teachers and health cadres only (Interview, Name withheld, 24th February, 2021 at Kigamboni MC).
Selection Process and Placement

Under this sub variable, the researcher wanted to investigate whether selection criteria are observed during the recruitment process and whether placement is done based on the council’s demand. Respondents were required to reply “Yes” or “No” to two proposed questions. 88.9% of respondents replied “Yes” to the first question to mean that councils adhere to the established recruitment criteria while 11.1% said “No”. On the other hand, 75.9% of the respondents replied “Yes” to the next question to mean replacement is done based on the Council demand while 24.1% of them said “No”. Table 1 below gives a summary of the findings indicated above.

Table 1: Selection, Placement and Council’s Demands

<table>
<thead>
<tr>
<th>Categorical question</th>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do the Council adherence to the established Applicants’ Selection Criteria?</td>
<td>Yes</td>
<td>48</td>
<td>88.9%</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>6</td>
<td>11.1%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>54</td>
<td>100%</td>
</tr>
<tr>
<td>2. Is placement done based on Council’s Demand?</td>
<td>Yes</td>
<td>41</td>
<td>75.9%</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>13</td>
<td>24.1%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>54</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field data, 2021

Also, findings implied that respondents were aware that there are specific recruitment procedures that allow the council to have the right people, doing the right job, at the right place within the right time. However, one respondent argued that:

In Tanzania recruitment and selection process is centralized under public sector recruitment secretariat, where the LGAs have to seek recruitment permit if they have to undertake the process for some specific carders. Informants agreed that the recruitment process is not timely because the process itself is subject to the release of the recruitment permit which takes a longer time (Interview, Head of Administration and Personnel, 15th February, 2021 at Mkuranga DC).

The result of this study correlates with Munga (2009) who explained that, the process of recruitment is complex and time consuming as it takes almost a year to receive a recruitment permit and the process itself takes three months from the date of receiving a permit. Therefore, for this process to be effective, decentralization of recruitment and selection procedures are very important in order to improve performance of LGAs in Tanzania.

4.1.2 The Influence of Training and Development on Performance of LGAs

The findings from questionnaires showed that 46.3% of the respondents agreed that they do conduct TNA while 53.7% of respondents disagreed on the issue of conducting TNA in their LGAs. When replying to the next question, 85.2% of the respondents said “Yes” to issue of councils offering in-house training while 14.8% of the respondents said “No”. However, 90.7% of respondents on whether in-house training improves council’s performance while 9.3% of them disagreed. Moreover, in the interview with Heads of Department involved in the study,
the majority of respondents argue that they do not really conduct Training Needs Assessment. More precisely, one of the respondents elaborated that;

We always receive invitation letters from universities specifying short courses offered. Through those letters we decide on whom to send for training and sometimes we agree with the training coordinators from specific university to train our people on job depending on prevailing circumstances ((Interview, Head of Administration and Personnel, 17th February, 2021 at Kinondoni MC).

The findings agree with Mchele (2015) who argues that, Training Needs Assessment is not done in LGAs as 89% of respondents confirmed that, they have never been involved and participated in the identification of training needs and that training is done without considering organization demands and individual challenges. That is to say, if training objectives and program are not well defined, LGAs are at risk of imparting knowledge and skills which are not relevant to a particular job assigned to the employee.

**Short term Training**

Information extracted from questionnaires on one hand, indicates that 90.7% of the respondents said “Yes” to mean that, councils do offer short term training while 9.3% of the respondents said “No”. On the other hand, 83.3% of respondents said “Yes” to mean that there is some sort of improvement resulting from short term training while 16.7% said “No”. Majority of informants through questionnaires indicated improvement on employee performance to be one of the most benefits of short term training. The Table 2 below gives the summary of this finding.

<table>
<thead>
<tr>
<th>Categorical question</th>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is there any short term training offered in your Council?</td>
<td>Yes</td>
<td>49</td>
<td>90.7</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>5</td>
<td>9.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Categorical question</th>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Do you see any improvement on performance resulting from short term training?</td>
<td>Yes</td>
<td>45</td>
<td>83.6</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>9</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source**: Field data, 2021

Moreover, the result were supported by Head of Personnel and Administration Department who then declared that:

In discharging training and development they have been using short courses specified by higher learning institutions to train their employees (Interview, Head of HR and Administration, 15th February, 2021 at Kisarawe DC).

This finding differs to the study “the influence of human resource strategies on employee performance at Kenya Revenue Authority” conducted by Bullah (2016). The study revealed that, all training programs were undertaken after systematic needs analysis which is contrary to the experience of Local Government Authorities in Tanzania.
Long term Training

In respect to long term training, the findings revealed that, 59.3% of the respondents confirmed that councils do support long term training, while only 40.7% of respondents said “No” to mean that they do not support their employees for long term training. However, the majority of respondents pointed out their own source revenue collection to be the major source of funds to support long term training in their Councils. Moreover, qualitative information extracted from respondents involved during the interview indicates that the majority of the respondents commented that, to a large extent council supports short term training. One of the Heads of Department involved in interview elaborated that;

In seven years back we used to receive a Capacity Building Grant from the Central Government. 15% of that Grant was to be allocated to support professional career development. So, with that amount of money we managed to support long term training. Nowadays Councils depends on their own source collection which cannot afford even to run daily office operations. Therefore, we support much short term training and in very rare cases we do support for long term training depending on the demands of the council. We have been encouraging our employees to use other sources of fund to support their training including to secure loans from Higher Learning Loans Board (15th February, 2021 at Ubungo MC).

Coaching and Mentoring

The result as to whether coaching and mentoring was incorporated in the council’s training program and whether it influences performance of LGAs. The result revealed that, 42.6% of the respondents said “Yes” while 57.4% of the respondents said “No” to which implies that, coaching and Mentoring is not incorporated in LGAs Training Programs. On the other hand, 46.3% of the respondents agreed that, there is improvement on performance resulting from coaching and mentoring while 53.7% of the respondents did not agree. The findings implied that coaching and mentoring have been practiced in different ways in LGAs but it has never happened to be part of the training programs. This finding is supported with the qualitative information collected through interviews whereby the majority of informants commented that, coaching and mentorship is done regularly with respect to the prevailing situation but it has never been an official training program. The finding concurs with Palango (2020) who confirmed that coaching at the district council is done after an employee has been assigned a special duty or has shown poor performance.

4.1.3 The influence of Pay and Incentives on Performance of Tanzania’s LGAs

The result found that 9.3% of respondents who filled in the questionnaires said “Yes” to mean that the current salary structure corresponds to the market factors while 90.7% said “No”. When revealing their views regarding salary structure and performance, about 9.3% of respondents replied “Yes” to mean the performance of Local Government Authority is influenced by the current proposed salary structure while majority of them (90.7%) said “No” to mean employee performance is not influenced by current salary structure. Moreover, while conducting interviews with Heads of Personnel and Administration Department, majority of them commented that there is no correlation between the current salary structure and the performance of LGAs. One of the key in respect to salary structure and performance of LGAs commented that;
The salary structure we use today was officially initiated in the financial year 2015/2016. So you can see for the past five years, salaries have never been changed. With these salaries, we don’t expect employees to perform above standards as most of them prefer to concentrate on an alternative source of income out of their normal salary. Low salaries have encouraged some of our employees to leave the Council. Some have decided to ask for leave without pay permit so that they work with other institutions with good salaries like TASAF. *(Interview, Name withheld, 4th March, 2021 at Lindi MC).*

**Monetary Incentives**

The result indicates that 41% of respondents agreed with the statement “The council has a structured and effective Monetary incentives” while 39% of the respondents disagreed with the statement and the remaining 20% were neutral. During the interview, the same questions were asked to the Heads of Personnel and Administration Department. The majority of the informants commented that councils do offer monetary incentives in different ways depending on the capabilities of the council. One of the informants shared the best practice as follows;

Apart from the official documents that indicates circumstances and amount of money that has to be offered to employees. We normally discuss and agree together in our statutory meeting to handle prevailing circumstances. For example, we used to perform badly in Form Four National exams, we set together and agree to pay Tsh. 50,000 to secondary school teacher for each “A” mark obtained and we managed to motivate our teacher and in turn we also managed to perform better for three consecutive years. *(Interview, Name withheld, 4th March, 2021 at Kilwa District Council).*

**Non-Monetary Incentives**

The findings revealed that, 61.1% of respondents said “Yes” which implies that, councils do offer non-monetary incentives to employees while 38.9% said “No”. Majority of respondents described motorcycles to extension officers and houses to teachers and health cadres to be non-monetary incentives offered to employees. On other hand, 68.5% of respondents said “Yes” to mean non-monetary incentives do influence performance of LGAs while 31.5% of the respondents said “No”. Moreover, interviews with Heads of Department involved in the study revealed that, the majority of informants agreed that councils do offer non-monetary incentives to employees but what is offered differs between one council to another depending on the demands of the council on one hand, and the demands of employees on the other hand. Below quotation from one of the informant involved in the study;

In this council we agreed to build staff houses in all schools and health facilities located in remote areas. New recruits placed in those areas are also given Mattresses and gas cookers as a means to motivate and retain them. Nowadays, employees are well settled and performance of those facilities have improved *(Interview, Name withheld, 25th February, 2021 at Mkuranga DC).*

The findings correspond to the study done by Chitanda (2017) titled the role of incentives on workers’ motivation in the Local Government Sector. The study suggested that factors that motivate most people at work place were the presence of adequate working equipment. This is also supported with qualitative data collected during interviews whereby informants declared that, they have managed to build staff houses especially to schools and health facilities located in remote areas as a means to motivate and retain employees on one hand, and to improve performance of those facilities on the other hand.
**Performance Based Bonus**

Respondents were required to answer two questions described in the questionnaire by replying either “Yes” or “No”. On one hand, 9.3% of respondents said “Yes” to mean councils have an approved performance based bonus scheme while 90.7% said “No” to mean Councils do not have performance based bonus. On the other hand, 22.2% of respondents said “Yes” to the next question to mean that the performance of Local Government Authorities is influenced by bonus payment while 77.8% again said “No”. Moreover, the same questions were asked during interviews with selected Heads of Department. Majority of the informants revealed that councils have not established performance based bonus schemes. One of the informant elaborated that;

*I have been working in 5 Councils since I was appointed to be Head of Department and I have never seen such a thing in Local Government Authorities* (24th February, 2021 at Kibaha DC).

**4.1.4 The Influence of Retention Strategies on Performance of Tanzania’s LGAs**

The result indicates that 44% of respondents agreed with the statement “The council has sufficient funds to offer house allowance to employees” while 43% disagreed with the statement and the remaining 13% of the respondents were neutral. Moreover, during the interview, the same questions were asked to the Heads of Personnel and Administration Department involved in the study. Majority of them commented that councils pay for house allowances to eligible employees. In a course of discussion, one of the respondents was quoted as follows;

Not all staff qualifies to be paid a house allowance. For those who qualify as per Government Circular Na. 3 of 2010 are being paid but, what is important is that, Head of Departments and Head of Sections are supposed to budget for the same. To a large extent, payment of house allowance has encouraged Heads of Departments and Heads of Sections to stay longer in the councils. (*Interview, Name withheld, 4th March, 2021 at Kilwa DC*).

The results differ with Bullah (2016) who emphasized that, structured and effective employee reward system, and bonus payment should base on individual employee performance; and thus bonus payment are argued to be good predictor of performance which is contrary to the experience of Local Government Authorities in Tanzania.

**House Allowance**

The researcher sought to establish whether Local Government Authorities pay house allowances to employees, to establish if such allowance has encouraged employees to stay longer in the council and to measure perception of the respondents regarding availability of funds to support the strategy. The result shown that 64.8% of respondents replied “Yes” to mean councils do pay house allowance to employees while 35.2% said “No”. On the other hand, 70.4% of respondents agreed that house allowance encourages employees to stay longer in the council while 29.6% said “No”. These findings differs with other scholars revealed that 62.5% of the employees were not satisfied with the housing allowance systems (Ngogo, 2013; Rakhra, 2018). However, payment of house allowance differs between one LGA and the other depending on the capacity of the council in terms of their own source revenue collection. Basically, the local government authorities located in remote areas with limited sources of revenue cannot afford to pay house allowance compared to LGAs located in urban centers with categories of sources of revenue.
Fringe benefits

Findings indicate that 63% of respondents said “Yes” to mean that Local Government Authorities do offer fringe benefits to employees while 37% said “No”. For those who replied “Yes” they went further describing some of the benefits offered to employees to include, provision of special food to employees living with HIV/AIDS, Maternity benefits offered to female public servants, extra duty allowances and retirement benefits. On the other hand, 51.9% of respondents replied “Yes” to the next question to mean fringe benefits influence employee not to leave the Council while 48.1% said “No”.

4.1.5 Inferential Statistics

The researcher wanted to establish the collective influence of independent variables (Staffing, Training and Development, Pay and Incentives, and Retention) on dependent variables (The Performance of Tanzania’s Local Government Authorities). Different statistical tests such as t-test, F-test, P-value, correlation coefficient (R) and coefficient of determination ($R^2$) were used to determine the influence of independent variables on Performance of Tanzania’s Local Government Authorities. The findings of the statistical tests are described in Tables below.

Table 3: Combined Regression Mode Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Predictors: (Constant), Retention, Pay and Incentives, Staffing, Training and Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2021

The results in Table 3 above reveal the Pearson correlation (R) of the collective independent variables on Performance of Tanzania’s Local Government Authorities is 0.699 at 0.05 level of significance. The result implies that there is strong positive correlation between studied independent variables and the Performance of Tanzania’s Local Government Authorities. The assumed linear regression equation for this study; $Y=\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$ is explained by $R^2 = 0.489$ as indicated in the Table 4.38. Statistically, the result implies that 48.9% of the variations in Performance of LGAs in Tanzania is influenced by Staffing, Training and Development, Pay and Incentives, and Retention while holding other factors constant. That is to mean, 51.1% of the Performance of Tanzania’s LGAs is contributed by other factors which are not studied.

Table 4: Combined Regression Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4.463</td>
<td>4</td>
<td>1.116</td>
<td>11.703</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>4.672</td>
<td>49</td>
<td>.095</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9.134</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance of LGAs
b. Predictors: (Constant), Retention, Pay and Incentives, Staffing, Training and Development

Source: Field data, 2021
The results from the analysis of variance (ANOVA) as shown in the Table 4 indicate that the P-value of 0.000 is less than the recommended significance level of 0.05. This supports that, there is a linear relationship between independent variables studied in this research and the Performance of Local Government Authorities in Tanzania.

Table 5: Coefficients of Combined Effect

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td>.251</td>
<td>.803</td>
</tr>
<tr>
<td>Staffing</td>
<td>.311</td>
<td>.327</td>
<td>2.892</td>
<td>.006</td>
</tr>
<tr>
<td>Pay and Incentives</td>
<td>.209</td>
<td>.231</td>
<td>2.082</td>
<td>.043</td>
</tr>
<tr>
<td>Training and Development</td>
<td>.240</td>
<td>.273</td>
<td>2.344</td>
<td>.023</td>
</tr>
<tr>
<td>Retention</td>
<td>.189</td>
<td>.224</td>
<td>2.126</td>
<td>.039</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance of LGAs

Source: Field data, 2021

With reference to Table 5, there is enough evidence to conclude that four independent variables (Staffing, Pay and Incentives, Training and Development and Retention) are predictors of performance of Tanzania’s Local Government Authorities as the P-value for the named predictors is less than the recommended significance level of 0.05 (that is to say, staffing = 0.006 < 0.05 level of significance, pay and incentives = 0.043 < 0.05 level of significance, training and development = 0.023 < 0.05 level of significance and retention = 0.039 < 0.05 level of significance).

The fitted multiple linear regression equation for the study was then confirmed to be, $Y=\beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$ that is to say, $\text{PLGAs} = 0.079 + 0.311X_1 + 0.240X_2 + 0.209X_3 + 0.189X_4 + \epsilon$ where;

$\text{PLGAs} =$ Performance of Local Government Authorities,

$X_1 =$ Staffing,

$X_2 =$ Training and Development,

$X_3 =$ Pay and Incentives and,

$X_4 =$ Retention strategies;

$\epsilon$ refers to other factors which may influence the performance of LGAs but not considered in this study. From the multiple linear regression equation, holding studied independent variables constant, the performance of LGAs in Tanzania would increase by 0.079 even if no factor is involved in the process of improving performance. It is affirmed from the result that, a unit increase in staffing would lead to an increase in the performance of LGAs by a rate of 0.311, a slight change in pay and incentive as a human resource strategy would cause a change in the performance of Tanzania’s LGAs by a 0.209; also a unit increase in training and development would also cause an increasing in the performance of LGAs by a rate of 0.240 and a unit increase in retention strategies would cause an increase in the performance of Tanzania’s LGAs by a rate of 0.189 respectively. All the predictors were less than the recommended significance level of 0.05, which implies that, independently and collectively predictors of this study influenced the performance of LGAs in Tanzania.
6. Conclusion and Recommendation

The major objective was to establish the influence of Human Resource Strategy on performance of Tanzania’s LGAs. The study found that there is a significant influence of staffing, training and development, pay and incentives and retention on the performance of Local Government Authorities in Tanzania with 0.699 of correlation value and 0.489 value of R-square implying that 48.9% of variation in the performance of LGAs is explained by the studied variables. The performance of Tanzania’s LGAs was measured on the dimensions of timely decision making, improved service delivery, employee commitment and improved competencies.

The study recommends that, Local Government officials should be capacitated on the technicalities of Training Needs Analysis to equip them with relevant knowledge regarding the identification of training gaps compatible to strategic plans and overall objectives of LGAs instead of adopting short courses proposed by Higher Learning Institutions which may sometimes lead to imparting irrelevant knowledge and skills. Secondly, the Government should think of permitting LGAs to recruit employees with respect to the cadres of their interest instead of relying on priority sectors of health and education only. Thirdly, LGAs should invest more in internal motivation packages by using their own source revenue to widen the categories of beneficiaries. Fourthly, decision makers should maintain statutory rights such as promotions to eligible employees in order to boost commitment of employees towards improving performance.

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Disclosure

The author declare that he has no competing interests in this study.
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The Effects of Social Media Marketing on Business Performance of Supermarkets in Tanzania

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Abstract

The purpose of this study was to examine the effects of social media marketing on business performance of supermarkets. This study was conducted at Kinondoni municipal. The study reveals the effect of social media performance, social media analytics and active presence on the business performance of the supermarkets. The totals of 200 respondents were purposively selected from the supermarkets in Kinondoni municipal. Structured questionnaire and interview were used for collecting primary data whereas secondary data was collected by using documentary review. Descriptive and multiple regression techniques were aided by using SPSS. The results show that social media performance has positive and significant relationship with business performance of the supermarkets (beta value 0.539, t=8.925, p=0.000). The findings suggest that a unit increases in social media performance will lead to 0.539 increases in the scores of business performance. Moreover, the results show there is positive and significant relationship between social media analytics and the business performance (beta value 0.6202, t=7.552, p=0.001). The results show that a unit increases in social media analytics will lead to 0.6202 increases in the scores of business performance. Furthermore, the findings show that there is positive and significant relationship between active presence in social media and business performance of the manufacturing companies (beta value 0.919, t=8.055, p=0.000). The findings suggest that a unit increases in active presence in social media will lead to 0.919 increases in the scores of business performance. The study concludes that social media performance has positive effect on the business performance, also active presence in social media to increase business performance of the supermarkets. The study recommends that supermarkets should make social media become part of the strategies in order to increase business performance.

Keywords: Social Media Marketing, Business Performance, Supermarkets and Kinondoni Municipal.
1. Background of the Problem

Social media marketing has become a critical factor affecting the performance of the businesses (Yasa et al., 2020). The impact of social media marketing to the firms and the worldwide economy is becoming a well-recognized phenomenon. The business performance and operations of various companies are influenced by the application of social media in the marketing activities (Wang and Kim, 2017). The major factor behind is that the use of social media for example WhatsApp, Facebook and Instagram provides the view of familiarity among the users of social media, this facilitate communication (Alvarez et al., 2020). This helps the company to interact and exchange of various contents with its customers and suppliers. Thus, companies used social media as a tool of building the relationship with customers and suppliers towards the business (Tarsakoo and Charoensukmongkol, 2019). The application of social media marketing, can take various forms such as social media performance, social media analytics and active presence (Tafesse and Wien, 2018).

Also, social media analytics increase the business performance of the company because it offers techniques which empower company to recognize its potential customers, and identify key competitors for the purpose of making marketing decisions (Adegbuyi et al., 2015; Yasa et al., 2020; Thaker et al., 2020). Social media analytics involves systematic activities of gathering, investigating and understanding the behavior of the customers in the social media in order to facilitate marketing decisions. Tafesse and Wien (2018) believes social media analytics affects the business performance of the supermarkets through social media plan and execution, learn social media customers, measure social media effectiveness and social media tracking and monitoring (Adeola et al., 2020).

Additionally, active presence in social media helps company to reach potential customers and take advantage of various segments in the market (Wang and Kim, 2017). Active presence in social media facilitate interactions between company and customers, this create mutual trust (Tarsakoo and Charoensukmongkol, 2019). To achieve the target business performance, active presence in the social media is important prerequisite as it helps to build strong connection between company and its customers (Wang and Kim, 2017). Through, active presence in social media the company may benefit from online conversations which can be used to collect customer information’s and used for the purpose of improving marketing operations (Wang et al., 2016).

In the supermarkets, the performance of supermarkets is affected by various factors (Alvarez et al., 2020). However, the application of social media marketing is one of the essential factors affecting the business performance. Most of the supermarkets admitted that the business performance is affected by internal and external factors (Gonzalez-Lafayssse and Lapassouse-Madrid, 2016). However, internal factors too certainly have an effect on business performance of the supermarkets (Alvarez et al., 2020). Recent, one of the major internal factors affecting the performance of the supermarkets is the degree of using social media marketing (Borg et al., 2020).

Despite various studies have been conducted on social media marketing, few empirical studies are conducted in the area of supermarkets to show the link between the use of social media marketing techniques and business performance of supermarkets (Alvarez et al., 2020; Gonzalez-Lafayssse and Lapassouse-Madrid, 2016), the findings from the earlier studies lack precision in terms conceptual and measurement. Preceding literatures adopted stages of growth to conceptualized social media marketing activities (Wang and Kim, 2017; Wang et al., 2016; Tarsakoo and Charoensukmongkol, 2019; Li et al., 2020; Yasa et al., 2020; Adegbuyi et al., 2015; Kazunguet al., 2017). According to Borg et al., (2020) believe that, the use of stages of growth in social media marketing is difficult to empirically verify. Therefore, this study intended to assess the effects of
social media marketing on business performance of supermarkets.

2. Literature Review, Hypothesis Statements and Conceptual Framework

Social Media Performance

Various scholars have definitions of social media performance, for example Adeola et al., (2020) defines social media performance as positive results obtained from the use of social media strategies in marketing operations. Tarsakoo and Charoensukmongkol (2019) explain social media performance as the results from customer-based social media. These involves; customer engagement and extensive follower’s base with the aim of increase business performance. Tafesse and Wien (2018) added that social media performance is originated from favorable perceptions of the customers on the company use of social media. The dimensions of social media performance involve follower base, web traffic, customer engagement metrics and reach customers (Tarsakoo and Charoensukmongkol, 2019; Yasa et al., 2020; Tafesse and Wien, 2018). Thus, the current study defines social media performance as the outcomes of customer-based social media which involves follower base, web traffic, and customer engagement metrics and reach customers for the purpose of increasing the business performance. Therefore, the following hypothesis statement was formulated.

H1: Social media performance has positive effect on business performance of the supermarkets.

Social Media Analytics

According to Klietz et al., (2020) social media analytics involves systematic activities of gathering, investigating and understanding the behavior of the customers in the social media in order to facilitate marketing decisions. Wang and Kim (2017) believe that social media analytics facilitate companies to understand customer’s and increase business performance. The dimensions of social media analytics involve plan and execute, learn about customers, measure effectiveness and track and monitor (Alvarez et al., 2020; Li et al., 2020 and Adeola et al., 2020). This study defines social media analytics as a range of dimensions which facilitate the company to identify the behavior of the customers, identify competitors and make marketing decisions through the use of social media. Thus, the following hypothesis statement was formulated.

H2: Social media analytics has positive effect on business performance of the supermarkets.

Active Presence

This is the situation in which the companies are involved in day to day social media activates (Jung et al., 2020). Moreover, Gonzalez-Lafayse and Lapassouse-Madrid (2016) describes active presence as the situation in which the company is participate actively in various social media platforms for example Instagram and WhatsApp through creating various content, establish marketing campaign and active communication with customers on daily basis. The dimensions of active presences are sufficient content, frequent posts, regular posting plan and frequent customer interactions (Yasa et al., 2020; and Alvarez et al., 2020). To achieve the target business performance, active presence in the social media is important prerequisite as it helps to build strong connection between company and its customers (Wang and Kim, 2017). In addition, Yasa et al., (2020) affirm that active presence in social media increase business performance because it provides suitable environmental for the company to respond to competitive market. Therefore, the following hypothesis statement was formulated.

H3: Active presence in the social media has positive effect on business performance of the supermarkets.

Business Performance

The study by Yasa et al., (2020) described business performance as positive change in marketing
operations. Another study by Wang and Kim (2017) added that business performance involves growth and increases in capability of the company in a certain time. Tarsakoo and Charoensukmongkol (2019) the business performance of the company is measured through growth and responsiveness to change. Therefore, the business performance of the supermarkets will be measured by using business growth and responsiveness. According to Wang and Kim (2017) responsiveness to change is defined as the situation in which the company is able to face variation in market behavior. Tarsakoo and Charoensukmongkol (2019) assert that responsiveness to change involves the level of company’s flexibility and ability to operate under uncertainty environment. While, the company’s the growth is defined as the situation in which the company observe significant increases in marketing outcomes (Wang and Kim, 2017).

**Chaffey’s Theory**

The current study used Chaffey’s theory of social media. The theory was proposed by Chaffey in 2012, the theory looks at social media marketing as an informal marketing approach (Gonzalez-Lafayse and Lapassouse-Madrid, 2016). According to the theory, the interaction between company and its customers contributes to human behavior, this form significant contribution to customer behavior. Thus, companies used social media strategy to stimulate purchasing options among customers, lead them into making purchases, and even maintain loyalty to one brand of the product or services (Wang and Kim, 2017). Chaffey theory predicts that by establishing a long-term relation with clients, social media marketing plays significant contribution to increase the business performance (Wang et al., 2016). Preceding studies such as Wang et al., 2016; and Wang and Kim (2017) used Chaffey theory to describe the effect of social media marketing on business performance.

**2.1. Empirical Evidences**

Various studies have been conducted on social media use and business performance, for example Wang and Kim (2017) aimed to investigate how the use of social media facilitate to create Customer Relationship Management (CRM) which help to foster marketing strategies and improve the business performance. Data from 232 firms were empirically used in this study. Also, data were collected from Facebook and annual databases for the period 2004–2014. The results indicate that the use of social media in marketing activities play important role to increase CRM capability, engagement and performance of the company. The study concludes that companies that emphasis on social media in marketing activities are to create CRM capabilities through customer interactions and increase firm performance.

The study by Wang et al., (2016) examine the how the social media marketing affects Business-to-Business communication and foster the business performance in the context of SMEs. The study employed a case study research design. The findings reveal that social media marketing positively affect Business-to-Business communication which facilities to increase the business performance. The study concludes that Social Media Apps (SMA) more common used in SMEs to facilitate individual communications and interactions between business and customers, this play significant contribution to increase the business performance.

Another study by Tarsakoo and Charoensukmongkol (2019) show the relationship between social media capability and business performance of the company. The study collected primary data from business entrepreneurs in Thailand by using questionnaire. A sample of 364 respondents was used. The results indicate that there is positive and significant relationship between the utilization of social media marketing and the financial performance of the company. The study concludes that social media strategy plays significant contribution to improve marketing capabilities and increase financial performance of the companies.
Moreover, the studies by Li et al., (2020) examine the impact of social media strategy on the business performance of SMEs in China. Questionnaires were employed for collecting primary data, a total of 1000 surveys were distributed to small shops. The study found that social media marketing has significant and positive impact on business performance of small enterprises in China. The study concludes that business performance of SMEs depends on the extent of use social media strategy.

In Indonesian, the study by Yasa et al., (2020) establishes the relationship between social media marketing, business value and business performance. The study employed descriptive research design. The findings show that social media facilitate interactions between company and customers, this create mutual trust. For the company to achieve the target business performance, social media is important prerequisite as it helps to build strong connection between company and its customers. The study concludes that effective use of social media marketing and business value help to foster the business performance.

Furthermore, using descriptive research design, the study by Adegbuyi et al., (2015) analyze the relationship between social media use and the business performance. The study employed questionnaire to collect primary data. Data analysis techniques involved descriptive and correlation analysis techniques. The results show that social media marketing and business performance are significant and positively related. Also, the results show that social media is essential tool to any business because of it facilitate business to receive feedbacks, respond to customers’ requests, and effective understand of customers behavior with the minimal use of the organizational resources.

In Tanzania, the studies by Kazungu et al., (2015) assess the influence of social media on the performance of Micro Enterprises in Moshi. A sample of 90 micro enterprises was used. Data were collected by using questionnaire. The study found that social media facilitate to increase the business performance. The results indicate that WhatsApp is the most, preferred social media tool in most of the micro enterprises. Social media help company to reach potential customers and take advantage of various segments in the market. Social media facilitate interactions between company and customers, this create mutual trust. The study concludes that that appropriate use of social media improves the performance of the micro enterprises. Social media affects the business performance of the supermarkets through social media plan and execution; learn social media customers, measure social media effectiveness and social media tracking and monitoring.

In the context of supermarkets, the studies by Alvarez et al., (2020) assess the use of social media marketing in the marketing actions of the supermarkets in Riobamba city. The study used a case study research design. Data were collected by using questionnaire. The study found that social media marketing improves marketing activities of the supermarkets. The major factor behind is that the use of social media for example WhatsApp, Facebook and Instagram provides the view of familiarity among the users of social media, this facilitate communication. The study concludes that social media marketing such as creation of info graphics (personalized content) create good relationships with customers, create fans for the supermarkets, allowing traffic and possible conversion of customers to the business website and social networks.

Another study by Gonzalez-Lafayse and Lapassouse-Madrid (2016) assess the contribution of Facebook to sustainable development. The study is based on a year-long study of one group’s official Facebook page. The results indicate that Facebook play essential contribution to the sustainable development. The study concludes that the performance of supermarkets is affected by various factors. The application of social media marketing is one of the essential factors affecting the business performance. Most of the supermarkets admitted that the business performance is affected by internal and external factors.
2.2. Synthesis of the Research Gap

Despite various studies have been conducted on social media marketing, few empirical studies are conducted in the area of supermarkets to show the link between the use of social media marketing techniques and business performance of supermarkets (Alvarez et al., 2020; Gonzalez-Lafaysse and Lapassouse-Madrid, 2016), the findings from the earlier studies lack precision in terms conceptual and measurement. Preceding literatures adopted stages of growth to conceptualized social media marketing activities (Wang and Kim, 2017; Wang et al., 2016; Tarsakoo and Charoensukmongkol, 2019; Li et al., 2020; Yasa et al., 2020; Adegbuyi et al., 2015; Kazunguet al., 2017). According to Borg et al., (2020) believe that, the use of stages of growth in social media marketing its difficult to empirically verify.

2.3. Conceptual Framework

The three independents variables of the study are; social media performance, social media analytics and active presence in the social media. This study assumes that these independent variables affected the business performance of the supermarkets as the dependent variable.

The study assumes that, social media performance is one of the independent variables of the study. This affect the business performance through social media follower base social media web traffic, customer engagement metrics and reach social media customers as proposed by (Alvarez et al., 2020; Tafesse and Wien, 2018). When, the supermarket has higher social media follower base, social media web traffic, customer engagement metrics and is able to reach customers through social media, this can increase the business performance of the supermarket (Alvarez et al., 2020).

Social media analytics is another variable that affect the business performance of the supermarkets. The study assumes that social media analytics affects the business performance of the supermarkets through social media plan and execution, learn social media customers, measure social media effectiveness and social media tracking and monitoring as suggested by Alvarez et al., 2020; Tafesse and Wien, 2018; Li et al., 2020 and Adeola et al., (2020). The study assumes that when the supermarkets is active involved in these four constructs (social media plan and execution, learn social media customers, measure social media effectiveness and social media tracking and monitoring), the business performance may increase.

Active presence in the social media was the last independent variable that affects the business performance of supermarkets. The business performance of the supermarkets was affected by social media active presence through sufficient social media content, frequent social media posts, regular social media posting plan and frequent customer interactions as proposed by Yasa et al., 2020; Tafesse and Wien, 2018 and Alvarez et al., (2020). The study assumes that, actively practices of these constructs facilitates to increase the business performance of the supermarkets, as illustrated in Figure 1.
3. Research Methodology

3.1. Research Approach

The study used deductive approach. This approach was used to generate and test hypotheses with reference to present theory (Saunders et al., 2012). Thus, the current study started by establishing theoretical understanding on the link between independent variables namely social media performance, social media analytics, active presence and business performance as dependent variable. This study used this approach because primary data formed bases for establishing hypothesis in relation to theory and clarify relationship between the variables.

Research Design and Study Area

This study employed explanatory research design. It involves the study of cause and effect. Normally, explanatory research design is applied when the study plans to use a deductive approach such as testing hypotheses (Hair et al., 2010). Therefore, explanatory research design was used because the study intends to test hypothesis. The study was conducted in Kinondoni Municipal. The area was selected for this study because is one of the leading councils in Tanzania with the largest number of supermarkets.

Population, Sample Size and Sampling Techniques

Survey Population

The study population involved employees of the supermarkets who were responsible for day to day marketing activities of the supermarket in Kinondoni municipal. Therefore, all employees of the supermarket in Kinondoni municipal formed the study population.
Sample Size

In order to obtain the sample size, this study considered different suggestions from scholars. Each variable needs a minimum of 10 – 15 respondents (Hair et al. 2010). Another study by Yasa et al., (2011) affirms that, the estimation of sample size had to consider the type of research design. Li et al., (2020) proposed that the minimum sample size for correlation research requires 30 cases or more. Hence, sample size was 200 as suggested by preceding researchers (Li et al., 2020; Tarsakoo and Charoensukmongkol, 2019) which line up with that of Yasa et al., (2011).

Sampling Techniques

Purposive sampling was employed to select respondents from the population. The techniques were employed to select management and senior employees from the supermarkets who are involved in marketing activities. This study used purposive sampling technique because it targeted to obtain knowledgeable participants. Tarsakoo and Charoensukmongkol (2019) proposed that the use of purposive sampling technique helps to obtain knowledgeable participants.

3.4. Data Collection Method

Questionnaires

This study used structured questionnaire to collect primary data in relation to social media performance, social media analytics, active presence and business performance, as proposed by Yasa et al., (2020). This technique was used because it is suitable for collecting data from the large sample as suggested by Alvarez et al., (2020). Also, it was possible to quantify data that were collected through questionnaire. Since the study intended to use regression analysis, questionnaire is important tool for collecting primary data.

Interview

Interview is a method of collecting data, which involves presentation of oral-verbal stimuli, and reply in terms of oral-verbal responses (Hair et al., 2010). This method was used to collect qualitative data as suggested by previous studies such as Li et al., 2020 and Adeola et al., (2020). Therefore, interview guide was used to collect data in relations to social media performance, social media analytics, active presence and business performance. The technique was used because, the sample is controlled more effectively, and more information in greater depth was obtained.

Documentary Review

This study used documentary analysis to collect secondary data in relation to social media performance, social media analytics, active presence and business performance, as proposed by previous studies such as Tafesse and Wien, 2018; Li et al., 2020 and Adeola et al., (2020). Documentary review was used in this study because it helps to collect secondary data that were used to supplement primary data and increase the reliability of the findings.

3.5. Measurement of the Variables

Subjective data were used in this study. Despite some limitations of subjective data in assessing business performance, these data are considered to be more comprehensive and credible in examining the business performance compared to objective data (Wang and Kim, 2017). Prior studies such as Li et al., 2020; Yasa et al., (2020) used subjective data to measure the business performance.

The operationalization of the constructs namely; social media performance, social media analytics, active presence and business performance on the questionnaire employed Likert scales with 5 points. 1 represents strongly disagree to 5 strongly agree.
Social media performance: This study used dimensions for social media performance following the concept developed earlier studies such as Tarsakoo and Charoensukmongkol 2019; Yasa et al., 2020; Tafesse and Wien (2018). These are; follower base, web traffic, customer engagement metrics and reach customers.

Social media analytics: The study measured social media analytics by using four metrics namely; plan and execute, learn about customers, measure effectiveness and track and monitor. These are adopted from Alvarez et al., 2020; Tafesse and Wien, 2018; Li et al., 2020 and Adeola et al., (2020).

Active presence: To measure active presence, the study adapted four metrics from the studies by Yasa et al., 2020; Tafesse and Wien, 2018 and Alvarez et al., (2020). These metrics are; sufficient content, frequent posts, regular posting plan and frequent customer interactions.

Business performance: Following Li et al., 2020; Yasa, et al., (2020), this study measures the business performance of the supermarket by using four metrics, namely; competitiveness, business expansion, flexibility and increased market share.

3.6. Data Analysis Methods

The analysis of data was aided by SPSS. The study conducted descriptive and multiple regression analysis as proposed by Charoensukmongkol and Tarsakoo (2019). On the other hand, the study conducted preliminary analysis such as tests for autocorrelation, normality through correlation analysis, multi-collinearity, and homoscedasticity test.

This study used multiple regression analysis to assess the relative predictive power of social media performance, social media analytics and active presence on the business performance of the supermarkets as suggested by Wang and Kim (2017). Therefore, the study used the following multiple regression equation.

\[ BP = f(SP, SA, AP) \] \hspace{1cm} (i)

Where:

BP is Business Performance, SP = Social Media Performance SA = Social Media Analytics, and AP = Active Presence

The regression equation (i) can be presented in the following empirical equation

\[ BP = \beta_0 + \beta_1 SP + \beta_2 SA + \beta_3 AP + \epsilon_i \] \hspace{1cm} (ii)

The independents variables of the study are composites. Therefore, further analysis is presented in the following equation

\[ BP = \beta_0 + \beta_1 Fb + \beta_2 W^t + \beta_3 C_4 + \beta_4 Rc + \beta_5 Pe + \beta_6 Lc + \beta_7 Me + \beta_8 Tm + \beta_9 Sc + \beta_{10} Fp + \beta_{11} Rpp + \beta_{12} Fd + \epsilon_i \] \hspace{1cm} (iii)
Whereby; independent variables are represented as:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fb</td>
<td>Follower base</td>
</tr>
<tr>
<td>Me</td>
<td>Measure effectiveness</td>
</tr>
<tr>
<td>Wt</td>
<td>Web traffic</td>
</tr>
<tr>
<td>Tm</td>
<td>Track and monitor</td>
</tr>
<tr>
<td>Cem</td>
<td>Customer engagement metrics</td>
</tr>
<tr>
<td>Sc</td>
<td>Sufficient content</td>
</tr>
<tr>
<td>Rc</td>
<td>Reach customers</td>
</tr>
<tr>
<td>Fp</td>
<td>Frequent posts</td>
</tr>
<tr>
<td>Pe</td>
<td>Plan and execute</td>
</tr>
<tr>
<td>Rpp</td>
<td>Regular posting plan</td>
</tr>
<tr>
<td>Lc</td>
<td>Learn about customers</td>
</tr>
<tr>
<td>Fci</td>
<td>Frequent customer interactions</td>
</tr>
</tbody>
</table>

4. Findings and Discussion

4.1. Response Rate

A total of 200 questionnaires were administered to the respondents in the study area. However, a total of 9 questionnaires (4.5%) were missing, 15 questionnaires (7.5%) were not usable and 176 questionnaires (88.0%) were usable. Therefore, the response rate of the study was 88.0%. According to study by Hair et al., (2015), the threshold value for response rate should be higher than 50%. Therefore, the response rate of the study (88.0%) was considered to be good for analysis.

Table 1: Response Rate

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing Questionnaire</td>
<td>9</td>
<td>4.5</td>
</tr>
<tr>
<td>Unusable Questionnaire</td>
<td>15</td>
<td>7.5</td>
</tr>
<tr>
<td>Usable Questionnaire</td>
<td>176</td>
<td>88.0</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>


4.2. Tests for Regression Assumptions

This study used multiple regression analysis to examine the relationship between business performance of the supermarkets and three independent variables namely; social media performance, social media analytics and active presence as suggested by Wang and Kim (2017). According to Thaker et al., (2020), it is necessary to test for assumptions of regression analysis before conducting multiple regression analysis. According to Adeola et al., (2020) the assumptions for regression analysis are autocorrelation, multivariate normality, multicollinearity assumption, and linearity.

Test for Autocorrelation Assumption

The study by Alvarez et al., (2020); Yasa et al., (2020); and Gonzalez-Lafaysse and Lapassouse-Madrid (2016) recommended the use of Durbin-Watson Statistic for estimating Autocorrelation Assumption. Findings in Table 2 shows the model summary for Durbin-Watson, the results
indicate that Durbin-Watson is 2.124. According to Yasa et al., (2020), if Durbin-Watson is approximated or equal to 2, indicates absence of significant autocorrelation problem in the data set. Therefore, the results show that autocorrelation assumption was not violated in this study.

**Table 2: Model Summary for Durbin-Watson**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.931a</td>
<td>.866</td>
<td>.813</td>
<td>2.74983</td>
<td>2.124</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Active Social Media Presence, Social Media Analytics, Social Media Performance

b. Dependent Variable: Business Performance

**Source:** Estimates from SPSS.

**Multivariate Normality Test**

The used of kurtosis and skewness statistics is suggested by Borg et al., (2020). Moreover, Klietz et al., (2020) suggested that kurtosis and skewness statistics are important for estimating multivariate normality assumption. According to Borg et al., (2020) Skewness and Kurtosis value should be ±2 for normality assumption to be met. Moreover, Klietz et al., (2020) revealed that the general rule requires that Skewness and Kurtosis to be ±7. Therefore, this study accepted the threshold value of ±7. The results in Table 3 indicate that the statistics for Skewness and Kurtosis are within the acceptable range of ±7 as suggested by Klietz et al., (2020). Therefore, normality assumption was met.

**Table 3: Skewness and Kurtosis Statistics**

<table>
<thead>
<tr>
<th></th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>Std. Error</td>
</tr>
<tr>
<td>Social Media Performance</td>
<td>.497</td>
<td>.183</td>
</tr>
<tr>
<td>Social Media Analytics</td>
<td>.529</td>
<td>.183</td>
</tr>
<tr>
<td>Active Social Media Presence</td>
<td>.454</td>
<td>.183</td>
</tr>
<tr>
<td>Business Performance</td>
<td>.536</td>
<td>.183</td>
</tr>
</tbody>
</table>

**Source:** Estimates from SPSS

**Multicollinearity Assumption**

According to Gonzalez-Lafaysse and Lapassouse-Madrid (2016); Borg et al., (2020); Wang and Kim (2017) the appropriate test for multicollinearity assumption is Variance Inflation Factor (VIF) and Tolerance. Therefore, this study used VIF and Tolerance value for estimating Multicollinearity.
of data. The study by Gonzalez-Lafayse and Lapassouse-Madrid (2016) proposed that in order to comply with multicollinearity assumption, tolerance value should be less than 0.2 or VIF should be less than 10.0. The findings in Table 4 indicate that all tolerance values and VIF are within the acceptable range. This indicates that multicollinearity assumption was met in this study. Therefore, the study is free from multicollinearity problems.

**Table 4: Tests of Multicollinearity**

<table>
<thead>
<tr>
<th>Model</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Performance</td>
<td>.789</td>
<td>1.516</td>
</tr>
<tr>
<td>Social Media Analytics</td>
<td>.756</td>
<td>1.681</td>
</tr>
<tr>
<td>Active Social Media Presence</td>
<td>.410</td>
<td>1.822</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Business Performance

**Source:** Estimates from SPSS

**Test for Linearity Assumption**

The study by Wang and Kim (2017), recommended the use of Pearson Correlation for testing linearity assumption. Therefore, this study used Pearson Correlation for testing linearity assumption. The results in Table 5 show there is strong correlation between social media performance of the business performance of the supermarkets ($r= 0.709, p <0.000$), and social media analytics ($r = 0.710, p < 0.000$), and active social media presence ($r = 0.762, p <0.000$). The results imply that linearity assumption was not violated.

**Table 5: Correlations Coefficients**

<table>
<thead>
<tr>
<th></th>
<th>Social Media Performance</th>
<th>Social Media Analytics</th>
<th>Active Social Media Presence</th>
<th>Business Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Performance</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.868*</td>
<td>.709</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.625</td>
<td>.633</td>
<td>.905</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>176</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>Social Media Analytics</td>
<td>Pearson Correlation</td>
<td>.868*</td>
<td>1</td>
<td>.710</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.625</td>
<td>.495</td>
<td>.890</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>176</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>Active Social Media Presence</td>
<td>Pearson Correlation</td>
<td>.790</td>
<td>.752</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.633</td>
<td>.495</td>
<td>.411</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>176</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>Business Performance</td>
<td>Pearson Correlation</td>
<td>.709</td>
<td>.710</td>
<td>.762</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.905</td>
<td>.890</td>
<td>.411</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>176</td>
<td>176</td>
<td>176</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.05 level (2-tailed).

**Source:** Estimates from SPSS

**4.3. Descriptive Statistics**

The findings in Table 6 presents the descriptive analysis results for social media performance, social media analytics, active social media presence, business performance in terms of number of observations, minimum value, maximum, value, mean and standard deviation.
Table 6: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Performance</td>
<td>176</td>
<td>4.00</td>
<td>17.00</td>
<td>8.7670</td>
<td>2.69544</td>
</tr>
<tr>
<td>Social Media Analytics</td>
<td>176</td>
<td>5.00</td>
<td>16.00</td>
<td>9.1364</td>
<td>2.64762</td>
</tr>
<tr>
<td>Active Social Media Presence</td>
<td>176</td>
<td>4.00</td>
<td>16.00</td>
<td>8.9034</td>
<td>2.53136</td>
</tr>
<tr>
<td>Business performance</td>
<td>176</td>
<td>3.00</td>
<td>15.00</td>
<td>6.7386</td>
<td>2.73180</td>
</tr>
</tbody>
</table>

Source: Estimation Using SPSS.

The results show that all variable have a total of 176 observations. Also, the findings shows that the minimum value for social media performance 4.0, maximum value is 17.00, mean is 8.7670 and standard deviation is 2.69544. Also the findings indicate that social media analytics has minimum value of 5, maximum value is 16.00, mean value is 9.1364 and standard deviation 2.64762. Moreover, active social media presence has minimum value of 4, maximum value is 16.00, mean value is 8.9034 and standard deviation 2.53136. Furthermore, the maximum and minimum values for business performance are 3.0 and 15.00 respectively, mean value is 6.7386 and standard deviation 2.73180.

4.4. Findings from Multiple Regression Analysis

The results from Table 7 show a coefficient of determination which is denoted as ($R^2$) is equal to 0.866. The results suggested that 86.6% of business performance of the supermarkets is explained by three independent variables namely; social media performance, social media analytics and active social media presence.

Table 7: Coefficients of Determination

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.156</td>
<td>2.123</td>
</tr>
<tr>
<td>Social Media Performance</td>
<td>.539</td>
<td>.582</td>
</tr>
<tr>
<td>Social Media Analytics</td>
<td>.620</td>
<td>.579</td>
</tr>
<tr>
<td>Active Social Media Presence</td>
<td>.919</td>
<td>.114</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Business performance

$R^2 = .866$

Source: Estimates from SPSS.

Moreover, the results show that beta value for constant is 1.156. Therefore, this shows that business performance will be 1.156, if all independent variables (social media performance, social media analytics and active social media presence) are constant. The findings suggest that a unit increases in social media performance will lead to 0.539 increases in the scores of business performance.
Likewise, the results show that a unit increases in social media analytics will lead to 0.6202 increases in the scores of business performance of the supermarkets. Finally, the findings suggest that a unit increases in active social media presence in social media will lead to 0.919 increases in the scores of business performance.

4.5. Discussion of the Findings

Social Media Performance

The first objective of the study aimed to investigate the effect of social media performance on business performance of the supermarkets. The results from Coefficients of Determination indicates that social media performance has positive and significant relationship with business performance of the supermarkets (beta value 0.539, t=8.925, p=0.000). The findings suggest that a unit increases in social media performance will lead to 0.539 increases in the scores of business performance. This is consistent to the study by Li et al., (2019) the study affirms that social media performance has positive and significant relationship with business performance. Another study by Adeola et al., (2020) affirms that the major aim of social media performance is to increase business performance through align social media with the company’s marketing objectives.

Social Media Analytics

The second objective of the study intended to analyses the effect of social media analytics on the business performance of the supermarkets. The findings from Coefficients of Determination shows that there is positive and significant relationship between social media analytics and the business performance (beta value 0.6202, t=7.552, p=0.001). The results show that a unit increases in social media analytics will lead to 0.6202 increases in the scores of business performance. This is similar to the study by Gunawan and Sulaeman (2020) the study affirms that social media analytics increase the business performance. The business performance and operations of various companies are influenced by the application of social media in the marketing activities (Wang and Kim, 2017). This helps the company to interact and exchange of various contents with its customers and suppliers. Thus, companies used social media as a tool of building the relationship with customers and suppliers towards the business (Tarsakoo and Charoensukmongkol, 2019).

Active Presence in Social Media

The third objective aimed to examine the effect of active presence in social media on the business performance of the supermarkets. The results from Coefficients of Determination shows that there is positive and significant relationship between active presence in social media and business performance of the manufacturing companies (beta value 0.919, t=8.055, p=0.000). The findings suggest that a unit increases in active presence in social media in social media will lead to 0.919 increases in the scores of business performance. This is consistent to the study by Gunawan and Sulaeman (2020) the study revealed that active presence in social media helps to increase business performance. Another study by Galati et al., (2017) the study reveals that there is positive and significant relationship between customer engagement initiatives and marketing performance.

5. Conclusion and Recommendations

5.1. Conclusions

The study concludes that social media performance has positive and significant relationship with business performance of the supermarkets. Social media performance facilitates to increase business performance because it helps to establish performance expectations and marketing objectives which reinforce goal commitment and better decision making in the organization.

Moreover, the study concludes that there is positive and significant relationship between social
media analytics and business performance. Social media analytics involves systematic process of collecting, analyzing and interpreting the behavior of the customers in the social media in order to facilitate marketing decisions. Social media analytics facilitate company to develop and track a range of dimensions that quantify customer responses to given marketing actions.

Furthermore, the study concludes that there is positive and significant relationship between active presence in social media and the business performance. To achieve the target business performance, active presence in the social media is important prerequisite as it helps to build strong connection between company and its customers.

5.2. Recommendations

The study proposed the following recommendations:

i. Management of the supermarkets should use social media strategy effectively. It is important to use social media strategy because it contributes to increase the business performance.

ii. Management of the supermarkets should make sure the company is actively presence in the social media. This will help the company to increase the marketing performance.

iii. Management of the supermarkets should expand content management systems and also, they should assist real-time and warm interactions with customers.

iv. The government through the ministry of trade should develop good policy to encourage companies to use social media platforms. The policy should consider the role of social media strategy on business performance.

5.3. Areas for Further Studies

Future studies on social media application and business performance of should use the large number of companies and come up with large sample size; this will increase the reliability of the findings.

References


Public Revenue-Expenditure Nexus: A Test of Fiscal Synchronization Hypothesis in Nigeria

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Abstract

Fiscal synchronization hypothesis which argues a bi-directional causality between public revenue and expenditure, is one of the four basic schools of thought on the nexus between public revenue and expenditure. The hypothesis is one of the mostly advocated and recommended for adoption for most countries most especially, developing economies. Hence, the thrust of this study was to test within the Granger causality framework, the validity of the fiscal synchronization hypothesis in Nigeria’s states and Federal Capital Territory (FCT) for the period 1981 to 2020. Hence, study aims to determine if there is a long-run relationship between public revenue and expenditure and to also evaluate the applicability of fiscal synchronization hypothesis in Nigeria. Empirical findings of this study suggest the existence of a long-run relationship between government revenue and there was a two-way causal relationship between revenue and expenditure of the states and FCT in Nigeria in the period of study. Therefore, this study confirms the validity of fiscal synchronization hypothesis in Nigeria’s states and federal capital territory. It therefore recommended that the state government and the FCT to always make their revenue and expenditure decisions simultaneously in order to contract the fiscal deficit gap in the country.

Keywords: Public Expenditure; Public Revenue; Government Expenditure; Government Revenue; Fiscal Synchronization Hypothesis; State Government.
1. Introduction

The aim of any government is to utilize the available scarce resources to ensure the growth and development of the country. Various policy initiatives have been crafted out by successive governments geared towards achieving this generic aim of governance. One of these policies is the fiscal policy - the use of public revenue (taxation), expenditure and debt in controlling/regulating the economy in order to attain certain economic ends such as price stability, even distribution of income, poverty reduction, economic growth, among others. Revenue and expenditure and the nexus between the two are key policy issues in public finance and fiscal policy specifically. Thus, key to facilitating the achievement of the fiscal objectives is understanding the nexus between public revenue and expenditure. Irandoust (2018) reiterates that understanding the revenue-expenditure nexus is important in order to determine the appropriate strategy for fiscal discipline and fiscal policy. Sound fiscal policy is important to promote internal balance such as price stability and sustainable growth in output and employment and thus understading the relationship between government revenue and expenditure is important to evaluate how to address fiscal imbalances (Karim et al., 2006). The relationship between revenue and government expenditure is an important subject in public finance especially for Nigeria, which is suffering from persistent budget deficits.

Although, there have been several studies on the nexus between public revenue and expenditure; the various findings therefrom have been classified into four schools, namely, the earn-and-spend, the spend-and-earn, the fiscal synchronization and fiscal neutrality schools of thought. Firstly, the earn-and-spend hypothesis (or tax-spend, or revenue dominance hypothesis) proposed by Buchanan and Wagner (1977) and Friedman (1978) argue the existence of a unidirectional causality flow from government revenue to government expenditure. Similar studies have also confirmed this hypothesis (Yinusa et al (2017), Yinusa and Adedokun (2017) in Nigeria; Rezaei (2015) in Iran; Sahed et al. (2020) in Algeria). Secondly, the spend-and-earn hypothesis (or spend-tax or expenditure dominance hypothesis) led by Peacock and Wiseman (1961, 1979) states that there is a unidirectional causality from government expenditures to revenue. This finding has also been supported by studies such as Uche and Ogbonna (2018), Abdurrasheed (2017) in Nigeria; Jalil and Harun (2012) in Malaysia. Thirdly, the fiscal neutrality hypothesis (also called institutional separation or fiscal independence hypothesis) led by Wildavsky (1988) and Baghestani and McNown (1994) asserts non-causality between government expenditure and revenue. According to the hypothesis, neither of government revenues and expenditures are related with the budget expansion. Other studies in support of the fiscal neutrality hypothesis are Dada (2013), Ibrahim (2020), in Nigeria.

This notwithstanding, empirically, most of the past studies that had tested the fiscal synchronization hypothesis have focused on the central/federal government. Although, some studies have provided evidence in support of the fiscal synchronization hypothesis (Irandoust (2018) in Swedish economy; Marimuthu et al. (2021) in ASEAN region; Mehrara et al. (2011) in Asian countries; Kaya and Arslan (2020) in Turkey; Al-Zeaud (2015) in Jordan; Jiranyakul (2017) in Thailand; Hye and Jalil (2010) in Romania; Soomro (2020) in Pakistan; Phiri (2016); Takumah (2014) in Ghana; Saka et al. (2015) and, Aminu and Raifu (2018), Ibrahim (2018), Eniekwezimene, et al (2019) and Aladejare and Ani (2012) all in Nigeria). Most of these past research works mostly focused squarely on the central/federal government with little or no concern about how the state/local government behavior in terms of the connection between their revenue and expenditure most especially in developing countries such as Nigeria which is found in a situation of wide fiscal deficit net. Hence, this current study is handy by investigating the causality between States’ and FCT revenue and expenditure in Nigeria with a particular emphasis of testing the validity of the fiscal synchronization hypothesis at the state level in Nigeria.
The main aim of this study was to test the validity of the fiscal synchronization hypothesis at the state level in Nigeria by investigating the causality between States and Federal Capital Territory revenue and expenditure in Nigeria. This research is expected to provide empirically-based answers to these research questions: Is the fiscal synchronization hypothesis in Nigeria’s States and Federal Capital Territory? Is there any cointegration between the revenue and expenditure of the States and Federal Capital Territory of Nigeria?

This other part of paper is structured thus. Contained in section two is the literature review on government revenue and expenditure with emphasis on the fiscal synchronization. The data and methodology of the study is the subject matter of section three while section four contains the results and discussion of findings. Finally, conclusion and recommendations are provided in section five.

2. Literature Review

Theoretically, there are four views on the nexus between public revenue and public expenditure. The Peacock and Wiseman (1961, 1979)’s spend-tax hypothesis proposes that government expenditure as causal factor for government revenue with a unidirectional causality flow from the former to the latter. Conversely, the existence of a unidirectional causality from government revenue to government expenditure is the thesis of the earn-spend hypothesis of Buchanan and Wagner (1977) and Friedman (1978). The fiscal neutrality hypothesis led by Beghestan and McNown (1994) and Wildavsky (1988) considers neither government revenue nor government expenditure as determinant of budget expansion/contraction such no causal relationship exists between government revenue and expenditure. The fourth view, which is the focus of this study is the fiscal synchronization hypothesis, led Musgrave (1966) and Meltzer and Richard (1981), asserts that public revenue and public expenditure are jointly determined by the fiscal authorities such that there is a bidirectional causality between government revenue and government expenditure. Therefore, in determining the appropriate levels of government expenditure and government revenue, voters carry out a cost-benefit analysis of the marginal costs and marginal benefits of government services. Furthermore, Irandoust (2018) explains that based on the hypothesis, government’s decision on the optimal levels of expenditure and taxation is determined concurrently and depends on the voters’ welfare maximizing demand for public services and on voters’ attitude towards the redistribution function of the government, based on the comparison of their marginal benefits and cost of public services.

Therefore, this study is anchored on the fiscal synchronization hypothesis because it constitutes the main thrust of this study. The hypothesis is single-handedly examined due to its popular advocacy and recommendation by various policies makers and researchers. According to Musgrave (1966) and Meltzer and Richard (1981), voters compare the marginal benefits and costs of government programs when they decide on the level of public expenditure and revenue. According to the authors, government may change spending and revenues simultaneously and thus adhere to the tax-and-spend and spend-and-tax fiscal situations simultaneously.

Empirically, some studies have examined the nexus between public revenue and expenditure with particular emphasis on the fiscal synchronization hypothesis in the focus or findings. For instance, Irandoust (2018) examines the long-run causal relationship between government revenues and spending of the Swedish economy. The result of the study is a bi-directional causality between revenues and expenditures which lends credence to the validity of the fiscal synchronization hypothesis in the country. In another, Marimuthu et al. (2021) establish a bidirectional causality exists between government expenditures and government revenues in Southeast Asian Nations (ASEAN) region. Likewise, Mehrara et al. (2011) confirm a bidirectional causal relationship between government expenditure and revenues in 40 Asian countries. Kaya
and Arslan (2020)'s study suggests the existence of a symmetric bidirectional causality between total revenues and government expenditures in Turkey. Al-Zeaud (2015) also shows that two-way causality exists between revenues and expenditure in Jordan. Furthermore, Omoshoro-Jones (2020) examines government revenue–expenditure nexus for the Free State Province and the study found a bidirectional causality subsists between government revenues and expenditures in the Province. Moreover, Jiranyakul (2017) confirms a bidirectional causality between government revenue and expenditure in Thailand. Similarly, Hye and Jalil (2010)'s study indicates a bidirectional causality between Romanian government expenditure and revenue. Soomro (2020) also reiterates that Pakistan government also follows budget synchronization. In another study, Phiri (2016) examines asymmetric equilibrium effects in the South African fiscal budget and confirms a bi-directional causality between revenues and expenditures in the country. Moreover, Takumah (2014) argues that there is a bidirectional causality between government expenditure and revenues thus confirming the fiscal synchronization hypothesis in Ghana.

In the Nigerian context, few studies tend towards providing support for fiscal synchronization hypothesis in the country. Among these studies is Saka et al. (2015) examine the validity of fiscal synchronization hypothesis in Nigeria. The study found evidence of bi-directional causalities between recurrent expenditure and oil revenue, and between non-oil revenue and recurrent expenditure. Likewise, Aminu and Raifu (2018) examine the asymmetric causality between revenues and expenditures in Nigeria. The study reveals that government revenue and expenditure influences each other simultaneously in the country. Ibrahim (2018) re-examines the government expenditure-revenue nexus in Nigeria and the causality test without break suggests the existence of a bi-directional causality between government expenditure and revenue in Nigeria. Furthermore, Eniekezimene et al (2019) evaluate the influences of various tax revenues and duty elements on public expenditure in Nigeria. The study discovered among others, a bidirectional causal relationship between personal income tax and government expenditure and valued added tax and government expenditure. In another empiric, Aladejare and Ani (2012) confirm an evidence of a bi-directional causality between government revenue and government expenditure in Nigeria.

In summary, most international and domestic evidence providing support for validity of the fiscal synchronization hypothesis was established via Granger causality technique and most of these studies focused on the central/federal government without considering the spend-earn behavior of the state governments.

3. Methodology

The study is based on ex-post facto research whereby past (historical) time series data were employed in the analysis of public revenue and expenditure in Nigeria with a particular emphasis on the States government and Federal Capital Territory of Nigeria. The secondary data were extracted from the Central Bank of Nigeria (2020)'s statistical bulletin on total state government and FCT revenue and expenditure. The pairwise Granger-causality test was applied in the establishment of causal relationship between government expenditure and revenue for the period 1981-2020. Preliminary tests conducted are the descriptive statistical, unit root and cointegration tests. The descriptive statistical test is in the form of summary statistics. The Augmented Dickey Fuller (ADF) and Phillips-Perron (PP) unit root tests were employed to determine the stationarity or otherwise of the two variables of study. Thereafter, the Johansen cointegration test was applied to the I(1) series.

The Granger causality equations of the nexus between public revenue and expenditure are specified in equations (1) and (2).
The summary statistics of the variables of study as presented in Table 1 shows that the average expenditure for the states government and FCT in the study period (1981-2020) exceeds their revenue, which tends to suggest an apparent situation of budget deficit. Both the minimum (5.7700) and maximum (4763.08) expenditure exceeds both the minimum (4.3300) and maximum (3905.38) revenue for the states government and FCT in Nigeria. Considered the fact that the standard deviation of both revenue (1488.108) and expenditure (1704.472) exceed their respective mean values (1300.118 and 1458.277), it can be inferred therefrom that the two variables exhibit relatively wide dispersion from their mean values. Both variables (SGREV and SGEXP) have their skewness close to zero. The Jarque-Bera test of normality indicates that both SGREV and SGEXP attain normality at 5%.

Table 1: Summary Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Max.</th>
<th>Min.</th>
<th>Std. Dev.</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Jarque-Bera</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGREV</td>
<td>40</td>
<td>1300.118</td>
<td>3905.380</td>
<td>4.3300</td>
<td>1488.108</td>
<td>0.6054</td>
<td>1.6552</td>
<td>5.4573*</td>
</tr>
<tr>
<td>SGEXP</td>
<td>40</td>
<td>1458.277</td>
<td>4763.080</td>
<td>5.7700</td>
<td>1704.472</td>
<td>0.6716</td>
<td>1.7858</td>
<td>5.4639*</td>
</tr>
</tbody>
</table>

Source: Authors’ computation using Eviews 10 (2021).

Note: * denotes significant at 10% since the p-value is less than 0.10

4.2 Unit Root Tests

Two different unit root tests (Augmented Dickey-Fuller (ADF) and Phillips-Perron(PP) test) were conducted on the log-transformed time series data on government revenue and expenditure and the results of the two tests are presented in Tables 2. Both ADF and PP test unanimously confirms the non-stationary of both variables (government revenue and expenditure) at level. However, both variables attain stationarity after first differencing. Thus, the two variables could be said to be I(1) series.
Table 2: Phillips-Perron (PP) and Augmented Dickey-Fuller (ADF) Unit Root Tests

<table>
<thead>
<tr>
<th>Variables</th>
<th>PP test statistics at level</th>
<th>PP test statistics at first difference</th>
<th>I(d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGEXP</td>
<td>-0.5732</td>
<td>Not Stationary</td>
<td>-3.6652</td>
</tr>
<tr>
<td>SGREV</td>
<td>-1.1506</td>
<td>Not Stationary</td>
<td>-4.5392</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variables</th>
<th>ADF test statistics at level</th>
<th>ADF test statistics at first Difference</th>
<th>I(d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGEXP</td>
<td>-0.5211</td>
<td>Not Stationary</td>
<td>-3.7282</td>
</tr>
<tr>
<td>SGREV</td>
<td>-1.3532</td>
<td>Not Stationary</td>
<td>-4.4981</td>
</tr>
</tbody>
</table>

Source: Authors' computation using Eviews 10 (2021).

Note: * stationary at 1% since the p-value is less than 0.01 hence the rejection of the null hypothesis of presence of unit root in the variables.

4.3 Cointegration Tests

Johansen unrestricted cointegration test was conducted on the variables which are integrated of order one. The results of both the Trace and Max-eigenvalue tests in Table 3 indicate two cointegrating equations at the 0.05 level. This suggests that that the two variables of study are cointegrated which implies that there is a long-run relationship between government revenue and expenditure of the States government and Federal Capital Territory of Nigeria.

Table 3: Johansen Cointegration Rank Test

| A. Unrestricted Cointegration Rank Test (Trace) | | | | |
| Hypothesized No. of CE(s) | Eigenvalue | Trace Statistic | 0.05 Critical Value | Prob.** |
| None * | 0.4045 | 27.4441 | 15.4947 | 0.0005 |
| At most 1 * | 0.1842 | 7.7404 | 3.8414 | 0.0054 |

| B. Unrestricted Cointegration Rank Test (Maximum Eigenvalue) | | | | |
| Hypothesized No. of CE(s) | Eigenvalue | Max-Eigen Statistic | 0.05 Critical Value | Prob.** |
| None * | 0.4045 | 19.7037 | 14.2646 | 0.0063 |
| At most 1 * | 0.1842 | 7.7404 | 3.8414 | 0.0054 |

Source: Authors’ computation using Eviews 10 (2021).

Note: * denotes rejection of the hypothesis at the 0.05 level; **MacKinnon-Haug-Michelis (1999) p-values

4.4 Pairwise Granger Causality

Granger causality technique was applied to test the validity of fiscal synchronization hypothesis using the data of state governments and FCT of Nigeria. The results of the Granger causality as presented in Table 4 indicate that both government revenue and expenditure Granger-causes each other with a complete feedback effect. This means that there is a bidirectional causality government revenue and expenditure of State government and FCT of Nigeria. By this result, this study therefore confirms the validity of the Musgrave (1966) and Meltzer and Richard (1981)’s fiscal synchronization hypothesis (or budget synchronization hypothesis) in the Nigeria’s States and FCT. This finding of this study is similar to the confirmation of the fiscal

The implication of the fiscal synchronization is that the Nigeria’s state government and FCT seems to make their revenue and expenditure decisions concurrently. Hence, the optimum revenue-expenditure decision is made in line with the cost-benefit analysis of the marginal cost and marginal benefits of the taxation as carried by the tax payers(citizens/voters) at the state and FCT level in Nigeria.

### Table 4: Pairwise Granger Causality Tests

<table>
<thead>
<tr>
<th>Null Hypothesis:</th>
<th>Obs</th>
<th>F-Statistic</th>
<th>Prob.</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGREV does not Granger Cause SGEXP</td>
<td>38</td>
<td>8.26300</td>
<td>0.0012*</td>
<td>Reject</td>
</tr>
<tr>
<td>SGEXP does not Granger Cause SGREV</td>
<td>3.96530</td>
<td>0.0286**</td>
<td></td>
<td>Reject</td>
</tr>
</tbody>
</table>

**Source:** Authors’ computation using Eviews 10 (2021).

**Note:** Rejection of the null hypothesis at 5% and 1% respectively.

### 5. Conclusion and Recommendations

This study tested the validity of the fiscal synchronization hypothesis in Nigeria’s states and Federal Capital Territory (FCT) for the period 1981 to 2020 pairwise Granger causality technique. Empirical findings of this study suggest the existence of a long-run relationship between government revenue and there was a two-way causal relationship between revenue and expenditure of the states and FCT in Nigeria. Therefore, this study confirms the validity of Musgrave (1966) and Meltzer and Richard (1981)’s fiscal synchronization hypothesis in Nigeria’s states and federal capital territory. The implication of the fiscal synchronization is that the Nigeria’s state government and FCT seems to make their revenue and expenditure decisions concurrently. Hence, the optimum revenue-expenditure decision is made in line with the cost-benefit analysis of the marginal cost and marginal benefits of the taxation as carried by the tax payers(citizens/voters) at the state and FCT level in Nigeria.

It therefore recommended that the state government and the FCT to always make their revenue and expenditure decisions simultaneously in order to contract the fiscal deficit gap in the country. Thus, a planned expenditure expansion should be concurrently followed by the planned expansion and diversification of the revenue base of the country and vice versa, a cut in public revenue (tax) should be accompanied by a reduction in public spending.
References


Corporate Donations as a Source of Financing an Innovative Strategic Economic Plan to Strengthen the National Economy in More Than One Axis in Developing and Poor Countries: A Justified View

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Abstract

In developing and poor countries, corporate donations, which are one of the sources of financing available in those countries, are not being used effectively "in a correct and ideal way." As a result, this theoretical study presented an idea about how to manage and invest this resource in a fruitful way that contributes to strengthening the national economy in more than one axis and addressing many social problems and negative phenomena resulting from the deterioration of economic conditions in those countries, through a strategic economic plan was designed for this purpose. To a large extent, the structure of this study, the formulation of its idea and the formation of its conceptual framework depended on personal diligence, rational thinking and the researcher's imagination, supported by logical justifications. Corporate donations can be used according to the innovative strategic plan to boost the national economy in more than one axis in those countries "doubling the number of companies - strengthening the infrastructure - enhancing the state’s tax revenues - contributing to solving the unemployment problem, etc." Also, this plan will contribute to solving many social problems resulting from the deterioration of the economic conditions in these countries. This is on the practical level, but on the theoretical level, in the field of CSR thought, this study indicated the need to adopt the concept of priority "most important" and the idea of addressing the causes of the problem, not its symptoms, as much as possible, to be included in the list of principles of CSR. Also, this study defined what is meant by the CER at the level of the country's economy as a whole, and fruitful corporate philanthropy "multi-purpose". As well as, this study explained the real interaction between the CER and the CPR at the level of the country's economy as a whole and at the level of the corporation's economy. The researcher expects that this study will receive sufficient attention from the governments of these countries and to benefit from its content in developing their financial policies and laws related to the management and investment of corporate donations in bringing about a real comprehensive development. Also, this study may be the starting point and the cornerstone of many studies and research in this field.

INTRODUCTION

According to the concept of priority "the most important", and the concept of addressing the roots of the problem, not its symptoms, as much as possible, corporate donations should be directed to finance development plans, and strengthen the infrastructure and national economy in developing and poor countries that suffer from a marked deterioration in their economic conditions. This perception can be justified as follows:

On the economic front, developing countries, and the poor in particular, suffer from deteriorating economic conditions and their repercussions on the social life of their societies. "The developing economies -classified based on per capita income level "in the worst ranks," and poor countries that are characterized by low per capita income, a significant unemployment rate, the large number of poor and needy people in the societies of these countries." these countries are intended "concerned" in this study. These poor economic conditions are primarily responsible for serious crimes and high rates of criminality - especially economic crimes, and the exacerbation of social disease rates "such as drug addiction and prostitution," family and social problems "such as family disintegration, divorce and reluctance to marry," and unethical behaviors "such as forgery and fraud" in the societies of these countries. Despite the scarcity of resources, governments in these countries have spared no effort for social reform. With the inability of many governments in those countries to meet the requirements of economic development and social reforms at the same time, NPOs intervened to contribute to social reform programs with funding provided by people and companies. Most of the social issues and problems, and negative phenomena in developing and poor countries are the result of poor economic conditions in those countries. With funding from donor corporations, NPOs are trying to participate in solving many of the social problems and negative phenomena, because these problems and phenomena are often renewed due to the presence of the main reason for their renewal in societies, which is the deterioration of economic conditions. And as it is well known that the poor economic conditions in any country contribute directly to the creation of many social diseases and problems, and negative phenomena in the society of that state. Therefore, it will be economically and socially feasible to address the causes of these social diseases and problems, and negative phenomena rather than their symptoms. The right thing to do is to harness corporate donations to boost the national economy and achieve the economic well-being for those societies. That luxury "economic well-being" will contribute to reducing the level of social problems and diseases, and negative phenomena in those societies. Adopting this approach will help address the roots of the problem, not its symptoms. Corporate donations in developing and poor countries can be a stone for more than one bird "promoting the national economy and achieving the economic well-being for societies, in addition to contributing to solving many social problems and diseases, and negative phenomena resulting from the deterioration of economic conditions."; The developing and poor countries suffer from a scarcity of economic resources, which are one of the requirements for comprehensive development. Therefore, they resort to borrowing from external sources, such as the World Bank and friendly countries. Mostly, these loans made poor and developing countries live in a spiral of economic bottlenecks instead of moving forward, they were moving backward ". Funding development plans by relying on external loans is usually accompanied by many risks. These risks (failure of projects and inability to pay obligations) have contributed to the deterioration of economic conditions and the delay in achieving comprehensive development in most developing and poor countries. For this reason, it is necessary to search for more secure funding sources, and corporate donations can be one of those sources.
Lights on the Problem

The problem of financing "economic resources" is one of the main obstacles to development in developing and poor countries. In developing and poor countries, corporate donations - as a source of financing, have not been properly used thus far in promoting inclusive development. Corporate donations are often used to address the symptoms of problems, not the deep root causes. Corporate donations should be directed towards addressing the economic problems that are a source of production for most of the social problems in contemporary societies in developing and poor countries. In these countries, the regulatory laws and financial policies did not take into account the principle of priority (the most important) and the principle of addressing the causes of problems instead of their symptoms as much as possible in organizing and managing corporate donations and investing them in a correct manner "in a fruitful way."

Corporate donations are mostly directed towards charity, humanitarian aid and temporary solutions. It is a blind imitation of what is applied in developed countries whose economic conditions differ from those in developing and poor countries. Corporate donations can be used to promote economic development and address many social problems and negative phenomena resulting from deteriorating economic conditions, at the same time. In other words, using the donations provided by the donor corporations during a certain period to achieve two goals, "economic reform and social reform." Corporate donations should be used for economic reforms and boosting economic development. This will contribute to solving many social problems and addressing many negative phenomena resulting from the deterioration of economic conditions. Unfortunately, this perception has not been adopted correctly. In our modern era, even if there are some ideas regarding investing corporate donations, such as establishing some productive projects for poor families in some countries, they are no more than initiatives to help those poor families and groups by opening the doors of livelihood in front of them that do not have a significant impact on the national economy of those countries. Often these initiatives are not systematic, not continuous and do not stem from deliberate strategic plans. Where corporate donations can be used to boost the national economy of the state in more than one axis in a better way than those initiatives "Dwarf Small Enterprises."

The Importance of Studying

The content of the idea of this study is "to move from treating the symptoms of the problem to addressing the causes of the problem" by redirecting corporate donations in the right direction, which may contribute to strengthening the national economy in developing and poor countries and solving many problems and social issues in those countries. Following this concept in designing appropriate financial policies regarding corporate donations may be a helpful factor in achieving comprehensive development in these countries.

Objective of the Study

This study aims to draw the attention of the governments of developing and poor countries to the need to reconsider their financial policies, laws and legislations regarding how to manage and invest corporate donations - as one of the sources of funding, to achieve comprehensive development in those countries in an ideal way, by redirecting these financial flows to be on the right track and in economically productive fields, according to the concept of priority (the most important) and the concept of treating the causes of the problem, not its symptoms, as much as possible.

Study Methodology

This study is classified within the studies concerned with presenting problems and proposals to solve them "problem and solution study." This study is theoretical that depends largely on the
personal diligence " personal judgment" and rational thinking of the researcher supported by logical justifications in describing the problem and how to treat it in an ideal manner. As described in this study, the problem is not to exploit one of the sources of financing in developing and poor countries- which is corporate donations, in a correct and fruitful manner, and to submit a proposal on how to address this problem by envisioning a strategic economic plan to invest and manage this source in a fruitful way " according to the concept of strategic planning." In this theoretical study, the methodology of the literature review and the conceptual framework will be presented.

Results " Expectations and New Ideas "

Expectations about the Proposed Plan

The proposed plan in this study to invest and manage corporate donations in an optimal manner can contribute to strengthening the national economy of developing and poor countries in more than one axis as follows: Doubling the number of operating companies during a specified period; Increased productivity and high rates of economic growth within the country; Contribution to solving the unemployment problem; Increase the state's tax revenue in the coming periods; The return of the tax savings acquired by donor corporations to the state treasury; Strengthening the infrastructure in the country; Activating the role of financial markets and encouraging investment in the country; Encouraging donor corporations to make more donations and persevering in that; And also to contribute to solving many social problems resulting from unemployment and deteriorating economic conditions; In addition to creating another source of funding for NPOs other than corporations" the development of contemporary societies is a collective responsibility."

New Ideas and Developments in the Thought of CSR

This study contributed to the emergence of some new ideas and concepts such as: Fruitful corporate philanthropy "multi-purpose"; New principles that can be added to the list of principles of CSR, "the principle of priority (the most important) and the principle of addressing the causes of the problem not its symptoms as much as possible; CER at the level of the country’s economy as a whole; CPR "Corporate Philanthropy " can be a stone for more than one bird; The CPR is to support the national economy of the state and contribute to solving many social problems resulting from unemployment and deteriorating economic conditions; The idea of proliferous" reproductive/multiplying" corporations; The logical interaction between CPR and CER " achieving goals regardless of the method of commitment used."

LITERATURE REVIEW

CSR is a Tool for Development

In recent years, many initiatives have been launched that encourage corporations to invest their capital and profits in a responsible manner and improve the social and economic life of the community to which they belong, which indicates the growing and increasing awareness of the importance of social responsibility entrusted to institutions and corporations. Civil society’s evaluation of private sector corporations no longer depends on their annual profits. Rather, its evaluation depends on new concepts such as "CSR" and the extent to which they apply sustainable programs that help corporations create an effective work environment capable of dealing with changing and accelerating developments.

The growing interest in important issues such as poverty, improving the standard of living and creating new job opportunities were among the most important reasons for interest in CSR programs, which are important issues that for a long time remained the responsibility of governments alone. However, with the increasing interest in CSR concept and sustainable
development issues, and the emphasis on the importance of having an active role for private corporations and civil society institutions to contribute to promoting comprehensive development in contemporary societies, the interest in these concepts "CSR and SD" has increased (Al-Mutairi, 2017).

Corporations contribute - through their commitment to their social responsibilities "economic, legal, ethical and charitable," to promoting development within the societies in which they operate. The desired goal of adopting the idea of CSR in contemporary societies is to make corporations as true partners in achieving comprehensive development in those societies. After the governments of the countries became unable to achieve prosperity and well-being for their societies "through public sector institutions" due to the limited economic resources, it became necessary for the participation of private sector institutions "corporations" and NPOs in managing the wheel of development in the societies of these countries. Societies have come to view corporations as the first leader in achieving well-being for them through the adoption of those corporations for their social responsibility. CSR carries with it all the noble values, lofty principles and wonderful ideas that contribute to pushing the wheel of comprehensive development forward. Through their commitment to their charitable responsibility, corporations are now contributing to strengthening the country's infrastructure (building bridges and paving roads), combating poverty (supporting the poor with money or establishing productive projects for them), and solving many social problems (by supporting NPOs), etc. Also, the corporations' commitment to their economic responsibilities means the optimum employment of economic resources and thus strengthening the indicators of economic growth in the country. As for the corporations' commitment to their legal and ethical responsibilities, it contributes to achieving social justice and ensuring that all stakeholders obtain their rights. As well as, corporations' commitment to the requirements of sustainable development means ensuring a decent life for current and future generations. In fact, all the benefits that can be realized by the commitment of corporations to their social responsibility are for the purpose of promoting comprehensive development in contemporary societies.

Corporate Philanthropy

Corporate philanthropy is a general term that includes all activities, programs and initiatives that corporations implement to support and improve the quality of life for specific target communities or society in general. Corporate philanthropy can include: Donations of money, time, and work "effort"; Collecting donations for a cause; Making interest-free loans; Waiver of economic gains to others; A reduction in the selling prices of goods and services in recognition of specific circumstances, in solidarity with people; Permission to use fixed assets for specific periods "free of charge" for the benefit of certain sects and groups or for the sake of improving, supporting and developing the performance of specific institutions in society, or for the benefit of society as a whole. The researcher defines corporate philanthropy as follows: It is a set of charitable initiatives (material and non-material donations) adopted by corporations, which contributes to improving the quality of life within the communities in which they operate, which is voluntarily provided by those corporations without any legal coercion, in response to the aspirations of contemporary societies and their urgent desires to develop the role of corporations to be the ideal partner who will bear part of their worries and problems due to the inability of governments - in most countries of the world, to meet all the needs of their contemporary societies and achieve all their aspirations" (Saleh, 2020: 85). Also in this study the researcher defines corporate philanthropy as follows: Corporate philanthropy is the material and immaterial sacrifices that corporations make for the benefit of other entities outside the walls and buildings of those corporations, without waiting for any economic benefits other than enhancing the competitive advantage. Corporate philanthropy in its broadest sense means improving the quality of life for the community or one
of its sects by providing a helping hand and material and non-material assistance to all parties outside the corporation’s walls and buildings.

The Importance of Corporate Philanthropy in Contemporary Societies

In light of population explosions in most countries of the world and the inability of governments to meet all the aspirations of their societies, and achieve well-being and prosperity for them due to their scarcity of economic resources, as well as the emergence of social problems and negative phenomena resulting from the deterioration of economic conditions, the idea of CSR has emerged in order to create a positive and effective role for corporations in the communities in which they operate, including contributing to bearing part of the burdens of those governments and participation in achieving the aspirations of those societies. The philanthropy that donor corporations give to the communities in which they operate has had a great role in improving the quality of life in those communities. Donations in cash and in kind that corporations make to non-profit organizations are a source of funding for those organizations. As it is no secret to anyone that non-profit organizations have a positive role in social reform programs, they contribute to solving many social and environmental problems, addressing many negative phenomena, and providing material and moral support to many sects in contemporary societies. Donations made by donor corporations contribute to reducing government spending. Corporate donations are mainly to bear part of the obligations of governments that those governments are unable to fulfill due to their limited economic resources. They contribute to achieving comprehensive development that governments cannot achieve without the participation of these corporations. Corporate philanthropy as a source of finance is one of the methods of social solidarity to improve the quality of life for contemporary societies.

Classification of Corporate Philanthropy

By reviewing the historical developments and changes that occurred in corporations’ policies regarding how to adhere to their philanthropic responsibilities, the researcher classifies corporate philanthropy into six types, including the Fruitful Philanthropy (multi-purpose) that was devised in this study:

Classical/Traditional Philanthropy

This type was continuous until the emergence of non-profit organizations and charitable societies in most societies of the countries of the world, and this does not mean that this type is permanently interrupted, as many corporations still practice their charitable activities without the mediation of NPOs. Classical philanthropy is represented in all types of material and non-material aid that corporations provide to the societies in which they operate, such as alms given to the poor and the needy, contribution to strengthening the state’s infrastructure, participation in solving many social issues in those societies, etc. Often the amounts of subsidies are specified in the corporations’ discretionary budgets as “planned expenditures.” In the modern era, in many countries of the world, traditional philanthropy is considered a problem for corporations. Traditional philanthropy has become a point of contention between corporations and tax administrations. Tax administrations often do not recognize traditional corporate philanthropy when determining corporate income tax and granting tax incentives, as it is an entrance to the practice of many unethical behaviors.

Philanthropy Mediated by NPOs

After the peoples and their governments realized the importance of the role of non-profit organizations in improving the quality of life in contemporary societies, a trend supported by legal legislations appeared in many countries of the world, which stipulates the necessity of
supplying "submitting" donations of the donor corporations to these organizations so that those governments could recognize the legitimacy of these donations.

**Urgent “Sudden” Philanthropy**

Often this type is unplanned and not included in the corporations' discretionary budgets, which is imposed by certain circumstances beyond the control of those corporations. This type is represented in the non-financial and financial aid provided by companies to their communities in which they operate in cases of natural disasters "earthquakes, floods, etc., " and also in cases of wars and outbreaks of epidemics with humanitarian, religious, economic or political motives.

**Strategic Philanthropy**

Strategic philanthropy is an approach by which corporate or business giving and other philanthropic endeavors of a firm are designed in such a way that it best fits with the firm’s overall mission, goals, and values. Strategic philanthropy is an approach to business giving that seeks to achieve goals for the community or recipient of the giving and for the business itself as well. Strategic philanthropy is more carefully focused. It does not just address any legitimate need in the community but rather concentrates on those needs or issues that are consistent with or aligned with the firm’s overall mission, objectives, programs, or products/services (Carroll, 2018:7). Strategic philanthropy is an effective way to combine a corporation's marketing goals with its desire to improve the well-being of the community in which it operates. Through strategic philanthropy, a corporation selects a philanthropic activity to support, which also brings some benefits back. This philanthropic activity needs to support the business objectives of the corporation. Therefore, what this company does is support both its own interests and the interests of a charity organization. For example, assuming that, Black Tiger Company for the manufacture of televisions, one of its marketing policies, is to provide free maintenance to its customer whose monthly income is less than $1,000. The charitable economic policy of the Black Tiger Company will contribute to supporting low-income people and enhance its revenues from selling televisions.

**Sustainable Philanthropy**

Sustainable philanthropy can be interpreted from two angles: 1) The continuing commitment of corporations to provide their charity “donations” to the communities in which they operate depends on the extent to which these corporations are convinced that their donations are not a waste of shareholders’ money but rather an investment that results in achieving direct or indirect economic benefits "mutual interests between the corporation and society resulting from those donations." If companies are just being good and donating a lot of money to social initiatives then they will be wasting shareholders’ money. That is not sustainable in the long-run, and shareholders will quickly lose interest. Michael Porter (Hopkins, 2019). For example: Free games halls for children in the supermarkets will be desired and recommended by shareholders for two reasons: A) They contribute to maximizing profit as a result of increasing sales volume; B) They contribute to improving the quality of life for a group of society namely children. 2) The continued flow of social benefits resulting from the donations made by companies, whether for current or even future generations, "such as building a seaport in a city that benefits current and future generations." The term sustainable corporate philanthropy refers to the optimal use of corporate donations and not wasting corporate money to finance social activities that do not result in mutual benefits, or result in temporary benefits that are not characterized by a constant flow of benefits.

**Fruitful Philanthropy (Multi-Purpose)**

In this study, the term "Fruitful Philanthropy" is introduced for the first time, which can be defined as follows: Fruitful corporate philanthropy means investing a specified value from
donations of donor corporations to finance and establish certain new economic projects "corporations" - while ensuring the survival and continuity of newly established projects in their economic activity, and reinvesting that value or its economic return to finance other economic projects or to strengthen the state's infrastructure. Managing the donations of donor companies in this way means strengthening the national economy of the country in more than one axis. Logically, strengthening the national economy will have positive repercussions that contribute to bringing about social reforms within the society of that state. "Fruitful corporate philanthropy, in addition to being a means to enhance the national economy of the state, is also a means that contributes to addressing many social problems and reducing the negative phenomena resulting from the deterioration of economic conditions." The Fruitful corporate philanthropy can be likened to planting a Super Fruit Tree that gives each period more than one type of fruit. As mentioned in the proposed plan in this study, with the same donation value during a specific period, the state "government" can achieve the following benefits: Doubling the number of operating companies and increasing the productivity rate; Strengthening the state's infrastructure; Doubling the state's tax revenues in the coming periods; Reducing the unemployment rate; Improving the incomes of individuals; Improving living standards; Reducing social problems and negative phenomena resulting from the deterioration of the economic conditions in the country.

**CER at the Level of the Corporation's Economy**

Economic Responsibilities: "be profitable, maximize revenues and minimize expenditures." Economic responsibilities relate to business's provision of merchandise and services in community. Earnings result from this activity and are necessary for any other responsibilities to be carried out. It is assumed that corporations will be as profitable as possible, maintain a powerful competitive position and maintain a high level of operating efficiency. It is well known that many developing countries suffer from a shortage of foreign direct investment, as well as from high unemployment level and widespread poverty. It is no surprise, therefore, that the economic contribution of companies in developing countries is highly prized, by governments and communities, alike (Carroll, 1991: 40; Al Am, 2020:331). Some economists see these as the only logical social responsibility of corporations. Living up to their economic responsibilities requires managers to maximize earnings wherever and whenever possible. The fundamental responsibility of business is assumed to be providing merchandise and services to people at a reasonable price. In discharging that economic responsibility, the corporation also emerges as socially responsible by providing productive works for its labor force, and income tax payments for its local governments.

**CER at the Level of the Country's Economy as a Whole**

This concept should be strengthened and adopted in developing and poor countries, which particularly states the following: "when seeking to maximize profits, corporations must not harm the national economy of the state, even if the laws do not criminalize this." Corporations should contribute to strengthening the national economy of the state, "strengthening the state’s national wealth." Corporations are one of the main components of any country's economy, and they can influence it, either positively or negatively. We may applaud the profitable corporation "the company that made the highest profit," and at the same time we may regret the negative effects this corporation has left at the level of the country's economy as a whole. For example, hiring foreign workers and ignoring national workers. This behavior "action" contributes to increasing unemployment rates in society and also contributes to the exit of hard currency outside the borders of the state. Another example, reducing sales prices in order to sell a larger quantity of products may contribute to pushing another competitor out of the market. CER can be viewed from two angles: maximizing the company's profit and strengthening the national economy of the state.
The Interaction between CER and CPR

In developed countries, and in a competitive market environment, the interaction of the CER with the CPR can be described as follows: 1) The commitment to economic responsibility contributes to strengthening the commitment to philanthropic responsibility; 2) The commitment to philanthropic responsibility contributes to enhancing the competitive advantage of companies; 3) Competitive advantage contributes to reinforcing the commitment to economic responsibility, and so on. It should also be noted that commitment to philanthropic responsibility may contribute to achieving economic savings "resulting from tax incentives." These savings contribute to strengthening the donor corporations' economies. As for developing and poor countries, and in the absence of competitive markets, it can be said that there is no reciprocal interaction between economic responsibility and charitable responsibility. The companies' commitment to their economic responsibility contributes to strengthening the commitment to their charitable responsibility. Philanthropic responsibility does not contribute to enhancing commitment to economic responsibility due to the absence of an important and influential role for competitive advantage in that environment. Commitment to charitable responsibility may contribute to achieving tax savings "resulting from tax incentives", but these savings do not have any positive impact on the economics of donor companies, because the values of sacrifices "donations" are greater than the values of the benefits gained "tax savings resulting from tax incentives."

Financing Development in Developing and Poor Countries

There is no doubt that finance plays a major role in supporting and running the development process and moving the determinants of economic growth and sustainable development. It is also considered one of the main pillars for achieving the goals of the countries' strategic plans (Talha, 2020: 19). The scarcity of economic resources is one of the main obstacles that hinder the implementation of comprehensive development programs and plans in developing countries, especially the poor ones. The economic resources in many of these countries are not sufficient to effect positive change in the indicators of economic growth. This may be a justification for explaining the slowdown in economic growth in these countries. As a result, these countries are still ranked in the list of developing countries. Some developing countries have designed a package of strategic economic plans in an attempt to get out of that list.

In the modern era, with massive population explosions, economic conditions worsened in developing and poor countries, "where unemployment indicators have increased, individual income levels have decreased, the specter of famine has become painfully familiar in world news reports, epidemics have spread, and civil wars have spread to more than one country." The international support and aid were not sufficient to bring about a significant change in the area of comprehensive development in those countries. The economic resources of these countries are very weak and insufficient to build huge economic edifices. As a result, many developing and poor countries resort to external financing sources, which are represented in World Bank loans and loans from friendly countries, as well as opening the door to unfair foreign investment. As it is known, a large part of the economic returns resulting from development projects financed by external loans goes to lenders, "paying the annual installments of debts and their interest." This is in addition to the risks related to the failure of the implemented development projects, which may cause heavy losses to the borrowing country. As for foreign investment, it certainly has a positive effect on economic growth rates, but not to the satisfactory extent, because the largest share of economic returns goes to the foreign investor and not the host country as a result of the huge concessions that the host country grants to foreign investors.
Sources of financing for development in developing and poor countries

The sources of financing development plans and programs in developing and poor countries can be classified into two categories, which are internal sources and external sources. The external sources include the following: 1) External loans "the World Bank / friendly countries"; 2) Foreign investments; 3) International assistance. The internal sources include the following: 1) Available domestic economic resources; 2) Donations from companies and wealthy people "according to what is suggested in this study." This source will have a positive impact in the field of economic and social development in those countries if it is invested and managed according to the method suggested by the researcher in this study.

An Innovative Strategic Economic Plan

Poor and developing countries should strive to boost their national economy by investing the available economic resources in an optimal manner and adopting all distinguished economic plans to achieve this goal. The strengthening of the national economy will contribute to improving the welfare level of the societies of those countries. To this end, governments will need massive funds to finance their economic plans. One of the available sources of funding is corporate donations. Unfortunately, this source is not exploited in an ideal way to bring about real economic development in developing and poor countries. Most corporate donations are made to support NPOs. As it is known that these organizations are often interested in addressing specific social issues that have no relationship or direct impact on the country’s economic growth indicators. This does not mean diminishing the importance of these organizations to contemporary societies in solving many social and environmental issues and problems. In developed and rich countries, this policy can be accepted. As for developing and poor countries, according to the researcher, these donations should be used to boost the national economy of these countries. This means that other sources of funding for NPOs should be sought, in line with the concept of importance and priority. The question that arises: How can corporate donations be used to boost the nation’s national economy? And how can NPOs be funded? There may be more than one way to do this. In this context, the researcher proposes the following strategic economic plan "the idea of proliferating corporations" which will reflect the utmost degrees of idealism regarding the optimal utilization of corporate donations in creating real economic development and strengthening the national economy in those developing and poor countries. That plan, that will contribute to strengthening the national economy of the state in more than one axis.

According to strategic planning thought, any strategic plan must be derived from a clear vision for the future. "The strategic economic plan should be derived from and consistent with the government’s vision." The strategic economic plan for any country depends primarily on the government's vision of the current unsatisfactory economic situation and the desired future aspirations. The strategic economic plan is the path that must be followed to achieve this vision "the desired goal" by relying on specific capabilities and preventive measures to avoid any threats that may prevent the achievement of the desired goal. Logically, the ideal vision that all governments of developing and poor countries should adopt is: "Strengthening the national economy and pushing forward the wheel of development in order to achieve prosperity for society." Based on this vision, the government’s mission can be visualized as follows: The government as an executive authority concerned with managing state affairs will work to strengthen the national economy and create real economic development that will contribute to achieving the economic well-being of its citizens and improving the level of per capita income by adhering to the implementation of a set of strategic economic plans, that embody the country's vision and aspirations for the desired future. This vision and desired aspirations will be translated into a group of necessary economic policies, measures and reforms in all the institutions of the state's
economic entity. Strengthening the national economy will be through adopting a prudent economic policy that takes into account the following requirements: Optimizing the use of available economic resources and managing them in a productive way; Developing economic policies, financial laws and strengthening the infrastructure to attract foreign investments; Opening the door to economic partnerships with friendly countries "strengthening integrated strategic economic partnerships with friendly countries"; Establishing new economic projects with the need to stay away from foreign loans as much as possible.

There may be more than one strategic plan to achieve the desired goal, and the next is one of those plans.

The Content of the Innovative Strategic Economic Plan “Corporate Donations as a Stone for more than One Bird”

The idea of this innovative plan is to direct corporate donations to boost the national economy of the state in more than one axis in a fruitful way that will contribute to sustainable development and economic growth, and furthermore push forward the eradication of poverty. According to the researcher’s opinion, the best way to achieve these desired goals is to double the number of corporations operating in the country in the coming periods with funding provided by donor corporations “corporate donations” In other words, the use of voluntary contributions provided by donor corporations to establish new corporations. This is what can be called the idea of the Proliferating/Reproducing Corporations. According to this innovative plan, corporate donations can contribute to achieving the following economic and social benefits: Doubling the number of companies operating in the country in the coming periods (establishing new service, commercial and industrial institutions with funding from companies operating at the present time) and then increasing productivity and improving economic growth rates in the country; Increasing tax revenues in the coming periods; Return the tax savings - earned by donor companies, to the state treasury; Strengthening and developing the country’s infrastructure; Encouraging local investment and activating the role of financial markets in the country; Donor companies will continue to make donations to the communities in which they operate especially in a competitive market environment, as a result of the tax incentives according to the scenario proposed by the researcher in this plan; Promoting and developing the idea of social solidarity within the community “achieving prosperity is a collective and shared responsibility” to ensure the continued funding of NPOs according to the scenario proposed by the researcher in this plan; Actual contribution to solving the problem of unemployment and addressing many social problems and negative phenomena resulting from the deterioration of economic conditions. These benefits can be achieved during the coming periods by the same amount of donations made by the donor corporations. It should be noted that, the greater the amount of the donation, the greater the amount of benefits.

How to Implement the Plan

This plan can be implemented by following all of the prescribed steps:

Funding NPOs is the responsibility of all employees and workers in the private and public sectors. It is a compulsory financing "compulsory deduction from their monthly salaries." All employees and workers in the country are obligated to pay a small amount that is deducted from their monthly salaries - half a dollar or a dollar per month, “mandatory payments” that is paid to the state treasury. Every employee or worker will be obligated to pay a small amount of his/her monthly salary. The economic entities "employers" are obligated to send and transfer the monthly total sums to the state treasury. After receiving these compulsory monthly deductions, the government takes charge of distributing these amounts to all recognized NPOs within the country. This policy is to ensure that NPOs will continue to carry out their duties and social
activities. As for corporate donations as a source of financing, they should be invested in financing strategic plans related to strengthening the national economy of the country according to the following steps:

Donor corporations must make their donations to the state treasury; After receiving donations from donors, these donations should be used by the government to finance the process of establishing and forming new industrial, commercial and service corporations, based on economic feasibility studies prepared for this purpose; The government should determine the cost of establishing "construction costs" each new corporation; The government should divide the new corporation's capital, "the cost of its establishment" into shares; Those shares must be sold on the stock market by the government; The total value of the shares sold must be higher than the cost of establishing the new corporation; The government must recover the value of tax savings that donor corporations have made " earned" in exchange for those donations. Those tax savings that contributed to the decrease in the value of government revenues from taxes; The government should invest the remainder of the stock sales value to strengthen the country's infrastructure; In order to motivate corporations to make their annual donations, the government must grant a full tax exemption in exchange for those donations. More precisely, these donations should be deducted from the fully taxable income.

Comprehensive Development in Contemporary Societies in Developing and Poor Countries is a Collective Responsibility

In view of the limited economic resources in developing and poor countries, and the urgent desire to achieve comprehensive development - that needs concerted efforts in these countries, the fiscal obligations of corporations and citizens "employees in the public and private sectors" must exceed the payment of taxes and go further than that. In those countries, according to the plan proposed in this study, corporations should make donations to boost the national economy and economic development, and employees should support NPOs, this is what can be called the collective responsibility. As it is known, and for the most part, NPOs are concerned with addressing social problems and negative phenomena within society. As for strengthening the national economy through the support "donations" provided by donor companies, it will contribute to improving the level of per capita income and reducing the unemployment problem. This approach has positive repercussions that contribute to solving many social problems and reducing the negative phenomena resulting from unemployment and deteriorating economic conditions.

Proliferating / Reproducing/ Multiplying Corporations

The Proliferating corporations is a new innovative term, used by the researcher for the first time to refer to: doubling the number of corporations operating in the country by relying on donations from corporations as a source to finance the establishment, formation and building operations of new corporations that did not exist in the past. The idea of the proliferating corporations means increasing the number of corporations in society by relying on the donations of the operating corporations as a source for the construction and establishment of new corporations. It should be noted that the idea of the proliferating corporations contributed to the production of the term "fruitful philanthropy" - multi-purpose, referred to in this study.

The proliferating / reproducing/ multiplying corporations can be defined as follows: They are the corporations that contribute through their donations to the establishment of new corporations. They are the corporations whose donations are used to establish other new corporations. These are companies that donate a portion of their profits to establish other new independent companies. An example to illustrate the idea, assuming that: In 2018, the Libyan government had adopted the idea of the proliferating corporations as one of the economic policies to boost the national economy of the Libyan state, which contributed to doubling the number of operating
corporations in just two years, as follows: In 2018 the number of corporations operating in the city of Benghazi was 75 corporations. During the year, these corporations made their donations to the state treasury in the city of Benghazi, which were used to establish 25 new corporations. At the end of 2019, the number of corporations operating in the city of Benghazi increased to 100 corporations. In 2020, these corporations (100 corporations) made their donations to the state treasury in the city of Benghazi, which were also exploited to establish another 40 new corporations in the city of Benghazi, by the end of 2020, there were 140 corporations operating in the city of Benghazi. It is noticeable from this hypothetical example that the number of companies in the city of Benghazi increased by 65 companies.

Developing the Principles of CPR in Developing and Poor Countries

In order to achieve comprehensive development in developing and poor countries, all available economic resources must be properly utilized in fruitful areas. Corporate donations -as one of the sources of financing in those countries, should be directed to serve economic development, which will have beneficial repercussions beyond the economic gains such as reducing the level of social problems and diseases, and negative phenomena resulting from unemployment and deteriorating economic conditions. To achieve this goal" by making optimal use of the funds allocated by the donor corporations" all developing and poor countries must adopt the following two principles: The principle of priority (most important). Resources are limited, and there is something important and there is something more important. CPR does not only mean charitable spending, but it also means choosing where the right donation is "the right area to donate." In developing and poor countries, this principle indicates the urgent need to harness the corporate donations to finance the most important areas and putting this resource in its rightful place. Failure to make full use of corporate donations means wasting economic resources in these countries. In developing and poor countries, there should be clear financial policies and legislation to direct corporate donations to fund more important causes. And economic development is one of the most important of those issues in those societies, which must be given priority because it contributes to achieving comprehensive development. The principle of treating the root causes of the problem, not its symptoms whenever possible. NPOs financed by donor companies are mostly concerned with addressing many social issues, problems, and diseases, and negative phenomena resulting from unemployment and deteriorating economic conditions (deteriorating living conditions), such as addiction, reluctance to marry, prostitution, divorce, crimes involving graft, elderly care, orphan care, etc. The continuation of these organizations in carrying out their charitable activities depends on the continued flow of aid from donor companies and philanthropists in the community. In fact, the activities carried out by these organizations - including the provision of aid to those beneficiaries and affected, often do not contribute to solving many social problems and issues radically. For example, treating drug addicts does not mean addressing the addiction problem in society. The fundamental solution to this problem lies in the strict prevention of the drug trade within society. Mostly the support that NPOs provide to their communities is to treat symptoms of social problems and diseases, and negative phenomena in society. That support is for the service of specific sects and not for the community as a whole. They are temporary solutions and not radical. The support of society as a whole lies in eliminating the causes of these problems. The correct procedure is to address the causes of these social problems and negative phenomena and uproot the deep roots from which these problems and phenomena arise. Addressing symptoms without addressing the causes means a waste of economic resources, which are limited in developing and poor countries. Symptomatic treatment should be replaced by treating the causes and uprooting the roots that produce these problems, social diseases, and negative phenomena as much as possible. In developing and poor countries, unemployment and deteriorating economic conditions (low
income level) are the deep roots from which most social problems and diseases and negative phenomena emanate in the societies of these countries. According to this perception, all developing and poor countries should adopt this principle.

The Logical Interaction between CER and CPR at the Level of the Country’s Economy and the Level of the Company’s Economy “Proposed Plan”

Theoretically, the thought of CSR showed the logical interaction between CPR and “CER at the level of the corporation economy” as follows: Corporate donations given to NPOs contribute to enhancing the competitive advantage and the latter contributes to enhancing the economic performance of companies "CER." Promoting the corporation’s economy and its growth is strengthening the state’s economy, considering corporations are one of the components of the state’s economic entity. Corporations are one of the main components in the economies of contemporary countries, and they are part of their national wealth. The growth and prosperity of the corporations will contribute to the growth and prosperity of the country’s economy. Accordingly, it can be said that enhancing the CER "at the level of the corporation economy," which means profit maximization, will positively affect the improvement of indicators of economic growth of the country, and this is what can be considered as one of the requirements of CER “at the level of the country’s economy as a whole.” As a result of the interaction and mutual influence between the economy of the corporation and the economy of the state as a whole, the CER can be viewed from the point of view of the company’s economy, "maximizing profit for the corporation," and from the point of view of the state’s economy as a whole, "enhancing the economic growth indicators for the state." **According to the proposed scenario**, the commitment to CPR “corporate donations for economic purposes” is to enhancing the CER at the level of the country’s economy as a whole, "the economic benefits that the proposed plan will achieve at the level of the country’s economy as a whole," and to contribute to solving many social problems and addressing many negative phenomena resulting from unemployment and deteriorating economic conditions. This means harnessing the CPR to enhance the CER at the level of the country’s economy as a whole. This means harnessing the CPR to enhance the national economy and address social problems and negative phenomena resulting from unemployment and deteriorating economic conditions. The final result of this idea is to enhance the competitive advantage of corporations that will contribute to improving the economic performance of those corporations "boosting the CER at the level of the corporations’ economy, under the effective influence of competitive advantage in the market." **Also,** the CER "at the level of the state’s economy as a whole" will be affected by the CER “at the level of the company economy”, and the logical result of this mutual interaction is to strengthen the national economy and improve the level of welfare that will contribute to solving many social problems and reducing the rate of negativity phenomena resulting from unemployment and deteriorating economic conditions in the developing and poor country. This can be called the optimal exploitation "investment" of corporate philanthropy (multipurpose).

The next steps are to explain the logical interaction between CPR and CER "Harnessing the CPR to enhance the CER at the level of the state economy as a whole":

1) Commitment to the CPR for economic purposes contributes to enhancing the CER at the level of the state’s economy as a whole; 2) Enhancing the CER at the level of the country’s economy as a whole contributes to enhancing the competitive advantage of corporations; 3) The competitive advantage of companies will contribute to strengthening the commitment to CER at the level of the company’s economy, "maximizing profits."; 4) Strengthening the CER at the level of the company’s economy will contribute to enhancing the CER at the level of the state’s economy as a whole, as companies are part of the state’s economy. In addition to enhancing CPR, whether for economic or social purposes. **But if there is no effective role for competitive advantage "resulting from**
corporate commitment to their social responsibility,” then there will be no significant interaction between CPR and CER.

The New Addition of the Thought of CSR “Classification of CER and CPR”

Depending on the content of the idea of this study, CER and CPR can be precisely classified in line with the conditions prevailing in developing and poor countries as follows: CER “at the level of the corporation economy”. It means maximizing profit by improving the level of revenues, reducing expenditures to the lowest possible level, and optimizing the use of available economic resources. Corporations are part of the state’s economic entity and one of the main components of its national wealth. Enhancing the economic performance of corporations and its growth has positive repercussions on the country’s economy as a whole; CER “at the level of the country’s economy as a whole”; It means strengthening the national economy of the state and its infrastructure, and contributing to the prosperity of the society that allowed these corporations to carry out their economic activities. This can be achieved through: Not to cause any economic crises within the state, even if the laws in force do not criminalize the economic decisions taken by corporations; Not to inflict economic damage on any other economic entity, even if it is legally permissible, in order to achieve economic gains in light of competition. As the loss of any economic entity is a loss to the national economy of the state. In order to maximize profits—which is a legitimate goal for all corporations, care must be taken not to inflict economic damage on other economic entities. The end result is the realization of gains for one entity and losses for another, and perhaps the loss of that affected entity forever, and this negatively affects the economy of the country as a whole; Investing and exploiting the available economic resources in an optimal way “economic rationality”; Providing support and assistance to local economic entities as much as possible to overcome their ordeal; Purchases of raw materials and supplies should be concluded with local economic entities as much as possible, to limit the flow of money out of the country; Employment of national labor to reduce the phenomenon of unemployment; Seizing all opportunities and economic gains provided by the international environment as much as possible; In light of the difficult economic conditions, corporations must provide their donations and loans to economic entities to help them overcome their economic ordeal to avoid foreign loans that have exhausted the shoulders of developing and poor countries. The interaction between the CER “at the level of the company economy” and the CER “at the level of the state economy as a whole” lies in the fact that commitment to the first contributes to strengthening the economy of the country as a whole, which means strengthening the CER at the state level as a whole. Also, commitment to the first, without taking into account the conditions of other economic entities, or not adhering to this responsibility efficiently, may contribute to causing economic damage to the economic entity of country. CPR “donations for economic purposes.”

Exploitation of corporate donations to support the national economy of the state and strengthen its infrastructure can be considered as enhancing the CER “at the level of the state's economy as a whole.” This approach contributes to achieving two goals: The first is to strengthen the national economy of the state; And the second is to contribute to solving many social problems and reducing the growth rate of negative phenomena resulting from unemployment and deteriorating economic conditions, “a decrease in the level of per capita income.” CPR “donations for Economic Purposes” should be adopted in developing and poor countries due to the abundance of its benefits on the economic and social levels. Certainly, the donations of the donor corporations will contribute to enhancing the competitive advantage of these corporations, which will contribute to enhancing the economic performance of the corporations. CPR “donations for social purposes.” Corporate donations devoted to supporting NPOs contribute to solving many social and environmental problems and issues, combating negative phenomena and developing contemporary societies. Also, these donations contribute to enhancing the competitive advantage
of donor companies, which positively affects the economic performance of these corporations. In other words, the competitive advantage contributes to enabling the donor corporations to adhere to their economic responsibility "at the level of the corporation's economy."

The Economic and Social Returns of the Innovative Plan

The innovative strategic economic plan will contribute to strengthening the national economy of the developing and poor country in more than one axis in addition to contributing to solving many social problems and issues resulting from unemployment and deteriorating economic conditions "low income levels." The economic and social returns of this plan can be identified in the following points: Doubling the number of companies operating in the country during the coming period, will contribute to increasing productivity, improving the income levels of individuals and indicators of economic growth; This plan will contribute to solving the unemployment problem in the country, "employing people in new companies" and also reducing the value of the social benefits' social assistance' that the government provides to the unemployed people; This plan will contribute to enhancing government revenue from taxes in the future, "increasing the value of government revenue from taxes due to the increase in the number of corporations within the state."; This plan will contribute to strengthening the country's infrastructure, "sales of shares of new corporations will be used by the government to strengthen the country's infrastructure."; This plan will increase the volume of investment in the country (encouraging investment) "investing instead of hoarding" increasing the volume of investment and activate the role of financial markets.; This plan will enable donor corporations to make tax savings. These economic benefits will serve as an incentive for corporations to continue making donations that are the source of funding for the proposed plan; This plan will allow the government to sell shares of new corporations "to collect the total value of donations made by donor companies," and thus the government can return the value of tax savings achieved by donor corporations. Under this plan, the state's tax revenues will not be affected; This plan will contribute to reducing unethical practices and behaviors that donor corporations can engage in through donation activities" all corporate donations will be under government control"; This plan will contribute to promoting the idea of true social solidarity within the community. NPOs will be funded by employees and workers in the public and private sector and not by corporations. "The welfare of society is a collective responsibility in which all entities within society must contribute" individuals, institutions, corporations, governments, etc." But each entity has a specific contribution in a specific area; This plan will contribute to solving many social problems and eliminating many negative phenomena resulting from unemployment and deteriorating economic conditions within society.

A HYPOTHETICAL EXAMPLE

Assuming that, in 2000, in one of the developing countries, the number of operating companies was 800. The number of employees and workers in the public and private sectors was 10,000,000. The total value of corporate donations was $350,000,000. The value of tax savings made by donor corporations during 2000 was $150,000,000. In 2001, relying on corporate donations as a source of financing" according to the proposed plan in this study," the government has created 10 new corporations. The government sold shares of the new corporations at a value of $500,000,000. The government recovered the value of tax savings "$150,000,000" that were achieved by donor corporations for 2000 "the decrease in the income tax of donor corporations in 2000." The government spent $350,000,000 "remaining amount of stock sales" in the field of strengthening the country’s infrastructure, "new roads and bridges." Employing more than 8,000 people in the new corporations. As a result of the increase in the number of corporations, the value of the state's tax revenues increased in 2001 by 20%. As a result of employing employees and workers in new corporations, the value of social benefits" subsidies" provided by the government to the unemployed decreased in 2001 by $14,000,000. In the event that this plan is implemented for more than a year, the
Adopting this strategic economic plan will contribute to achieving economic gains in more than one area. Those gains will contribute in a positive and effective way to strengthening the national economy of the country. Those gains are: contributing to solving the unemployment problem and to improving the economic status of people; To contribute to reducing government spending in the field of social benefits" subsidies" provided to the unemployed; Contributing to increasing productivity and competitiveness in the country; Encouraging investment (investing instead of hoarding)" increasing the volume of investment" and activating the role of financial markets; Contributing to increasing government revenue from taxes due to the increase in the number of corporations; contributing to strengthening the country’s infrastructure, etc.

Requirements for Implementing the Innovative Plan:

To ensure the achievement of the intended purpose of adopting this idea, the authorities in developing and poor countries must observe the following requirements:

Amending the Law on Funding NPOs

Funding for NPOs should be through private and public sector employees and other donors, not through operating corporations. With regard to employees, small amounts are deducted from their monthly salaries and transferred to the state treasury through the institutions "organizations" in which they work. The government’s role is to redistribute the total amount to the recognized NPOs according to their needs for funds and importance of their activities. All sums must be transferred to the state treasury as a first step, and then redistributed to NPOs. With this regulatory action, all unethical practices that could be passed by donor corporations when dealing directly with NPOs will disappear.

Development of the Tax Treatment Law for Corporate Donations

The tax treatment that fits with this plan and that will motivate the donor corporations to continue making their donations to the communities in which they operate is to deduct the donation value from the taxable income in order to allow these corporations to achieve tax savings "economic gains." Therefore, the corporate income tax law should include a reference to the necessity of granting full tax incentives to donor corporations. In other words, corporate donations should be treated as if they are operating expenses that are deducted from revenues or taxable income.

Issuing a New Law Regarding Corporate Donations

To implement the established plan with extreme accuracy, there must be legislation that compels all parties "the executive authority, corporations, etc." to adhere to the content of the plan and policies and procedures described to implement it. Legal legislation should include the following:1) Corporate donations must be transferred "submitted" to the state treasury;2) Using the donation funds to establish new corporations;3) Selling new corporations at a price higher than the cost of their establishment" building and construction";4) Return the tax savings earned by donor corporations, to the public treasury" the difference between the cost of establishing and building new corporations and the selling value of these corporations should equal the value of the tax savings earned by the donor companies or more than it "; 5) The remaining amounts, which are the cost of establishing and building new corporations, must be invested in strengthening the country’s infrastructure.

Informing all Concerned Parties of the Content of the Plan

All the stakeholders (all parties involved) who affect and are affected by this innovative strategic economic plan must be aware of the content of the plan, its objectives, and its economic and social benefits. The success of implementing this plan depends primarily on the conviction of all
CONCLUSION

Managing and investing corporate donations as mentioned in this plan is considered an embodiment of the concept of fruitful corporate philanthropy "multi-purpose". This visualization "conception" represents one of the recent innovations in developing the concept of corporate philanthropy" strategic philanthropy - sustainable philanthropy - and last but not least, fruitful philanthropy "multi-purpose"." This is what can be called the optimal use of corporate donations, especially in developing and poor countries. Adopting this plan can contribute to strengthening the national economy, as well as contributing to solving many social problems and eliminating many negative phenomena resulting from unemployment and the deterioration of economic conditions in those countries. Also, this perception embodies the true meaning of the idea of CER "at the level of the country’s economy as a whole." As the correct orientation and optimal investment for the CPR, "the optimal use of corporate donations" to enhance the national economy in developing and poor countries is nothing but a commitment that can be included within the requirements of CER in a broad sense" at the level of the country’s economy as a whole." CPR will achieve its goals, but through CER. Improving people's living conditions and contributing to reducing unemployment rates will contribute to solving many social problems and treating many negative phenomena resulting from deteriorating economic conditions and high unemployment rates. The new idea in this study is that corporate donations can be used in the following two areas: 1) In the field of social reform, which is the usual field; 2) In the field of economic reform, "strengthening the national economy." This field can be included in the requirements of the CER at the level of the country’s economy as a whole.
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Personal Selling As A Means of Increasing Performance of Service Providers in Akure Metropolis, Nigeria

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Abstract
The study investigated personal selling as a mean of increasing performance of service providers in Akure Metropolis. A descriptive survey research design was adopted for the study. Seventy (70) respondents were sampled using random sampling. Primary data used for the study were gathered through the administration of structured questionnaire. Data gathered were analyzed using Pearson product moment correlation and linear regression analysis. The correlation result showed that personal selling significantly affects sales efficiency. Furthermore, the regression result showed that personal selling significantly affects customer relationship. Thus, in conclusion, it was found that personal selling significantly and positively related to performance of service providers in Akure Metropolis.

Keyword: Personal Selling, Performance, Sales Efficiency, Customer Relationship

1. Introduction
The feature of every business is to identify and satisfy customers need, maximize profit, possess competitive advantage and remain relevant in the marketplace (Anyadighibe, Awara & Esu, 2014). This can only be accomplished through the adoption of personal selling in a firm’s operations. However, customers are seen and treated like king in recent time due to their influence on the performance of marketing organisations. Gone are the days when marketing firm operate from the marketing mix context but modern time performance are dictated through customers. Personal selling plays a crucial role in creating direct contacts or interactions between customers and sellers or producers as well as enhancing firm’s productivity. Productivity depicts the act of enhancing customer relationship, customer retention and increase in sales volume of a
firm. Therefore, personal selling is a process of assisting and persuading a prospective buyer to buy a product in face-to-face situation. It also involves direct and personal contact between the seller and the prospective customers. Personal selling enhances quick customer response, but it is quite time consuming and most expensive of all the promotional mix elements (Gupta & Khanta, 2003).

It is not enough for a business to have good products attached with affordable prices without communicating the product to customers. To generate sales and profits, the benefits of products have to be communicated to customer which is commonly known as “promotion” in marketing. However promotion is not only conducted for these factors but for other factors such as building brand loyalty, to remind and reassure costumers, to launch a new product and to defend market share by responding to competitors’ campaigns with their own means of promoting their product (Kotler, 2013). The organization has to convey the message about the product to its consumers. This helps in sustaining a perennial demand for the product and in suitable positioning among the target audience (Adebesi, 2006). It becomes very important for organisations to carry out personal selling on every product in order to attract customer’s attention in the market. The main reason for organization’s personal selling strategy is to bring existing and potential customers to a state of relative awareness of the organization’s product and to a state of adoption (Murithi, 2015). A well produced product through modern technology cannot sell itself but it is necessary to make such product known to the target market and customers. Therefore, a good or service should respond favourably to the marketing mix which tends to result to the full performance of such product in the market. However, one of the most important elements of marketing mix is promotion, otherwise known as marketing communication.

Promotion brings the existence of product to the awareness of consumers which further educates potential and actual buyer on product usage, benefits, availability, price and other product features (Olumoko, Abass & Dansu, 2012). The efforts of the organization’s in the study of marketing are based on drawing the strategic marketing elements mixture comprising product, pricing, promotion and distribution. Organisation can never succeed unless they succeed in reaching consumers through the provision of products in good time and place and in choosing the sales force capable of dealing with consumers and responding to their needs and desires in the light of the increasing number of shops, diversity of products, dramatically increasing demand, and the increasing volume of displayed commodities. All these contribute to the complexity in the work of employees in personal sales and exert a lot of pressure on them (Anyadighibe, Awara & Esu, 2014). One of the problems of personal selling is the cost implication of the process. However, the cost of recruiting more hands or putting personal selling in place is high or expensive. The complexity of the adopted promotional means is also stressful, demanding and bears serious implications on organisational profitability if not well planned. Based on this, how would personal selling affect performance in terms of sales volume, profitability and market share to gain competitive advantage. Therefore, this study investigated the nexus between personal selling and performance of service providers in Akure Metropolis in the Nigerian Context.

**Research Objectives**

The specific objectives are to:

i. determine the relationship between personal selling and sales efficiency

ii. ascertain the effect of personal selling on customer relationship
Research Hypotheses

The following null hypotheses was considered

i. there is no significant relationship between personal selling and sales efficiency

ii. personal selling has no significant effect on customer relationship

2. Literature Review

Promotional strategies are employed by product manufacturers as a means of getting consumers to take a specific action such as product purchasing. Promotional strategies are typically short-term in nature which is put in place to get consumers to act quickly before the promotion expires. Promotion has been defined as the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and promote an idea. Implicit communication occurs through the various elements of the marketing mix, most of an organization’s communications with the market. The basic tools used to accomplish an organization’s communication objectives are often referred to as the promotional mix (Raj, 2015).

Personal selling involves person-to-person, face-to-face, oral, and interpersonal or telephone dialogue with the prospective buyer with the aim of improving sales. According to Kotler (2000), personal selling is an oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales. Spiro, Stanton and Rich (2003) describe personal selling as a person-to-person dialogue between a buyer and a seller where the purpose of the interaction is to persuade the buyer to accept a point of view or to take a specific course of action. Personal selling is seen as an interpersonal, oral interaction or direct personal communication between the seller and a prospective buyer of goods, services or ideas. It involves direct human contact between a person and another person or between a person and an audience (Nebo, 2016). Kotler (2013) asserted that personal selling is a useful vehicle for communicating with present and potential buyers. Personal selling involves the double ways flow of communication between a buyer and seller often in face to face encounter designed to influence a persons or groups purchase decision. However, with advances in technology, personal selling also takes place over the telephone, through video conferencing and interactive computer links between buyer and seller though personal selling remains a highly human intensive activity despite the use of technology.

Service providers refer to the telecommunication firms in Nigeria which are MTN, Glo, Airtel and others to mention but few. These firms provide similar services on information and communication. The sector is one of the most competitive sectors in Nigeria which needs to increase market share, sales volume, increase profitability and retain customers to compete favourably and improve performance of their services. Personal selling has been the major techniques adopted by telecommunication firms or service providers in Nigeria. Most of these companies embark on personal selling through massive recruitment off contract staff to sell their product like Sim packs, recharge card, phones, sim registration and others. Most of these products are done through the help of DJs or sound system and dancers to capture the attention of people in that location and persuade them to buy. People are mostly attracted by the jingles adopted and people passing by tend to watch for few minutes and may be convinced to buy such product if well programmed in a strategic location or positions. Though, most personal selling goes with discount and enables sales force to gather raw and genuine information from customers.

2.1 Performance

Kotler (1997) defined product performance as the added value attributed to products and services. This added value may be shown in the way customers consider, feel and act with respect
to a particular product as well as in the prices, market share and profitability that it commands for the company. Brand performance is a concept of particular relevance to companies (Aaker, 1991). Product performance refers to the added value of a product to a company (Kotler, 1997). Brand performance now plays a significant role and is accepted as generating and sustaining business growth (Prasad & Dev, 2000). Having a strong brand not only helps a company to differentiate itself from its competitors but also creates positive communication suitable to satisfy and convince customers (Aaker, 1991). The function of a product is not only to enhance the value of a product beyond its functional purpose but it is also related to trust, loyalty, perceived quality and brand awareness (Caroline. 2016). In view of this, performance in the study context is sales volume, profitability and market share.

2.2 Conceptual Framework

The model depicted the relationship between personal selling and performance. However, from the context of this study, performance was seen from the dimension of sales volume or efficiency and customer relationship. Therefore, the study unveils the nexus between personal selling and the performance of service providers through their relationship and sales efficiency and has these variables have positively affected performance in terms of revenue generation, market share and retaining customers in the face of intense competition.

Source: Author’s Conceptualisation, 2021

Figure 2.1: Relationship between Personal Selling and Performance

3. Methodology

This study was carried out in Akure Metropolis. Both Akure North and Akure South were covered. The research design adopted in this study was descriptive survey research design. The data to be used for this study was gathered through the primary source of data collection mainly structured questionnaire. However, Staff working in Airtel office in Akure metropolis constituted the study sample size. However, only the full time staff was considered. Therefore, seventy (70) respondents was randomly sampled in total considering both Akure South and Akure North. For the purpose of this study, inferential statistic and descriptive was employed. The data generated through questionnaire was analyzed using both correlation and multiple regression analysis for the stated objectives.

Therefore, the regression line is stated below:

\[ Y = b_0 + b_1x_1 + U_i \]

Performance = (Sales Efficiency, Customer Relationship) Dependent variable

\[ Perf = F'(PSL) \]

\[ SE = 2\alpha + PSL \]

\[ CR = 2\alpha + PSL \]

PSL = Personal Selling
4. Data Analysis and Presentation

Questionnaires were administered seventy (70) respondents in Akure metropolis which is the state capital where the head office resides. The questionnaires were filled and returned for data analysis. The respondent’s demographic information considers the year of experience, gender and level of management. Thus the data retrieves was analysed based on objectives through Pearson product moment correlation and linear regression from which F statistic was used to test the study hypothesis.

4.1 Relationship between Personal Selling and Sales Efficiency

The study employed correlation in analysing this part. Therefore, Personal selling was subjected to Pearson Product Moment Correlation (PPMC) to test the relationship between the two variables (Personal selling and sales efficiency).

Table 1: Correlation between Personal Selling and Sales Efficiency

<table>
<thead>
<tr>
<th>Variables</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Selling</td>
<td>1.607</td>
</tr>
</tbody>
</table>

Source: Author’s Field Survey, (2021)

Table 1 showed the relationship existing between personal selling and sales efficiency. The correlation coefficient value of personal selling is 0.607 which showed a positive and strong relationship between personal selling variables and sales efficiency. This relationship has been found to be significant at p< 0.05. The p-value is shown in the sig (2-tailed) row. Thus the study reject null hypothesis and therefore accept the alternate hypothesis. The result implied that there is significant relationship between personal selling and sales efficiency using Pearson Product Moment Correlation.

4.2 Effect of Personal Selling on Customer Relationship

The effect of personal selling on performance was subjected to linear regression and tested the hypothesis using F-Statistic.

Table 2: Effect of Personal Selling on Customer Relationship

<table>
<thead>
<tr>
<th>Variables</th>
<th>Beta</th>
<th>T-Statics</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.864</td>
<td>3.080</td>
<td>.000</td>
</tr>
<tr>
<td>Personal Selling</td>
<td>.748</td>
<td>7.078</td>
<td>.000</td>
</tr>
</tbody>
</table>

R  .649*
R²  .421*
R²  .412*
F*  50.092

Source: Author’s Field Survey, (2021)
Table 2 revealed that the regression co-efficient of personal selling and on customer relationship showed a positive figure of 0.649, this indicated that personal selling has a strong positive effect on customer relationship. The co-efficient of multiple determinant (R$^2$) with a co-efficient of 0.421 showed that the personal selling can explain 42.1% of the behaviour of customer relationship while the remaining 57.9% can be explained by the stochastic variable. The adjusted R$^2$ further confirms the result of the R$^2$ with a co-efficient of 0.412, which showed 41.2% of personal selling on the behaviour of customer relationship after adjustment while the remaining 58.8% is explained by the error term. From the table it can be deduced that the T-value, The co-efficient of personal selling is given as 0.748, this showed that the personal selling has a positive significant effect on customer relationship and therefore implies that an increase in personal selling will result to 74.8% increases in customer relationship. F statistic was adopted to test the study hypothesis thus showed a significance value of 50.092, this implied that alternate hypothesis should be accepted and rejected otherwise. Hence personal selling has a positive and significant effect on performance.

4.3 Discussion of the Findings

The data retrieved from the respondents was analysed via Pearson product moment correlation and linear regression analysis. The study hypothesis was tested through F-statistic and the correlation value depicted that there is significant relationship between personal selling and sales efficiency. Furthermore, the regression found that personal selling significantly affect customer relationship of service providers in Akure metropolis. However, both analytical tools revealed strong significant values of explanatory variable on performance thus implied that performance can be enhanced and improved through personal selling in the telecommunication sector.

5. Conclusion

The study found that there is significant relationship between personal selling and sales efficiency as revealed through the correlation and that personal selling significantly affect customer relationship as revealed by the linear regression and all were found positive at 0.05 level of significance. Sales efficiency and customer relationship were used to proxy performance in this study. Alternate hypothesis was accepted and rejected otherwise. Hence, concluded that personal selling is positively related to performance of service providers in Akure metropolis.

5.1 Recommendations

Personal selling was found positive and significant on sales efficiency thus it is recommended that service provider’s management should prioritize and encourage personal selling in order to increase sales volume and increase market share among competitors. Also, relationship with customers is very significant and also remains a success key factor that improves organisational performance. Therefore, it is recommended that service provider management should ensure to build large customer base to improve performance of the business. The adoption of personal selling brings a product or services closer to customer and enables customers to express their mind on such product thus help to attract more customers and retain the existing ones and more importantly boost organisational profitability.
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