THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON
THE STRATEGIC INTENT IN THE BANKING INDUSTRY IN
KENYA: A CASE STUDY OF STANDARD CHARTERED BANK

BY

RUNJI NDEGI

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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RUNJI NDEGI

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STUDENTS’ DECLARATION

I, the undersigned declare that this is my original work and that it has not been submitted to any other University or learning institution other than the United States International University for educational reasons.

Signed: ___________________  Date: ___________________

Runji Ndegi : (615026)

This report has been presented for examination with my express endorsement as the allotted supervisor.

Signed: ___________________  Date: ___________________

Prof. P. Lewa

Signed: ___________________  Date: ___________________

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ABSTRACT

The purpose of this study was to assess the impact of corporate social responsibility on the strategic intent in the banking industry in Kenya. The study focused on Standard Chartered Bank (SCB) Kenya Limited. The study was guided by the following research questions; What is the meaning and scope of corporate social responsibility (CSR)? What is the influence of the CSR programs on strategic management at the Standard Chartered Bank Kenya Limited? What are the CSR programs implemented by the Standard Chartered Bank Kenya Limited? How effective are the corporate social responsibility strategies to Standard Chartered Bank Kenya Limited?

A descriptive research design was adopted for the study. The reason for using this research design was because the research design permitted for an assessment of the relation between and the strategic intent and CSR. The population of the study consisted of 1024 staff members working for Standard Chartered Bank (SCB) Kenya Limited from which a sample size of 131 was computed. Semi-structured interview questionnaire were used to collect the data from the respondents. The sampling procedure used in the study was simple random sampling enabling every employee equal chance of participating in the study. The study employed the use of descriptive statistics including tables and bar graphs to present the data that was collected. The Statistical Package for Social Sciences (SPSS) was used to analyze the data and to draw correlations between the independent and the dependent variables.

The study found that Standard Chartered Bank actively undertakes CSR initiatives. This is so, because from the study, it was found that most of the respondents indicated that their organization was intensively involved in the CSR programs. The study also found that the organization was involved in several CSR programs. The study determined that the effectiveness of the organization’s CSR initiatives was indicated by several factors. The study found that the respondents, despite their lack of consensus on how CSR impacts on the organization’s strategic intent were instrumental in highlighting some of the ways on which CSR influenced the firm's strategy. According to the study, not many respondents indicated that they thought that CSR influenced the level of employee commitment.
The study concludes by contending that CSR influences the organizations strategy in many ways and an organization’s failure to partake in CSR initiatives puts the organization at a strategic and competitive disadvantage relative to peers who engage in such activities. The study argues further that even though CSR is always undertaken for moral, legal and ethical considerations, it can also be undertaken to facilitate the realization of the organizations strategic intents and overall strategy. Effective CSR involvement impacts positively on the organization’s strategic intent and overall strategy.

The study made several recommendations Firstly; organizations should appreciate the influence of CRS programs on the organizational strategy. Organizations should acknowledge that CSR initiatives can be undertaken as a moral or legal obligation but can also be implemented to augment the organizational strategy. Secondly, that organizations should undertake CSR initiatives that help the society. Organization should conduct proper research before they engage in CSR, to ensure that the CSR programs, which they undertake, are responsive to the societies needs, and are relevant. Last but not least, organizations should undertake measures that enable them to assess the effectiveness of their CSR initiatives.
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I wish to express my deepest gratitude to my husband, parents and friends for the unwavering support during the duration of the project.

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DEDICATION

It is with great humility that I dedicate this work to my parents Eng. and Mrs. Runji, without whose support I would not have made it this far in my academic pursuits. To my lovely siblings, Muriuki, Mumbi, Muthoni, Migwi and all my friends without whose encouragement I would not have been able to complete this journey.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

In the current multimarket business milieu, competitiveness, productivity and relevancy of a business organization depends not only on the extent to which the company remains profitable, but also on how socially responsible it is (Crowth and Aras, 2008). At the age of globalization, the issue of national borders has become blurred as the concern for the environment has increased; moreover, more than ever, societies are becoming more wary of the impact of business practices on their lives (Lichtenstein, Drumright and Braig, 2010).

In fact, man’s greatest challenges in contemporary times is to ensure a sustainable and a balanced development that has little repercussions on the lives of the society and on the physical environment, and the business sector is particularly important in this regard because it can play a fundamental role (Hohnen, 2011). This transformation has dictated that the firms, companies and business organizations in general have to protect that brand and reputation (Carroll, 2012).

Furthermore, there is an increased demand for skilled employees capable of facilitating the productivity of the firm (Crowth and Aras, 2008). Therefore, it is apparent that companies have to provide better working conditions for their employees. In short, what all these changes and transformations in the business environment mean is that companies must prove more responsible and indeed accountable to the societies in which they operate (Wafula, 2012). Contemporary business organizations must therefore relate well with their workers and host communities to ensure the sustainability and the survival of the business (Carroll, 2012).

The Lichtenstein (2010), CSR is concerned with ways in which an organization exceeds its minimum obligations to stakeholders which is specified through regulation. How much a company engages in Corporate Social Responsible activities is determined a lot by ethical stance that the organization has embraced and how this is aligned with the organizations strategy. Luo and Bhattacharya (2012) assert that the direction that corporate social responsibility takes has several dimensions thus corporate philosophy,
corporate responsibility and corporate policy. The different dimensions for each firm, for instance, occur because they hire local talent wherever they set up (Carroll, 2012). For others it is educating children from poor backgrounds a good case and point is Equity’s Wings to Fly program, others have set up water projects such as the Coca Cola had with non-Governmental (NGO’s) and Millennium Water Alliance and through this accomplished projects like Safe Water Systems. Social responsibility means an organization contributing positively to the society (Kiko, 2008).

All over the world, businesses and big firms are facing the challenge of satisfying the demands posed by their external milieu in ways that are have positive returns in the long-run (Lichtenstein, 2010). It has proved fundamental that organizations operate in such a way that they are not indicted for infringing upon the set legal statutes. Furthermore, it is often expected that the firm relates with its internal human resources in a manner that leaves no question about the existing legal provision on labor (Carroll, 2012).

Lichtenstein (2010) explains that customers expect organizations to produce quality goods or services while the shareholders expect a return on their investment. The societies’ hopes clash with the demands of shareholders since in most cases, societies’ investments do not provide an assurance on returns to the firm (Luo and Bhattacharya, 2012). Nevertheless, as Johnson et al, (2010), firms cannot afford to ignore the society partially due to constitutional requirements and since the sustainable benefits that derive from such investments.

Several companies have initiated practices that indicate that they are becoming more socially responsible (Lichtenstein, et al., 2020). The developed countries including the US and the European countries have implemented corporate social responsibility as an undertaking in which corporate organization must partake (Crowth and Aras, 2008). Consequently, big organizations are currently practicing corporate social responsibility. For instance, the cognition for social responsibility if manifest in the activities of such big companies spend millions of dollars in various ways including employee volunteerism, philanthropic responsibilities, cause-related marketing, legal, ethical, economic, and environmental responsibilities (Lichtenstein, et al., 2010; Luo and Bhattacharya, 2012).
Avon donations for Breast Cancer Awareness Crusade was estimated at about $200 million, the largest North American financier to CARE International is Starbucks and it is indicated that Coca-Cola has agreed to provide in the upwards of $60 million and staff to the Boys and Girls Clubs in the US (Lichtenstein, et al., 2010). According to Lichtenstein, et al., (2010), Home Depot and Patagonia also practice CSR with the former contributing both employees and material for the construction of houses for Habitat for Humanity and the latter donating 1% of its sales to environment protection groups. All these instances and much more are manifest of the precedence that the firms and corporations give to CSR (Hohnen, 2011).

Besides, states and countries have also recognized the inherent benefits for them should they practice corporate social responsibility. According to Hohnen (2011), World Business Council for Sustainable Development has argued that by practicing corporate social responsibility, states and firms gain a competitive advantage vis-à-vis their competitors. The concept of Corporate Social Responsibility is not very well developed in Kenya, as it is still an emergent concept in the country (Wafula, 2012). However, the level of cognition of the concept within the corporate community is rising steadily but it is largely considered more philanthropic and voluntary rather than a legal requirement (Hohnen, 2011).

The slow and rather sluggish tempo of the adoption of CSR in Kenya is easy to fathom. According to Kiko (2008), attributes the slow growth of the CSR in Kenya to the nature of the country’s economy. He contends that Kenya is a low-income country largely dominated by small and medium enterprises (SMEs) which lack enough funds and materials to commit to CSR. Consequently, only big companies in Kenya such, the banks and telephone service providers are the ones who are largely involved in CSR as they have the fiscal muscle to undertake such engagements (Wafula, 2012).

On their part, big companies such as the Kenya Commercial Bank (KCB), Toyota Kenya, Standard Chartered Bank, East African Breweries Limited, Kenya Airways, Equity Bank and Barclays Bank among others have participated in the CSR in Kenya (Kiko, 2008). Wafula (2012) contends that these companies have applied CSR strategically as a means of promotion for their products and brand name and this has enabled to develop reputation as legitimate and society-friendly companies.
However, despite the level of involvement in CSR most Kenyan companies are accused of not being sensitive to the social, economic as well as the physical environment in Kenya in which they exist (Hohnen, 2011). CSR is partly not practiced in Kenya because essentially the local companies have not taken CSR seriously either for the apparent ethical reasons or as a strategic undertaking beneficial to their operations. The organizations in Kenya also operate in a poor economy, which makes some companies lack the necessary resources, and funds for CSR or engaging in such a process would mean an unending engagement given the social ills that Kenyans face currently (Kiko, 2008). It is cheaper for organizations not to engage in such undertakings at all.

1.2 Statement of the Problem

The utter size and number of corporate organizations in Kenya and the world today is unprecedented and their impact on the socio-economic, political and environment systems is insurmountable. This has continued to raise questions about the nature of this influence but more fundamentally about the level of accountability of such firms to the society and the environment (Hohnen, 2011). Furthermore, how corporate social responsibility impacts on or facilitates the firm’s strategic intents is important and deserves analysis.

Firms are rapidly realizing that competition is the hallmark of the contemporary business environment as such there is the demand to provide benefits to the society in the short-term as well as the long-term (Muriuki, 2010). Therefore, providing and allocating the resources to which have the end resulting of uplifting the community do constitute CSR for the organization. The returns which are realized from such investments should occur in tandem with the overall objective of the firm, principally as expressed in its mission statement and the effective allocation of resources to aid CSR (Lichtenstein, et al., 2010).

The contemporary environments in which organizations finds themselves is dynamic and characterized by technological revolutions, regulatory and legal demands, economic transformations and increasing social demands emanating from the society in which they operate (Cohen, 2011). This issues influence the organizational strategy, which also determine how the firms are perceived by the societies in which they operate (Lichtenstein, et al., 2010).
According to Carroll (2012), four elements are necessary for businesses to claim that they are socially responsible. These four elements relate to the following: ethical, legal, philanthropic and economic responsibilities (Carroll, 2012). CSR offers an effective means in which organizations can maintain a positive reputation in the society in which they operate ((Muriuki, 2010). This is principally because, as Lichtenstein, et al., (2010) the attainment of the organization’s strategic intent lies in the investment in both the external as well as the internal stakeholders. This is because not all investments have a monetary value but could have ethical, reputational and legal values for the organization. For an organization such as the SCB, CSR is fundamental in guiding the strategy and influencing the attainment of organizational goals (Wafula, 2012).

The adoption by the SCB of CSR initiatives is grounded on the external and internal environmental factors, essentially the society and the employee (Wafula, 2012). In fact, the SCB’s strategy with respect to CSR is aligned with the prevailing market dynamics. Nonetheless, there is no means of determining the extent to which the CSR programs by the SCB on the strategic intent (Wafula, 2012).

According to Porter (2010), CSR programs and initiatives mostly relate to reputational concerns for the organization. In this sense it is often contended that there is little association between CSR programs and organizational objectives. As such, the sustenance of such initiatives is always a debated issue (Porter, 2010). This therefore implies that for the SCB the need for the quantification of the tangible benefits of CSR is imperative in order to aid the justification of the organization’s investment in CSR programs. Furthermore, increasingly becoming apparent for SCB is the need for the alignment of the investments in CSR programs to the organization’s strategic intent. This is necessary in order to determine the impact and the contributions of CSR programs towards the realization of the bank’s mission.

In a study conducted by Muriuki (2008) on the association between CSR and organizational strategy among the mobile phone firms in Kenya, it was established that most CSR programs were highly disjointed from the strategy plans of the organizations. The study findings were indicative of the fact that the establishment of a notion of philanthropy and corporate citizenship (Muriuki, 2008). In this study, Muriuki (2008) suggested that there was need for the mobile phone service providers to enhance their
level of CSR involvement and to link the CSR program to the firms’ organizational strategies.

Likewise, in a study conducted by Kiko (2008) on the CSR programs of multi-national corporations in Kenya, it was determined that there was also great disparity between the amount that these companies invested in CSR and the amount that they made as profits. The study recommendation was that there the MNCs operating in Kenya should be closely monitored so as to ascertain that the amount that they invested in CSR was acceptable with regard to the profits that they made. And also that there was need inspire a sense of social responsibility among the MNCs in Kenya towards local communities. In a study conducted by Kimathi (2009), on the relationship between CSR and competitive advantage in the Oil industry in Kenya, it was found that each company could identify a certain particular set of societal problems that it could best solve and while at it gain competitive advantage.

1.3 Purpose of the Study

The purpose of this study was to assess the impact of corporate social responsibility on the strategic intent in the banking industry in Kenya.

1.4 Research Questions

1.4.1 What is the meaning and scope of corporate social responsibility (CSR)?

1.4.2 What is the influence of the CSR programs on strategic management at the Standard Chartered Bank Kenya Limited?

1.4.3 What are the CSR programs implemented by the Standard Chartered Bank Kenya Limited?

1.4.4 How effective are the corporate social responsibility strategies to Standard Chartered Bank Kenya Limited?

1.5 Significance of the study

The findings of this study will provide valuable resources to the following stakeholders who stand to benefit from the study.
1.5.1 Banking Institutions

It will help banking institutions in Kenya know the impact corporate social responsibility in the banking sector. The study will enhance bank managers to better conceptualize the issues concerning the conduct of CRS and how the practice influences the organizational strategy as well as how the general productivity and profitability. This will allow them to engage in CSR in the Kenya as part of the organizational strategy. Furthermore, the banks will be able to know which areas are best engaging in when it comes to CSR so as to promote the reputation of the organization.

1.5.2 Scholars and Researchers

The study will contribute to the existing body of knowledge on corporate social responsibility to academicians and make recommendations arising from its findings for further research on this or other related areas of study. The study will offer literature to future researchers for their literature, which will enable them to familiarize with issue of CSR and how it impacts on the strategic management and particularly on the strategic intent. The study will also be important to future by focusing and inspiring scholarly attention to this field.

1.5.3 Organizations

Corporate Social responsibility is a very important aspect of the organization in establishing a human face with which the society can relate. The impact that CSR has on helping the organization establish a competitive advantage over its competition is a beneficial concept that would be relevant to players even outside the banking industry. The study will facilitate the appreciation of CSR as a viable strategic practice for companies in a multimarket and competitive environment. The study will therefore permit the business organizations to evaluate and improve their CSR practices as a marketing strategy or as a strategy for improving their reputation.

1.5.4 Management

Findings from this study will enable management to draw the importance CSR to a greater depth, it may help the shareholders, and other stakeholders change their view in favor of engaging on corporate social responsibility more than before. The study will
permit the management of the companies to implement CSR strategies that meet the organizations goals while still performing the important ethical and legal roles in the society.

1.5.5 Multinational Corporations

Multinational corporations within other industries can draw great learning from this study. In essence, organizations that may be hesitant on engaging on CSR will now have greater and deeper insights as to the intangible benefits of this engagement. Furthermore, the study will allow the multinationals to know the extent to which CSR can be employed to facilitate the organizational strategies. The multinationals will also be in a position to develop a CSR strategy that meets the legal and ethical requirements in the country and enable the organizations to avoid engaging in undertakings that may prove too costly for the organization in the long run.

1.6 Scope of the study

The scope of the study focused on Standard Chartered Bank Kenya Limited. The study focused mainly on CSR. The study reviewed relevant literature that had been written about the research problem over the last 10 years however, the study may also draw upon older sources of data for clarification purposes where need arises. The study used semi-structured interview schedules to collect the necessary data and the data collection was conducted among SCB’s located within Nairobi. The data collection was done over a period not exceeding 1 week.

The study mainly concentrated on the Standard Chartered Bank and not other organizations operating within Nairobi. This reduces the generalization of the findings of this study to other organizations operating within Nairobi. The researcher endeavored to account for this limitation by seeking responses to a variety of the employees of the SCB – Kenya. For the literature review, the study mainly accessed literature that have been written on the issue over the past 10 years. The limitation for this was that several relevant literature that had been written prior to the study were not assessed. The researcher endeavored to account for this limitation by evaluating the literature from several scholars to realize a diversity of perspectives on the issue. In addition, the data for the study were collected mainly within a short timeframe period of one week. This had the potential of reducing the response rate markedly.
1.7 Definition of Terms

Below are definitions of key terms that was used throughout the study. The definitions are provided in relation to how they were applied in this study.

1.7.1 Corporate Social Responsibility
Corporate Social Responsibility (CSR) is defined as emanating from the internal regulation of the organization to comply with the social and legal obligations (Cannon, 1994).

1.7.2 Strategic Intent
Strategic intent is a compelling statement about where an organization is going that succinctly conveys a sense of what the organization wants to achieve long-term (Porter, 2011).

1.7.3 CSR Initiatives
The CSR Initiatives or the Corporate Social Responsibility initiatives are the entirety of the activities that a business corporation or the government engages in as part of its corporate social responsibility (Luo and Bhattacharya, 2012).

1.7.4 Strategic Management
Strategic management is the formulation and implementation of the major organizational objectives by the managers or directors of an organization on behalf the shareholders and owners (Lichtenstein, et al., 2010).

1.8 Chapter Summary
The Chapter has introduced the study. The chapter has provided the background of the study and discussed problem that has enthused the study. The chapter has also highlighted the purpose of the study and outlined the research questions that guided the study. Chapter 1 has also provided the significance of the study, the scope of the study and defined the key terms that was used throughout the study.

Chapter 2 provides a review of literature concerning the concept and practice of corporate social responsibility. Chapter 3 provides a discussion of the research methodology that was employed in the research while chapter 4 presents the study results and findings.
Chapter 5 is the last chapter of the study and presents the study summary. The chapter also discusses the results and the findings of the study. Chapter 5 also provides the conclusion of the study as well as the study recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews existing literature on the factors that affect non-performing loans. The literature review will draw upon secondary materials that have been written around the research topic. The literature review will mostly focus of literature that relates to the three research questions namely; The Standard Chartered Bank Kenya Limited, Corporate Social Responsibility, the Influence of CSR programs on strategic intent, corporate social responsibility programs and their effectiveness as well as the association between CSR and strategic management.

2.2 Standard Chartered Bank

The Standard Chartered Bank (Kenya) which is also commonly referred to as the Standard Chartered Kenya is a commercial that operates in Kenya as a subsidiary of the British Standard Chartered situated in London, in the United Kingdom (Clark, 2007). The bank is one of such commercial institutions that have been licensed by the national regulator in Kenya, Central Bank of Kenya to offer financial services in the country. The bank initiated its operations in Kenya in 1911 when it opened its first ever branches at Treasury Square, Mombasa and Kenyatta Avenue Nairobi (Wafula, 2012).

The bank has now been operation for about 102 years and is currently among the leaders in the banking industry in Kenya. Local shareholders have about 26% shares of the bank and since 1989; the Bank has been quoted in the Nairobi Stock Exchange. The Standard Chartered Bank Kenya Limited offers technological support for regional branches in the neighboring states including Uganda, Zambia, Tanzania and Botswana (Clark, 2007). The banks customer base is determined via a segmented strategic approach centered on Priority and International Banking, Small and Medium Enterprises (SMEs), Personal Banking and Preferred Banking segments. The clients are therefore able to access a multiplicity of products such as savings accounts, investment products, current account, Fixed and Call Deposits and current accounts (Clark, 2007). As such the bank has acquired a large customer base which has also contributed to its marketability (Wafula, 2012).
The bank also offers other important products to its customers including, loan products like overdrafts, business loans, unsecured loans and mortgages through the banks customer-centric approach. The banks has also appreciated technological innovations and implemented platforms that allows the bank to offer other services such as internet and mobile banking to its customers according them convenience (Clark, 2007).

In terms of assets, the Standard Chartered Bank is the third largest bank in Kenya and the bank ranks second as the most profitable. In June of the year 2010, the Standard Chartered Bank was estimated to have an asset base worth Ks. 131 billion and a capital base of Ks. 12.13 billion. Currently the Standard Chartered has about 1024 staff members working at the 33 different branches that are located throughout Kenya. The market capitalization for the bank is the growing niche markets (Clark, 2007). The market arises from the banks policy of lending to corporate organizations which makes up 70% of the banks clientele. According to Clark (2007), the bank also makes profit by providing banking services to a select clientele in the top and middle segments of the market.

2.3. Meaning and Scope of Corporate Social Responsibility

2.3.1 Meaning and Scope

As a concept, there is no universal definition of corporate social responsibility (CSR) (Lichtenstein, et al., 2010). The lack of definition of CSR attribute to its inherent intricacy and the jurisdictional influence that makes it to be defined differently by across countries and business people. Common conceptions of CSR denote is as emanating from the organizational move towards the fulfillment with the responsibility which is given to the organization by its ownership, legislation or control (Luo and Bhattacharya (2012).

This definition however, has an innate weakness in that it presents CSR as something which is imposed on the business by external forces this is not entirely the case. Certainly, as Pierce and Robinson (2011) observe, CSR can also be a product of volunteership on the part of the firm or as an act being undertaken for its ethical appeal. While there is no proper universal definition of CSR, it is increasingly apparent that the definition must comprise of all aspects and motivations behind such undertaking (Crowth and Aras, 2008).
According to Moon (2011), self-centeredness or egotism, which can be altruistic or commercial, motivates or inspires organizations’ CSR engagements. This is because even though it is contended that CSR investments have no monetary value be it in the in the interim or in the long-run, there are some tangible returns that CSR accords the organization. Crowth and Aras (2008), contend that these are the grounds upon which CSR has been legitimized.

Furthermore, two elements are fundamental in assessing the effectiveness of CSR activities according to Hohnen (2011). The first one denotes that the mechanism of classifying CSR must have sustainable stability so as to facilitate the process of historical comparisons. Secondly, the conceptualizations of the various elements should not be dynamic but need to be applicable across social systems and industries so as facilitate comparisons (Lichtenstein, et al., 2010).

The issue of corporate governance plunges one into a subjective ethical debate concerning whether organizational funds allocation to CSR programs emanates from commercial or ethical considerations (Nordberg, 2011). The implication is whether the allocation of resources for CSR programs is deliberate with an objective result. Crowth and Aras (2008) contends that it is important to consider whether CSR programs have implications for the strategic intent. Furthermore, contrarily, some firms see CSR engagements as serving a social, economic and an ecological organizational strategy. McWilliams, Siegel and Wright (2009) contend that CSR predisposes the organization to engage in activities, which are beyond the organizational means of addressing.

Thus, certainly, according to Panayiotou (2009), there are three dimensions to CSR. There is the economic dimension of which profit should be the ultimate result of CSR programs by the organization. Secondly, there is the environmental dimension, which is concerned with the processes. Lastly, there is the social dimension whose focus is on the safety and health matters, including human rights and employee relations and working conditions (Crowth and Aras, 2008).

Several organizations have corporate identities such as brand names which have become pivotal in their competitiveness and success (McWilliams, et al., 2009). According to Moon (2011), it is hard to determine whether organizational ethical behavior is inspired by a deep sense of altruism among its owners or is an act of self-preservation.
Nonetheless, it is irrefutable that the association between ethical behavior, egotism and altruism is an intricate affair (Lichtenstein, et al., 2010). Economic responsibilities are at the apex of an organization’s CSR concerns. Other concerns including ethical, legal and discretionary responsibilities only come after the economic responsibilities (Crowth and Aras, 2008). Nonetheless, the ethical and the discretionary in the model provided by Carroll is important in contemporary times. This is simply because the environmental transformations influencing the business environment are complimentary on the legal and economic accountability which form the basis of business’ success (McWilliams, et al., 2009).

CRS offers a formidable means of bridging the gap between the companies operations and the social values that are upheld by the society. In this was it is irrefutable as Crowth and Aras (2008) contend, that ethical behavior on the part of the organization is pre-determiner for an effective organizational strategy. The level of appreciation of ethical standards is a function of the positive reputation that is portrayed by the organization. The levels of acknowledgement of the importance of ethics in its operations are a manifestation of the organizations values and core principles (Moon, 2011).

A company’s track record in terms of CSR accounting will be effective when appropriate CSR measures are included in its internal as well as its supply-chain activities (McWilliams, et al., 2009). Furthermore, the literature reflects a growing need for dissemination of good practice in CSR accountability and a need for more pressure to be exerted on NGOs to prove themselves as ethical, transparent, and accountable as those they seek to influence. CSR requires accountability by all leaders, individuals, organizations, stakeholders, customers, and community members, and yet accountability is complex. The factors which influence the effectiveness of corporate accountability are multiple and tightly interconnected (Crowth and Aras, 2008).

McWilliams, et al., (2009) contends that the value of management-employee relationship as well as that between the company and other stakeholders is fundamental to the organization’s success. These stakeholders include the following among others, the public, the creditors, the shareholders, the customers, as well as the community groups, which interact with and are affected by the organizations activities in one way or another. The changes in the environment require the organizations to adopt to the changes in a
manner that permits sustainable development and in this sense the organizational leadership as well as the activities of the individual employees is imperative (Lichtenstein, *et al.*, 2010).

Initiative which are deemed as compromising to CSR are those which integrate social elements into manufacturing processes and adopt progressive management of organizational human resources (Ritson, 2013). Such elements involve the enhancement of employee gratification and empowerment and ascertain or ensuring higher levels of environmental performance pollution avoidance and recycling. Furthermore, the enhancement of the objectives of community groups is also an imperative aspect of CSR programs (Luo and Battacharya, 2012).

### 2.3.2 Arguments for and Against CSR

The current business environment especially the banking sector is featured with high competition (Ritson, 2013). It is apparent that organizations must learn to adapt to this changes so that they can remain operational and sustain their profitability. The contemporary business environment therefore demands strategizing to ensure the realization of the organizations goals (Jonson, *et al.*, 2011). Strategic management is a fundamental tool in business management and on that works to ascertain the achievement of organizational objectives despite the business environment (Ritson, 2013).

Corporate strategy is the company specific product of strategic management. Strategic management aims at elucidating and determining the success of the firm. It seeks to do this by coordinating and allocating resources internally within the firm. This apparent considering the fact that the current environment demands that the firm draws upon the tangible as well as the intangible resources in whichever way possible to ensure that its survivability and profitability. Other than the fact that corporations play a vital role in people lives by employing them, they also affect the individuals and the society in which they operate.

According to Moon (2011), CSR focuses on the organizational reputation and its association to the business is indefinite complicating its justification and sustenance for the organization. Thus there is a growing need to link the CSR programs with the organization’s strategy objectives (Crowth and Aras, 2008). Crowth and Aras (2008) who see a link between the organizational success and the level of organization’s CSR
involvement support the contribution of CSR to the organizations economic goals. According to Hohnen (2011), organizations have developed several mechanisms for addressing the association between societal need and the natural environment. Lichtenstein, et al., (2010), contend that firms can also be perceived within a developmental continuum regarding the extent to which they are incorporating CSR into their strategy and operations.

Hence, the corporation must be responsible to those societies not only because it is a legal and economic requirement but more so because it must ensure its survival (Wafula, 2012). Consequently, strategic management demand that the company must consider all these and implement initiatives that ensure that its maintains good and friendly relations with the host society that accords it a viable environment for its continuity. For instance with regard to the issue of human resources and CSR, literature indicates that engaging the former to partake in the latter generates a positive milieu for both the employees and the recipient society, one of mutual benefit to both groups (Kiko, 2008).

2.4 The Influence of CSR Programs on Strategic Intent

2.4.1 Strategic Management

Strategic management can be conceptualized as a pattern of managerial activity and decision-making that influences the sustainable and intermittent performance of the organization (Inyang, 2010). Others conceptualize strategic management as the comprehensive compilation of the activities and processes that are being undertaken by the organization, which are being utilized to systematically coordinate and order the organization’s resources with the organization’s mission and vision statement (Mantere and Sillince, 2007).

Through strategic management the organization’s static plan is transformed into a system which accords strategic performance feedback on the decisions that are made and facilitates the evolution of the plan in tandem with the environmental dynamics (Inyang, 2010). Strategic management is an intricate undertaking which occurs in several stages. According to Mantere and Sillince (2007), these stages include four stages. Stage I, the analysis and assessment stage in which the conceptualization and appreciation of the existing internal and external environment is developed. Stage II, the strategy formulation
stage in which high level strategy is developed and the foundational organization level strategic plan is codified (Inyang, 2010).

The third stage, Stage III, is the execution stage and one in which the high level plan is interpreted into a more operational planning and action items. Lastly, Stage IV is the evaluation and sustainment or management phase, at this stage, the ongoing strategic management issues occur including refinement and evaluation of the culture, data reporting, communication and performance (Hunger and Wheelen, 2011). According Mantere and Sillince (2007), these stages, provide the viable grounds for assessing the effectiveness of the organization’s general strategy.

As such the key component of strategic management include scanning of both the internal and the external milieu, strategy formulation which comprises of the strategic long-range planning as well as the strategy implementation, monitoring, evaluation and control (Inyang, 2010). It is contended that a viable strategic management is not a top-down engagement in which the top managers defines the actions but is rather an all-inclusive process which both the subordinates and the managers play a crucial part. In fact, while the managers and top directors lead the mission and vision development process, the involvement of the employees is important as it enables the development of a more realistic idea of what can be achieved and how. Thus employee involvement in the activity of the development of strategic objectives is fundamental ((Hunger and Wheelen, 2011). It is within strategic management that the strategic intent emerges.

### 2.4.2 The Strategic Intent

Intent is an inherent human feature which permits humans to acquire an intentional state (Simons, 2011). According Mantere and Sillince (2007), the founders of the concept of strategic intent were Hamel and Parahalad (’89) who developed as an ambitious and compelling managerial concept which motivates the organizational elements emotionally and intellectually in preparations for future situations. Therefore, the strategic intent is instrumental in evaluating the objectivity and sustainability of a firm’s ability to acclimatize to both the internal and external development (Mantere and Sillince, 2007).

The strategic intent is centered on the idea that there must be sustained fascination for accomplishing goals and achieving objectives at all levels of the organization if the
organization in question is to be successful (Muriu, 2010). Therefore, the strategic intent concerns the stretching of the organization as opposed to making it adopt the environment (Johnson, Whittington and Scholes, 2011). Furthermore, the strategic interest inspires a firm-wide tension which compels all the employees to stay committed to the specified future direction (Hohnen, 2011).

According to Mantere and Sillince (2007), the strategic interest can be construed as comprising of three levels. The three levels of strategic intent include the sense of direction, which implies the long-term position that the organization pursues over a given period. Strategic intent can also be conceived as a sense of direction which provides a distinct image. Lastly, the strategic intent is also capable of motivating an emotional connects among the organizations staff members which provides them with a sense of destiny (Johnson, et al., 2011).

Goodwin and Bartlett (2008) contend that the manager’s role in determining and achieving the managerial intent is to transcend the milieu-sensitive strategic plan and develop objectives for situations that cannot be anticipated. Therefore, the strategic intent is proactive in that it allows for strategizing and acts as the organization’s future (Mantere and Sillince, 2007). The strategic intent even though founded or inspired by the principle of strategy, implies or is inspired by determination that surpasses the capability of the firm’s resources.

2.4.3 Corporate Performance

Organizations endeavor to excel on the three measures of a company’s performance thus Economic, Social and Environment (Nordberg, 2011). In light of the above many companies have started blowing their own trumpet to what benefits their CSR strategies have through ads, websites in order that they can highlight their actions. In creating a corporate image of being socially responsible then the company has to create perception to the consumer that it contributes to community development, it supports artistic and social activities and that its generally trying to improve the welfare of society as a whole (Mantere and Sillince, 2007). Similarly, the integration of human resources would involve the establishment of the aptitude among the individuals by implementing reward systems with the aim of increasing the level of production and ensure the attainment of business strategy (Hohnen, 2011).
Finally, the interlinking of corporate and specific goals involves measures which create a sense of delight in the employees as they endeavor to realize the business strategy (Nordberg, 2011). The strategic intent denotes the manner in which the organization ensures the attainment of superior performance and emanates from the conglomeration of the multiplicity of factors that facilitate the realization of the organizational strategy (Hohnen, 2011).

In a multiplicity of instances, organizations could realize high levels of performance with respect to the original conception and capacities they dominated during the time of strategy selection and execution (Thompson, 2010). This can be mis-conceptualized to imply that firm’s which realize increased performance are lucky. Nonetheless, corporate performance is a purposeful strategic and integrated mechanism of delivering intermittent success to the organization by facilitating employees’ contribution and developing teamwork capacities (Nordberg, 2011).

The strategic aspect of corporate performance concerns far-reaching issues that organizations face. It also concerns the realization of both immediate and long-lasting objectives while involving the approach to providing sustainable success. This essentially entails vertical integration and man-power integration (Nordberg, 2011). Vertical integration involves the coalition of the business, team as well individual goals with the organizational strategy. On the other hand, Thompson conceives functional integration as involving the association of the functional strategies with the company strategy (Thompson, 2010).

2.4.4 Stakeholders Performance

Using Stakeholders approach the organization provides a clear perspective that outsiders' demand insiders' claims be subordinated to the greater good of the society. Essentially a company should balance the need to carry out actions that are profitable to shareholders whilst being good corporate citizens. Management therefore should consider how their actions and strategies would affect the wellbeing of employees, local communities, the environment and society (Pierce and Robinson, 2011).

While companies aspire to partake in CSR programs together with their stakeholders, they have also to strive to comprehend the real relations that underscore this relationship
(Thompson, 2010). In the first instance, the organization must comprehend their stakeholders. The shareholders are currently being perceived as one of the organization’s stakeholders (Pierce and Robinson, 2011). The shareholders are conceived as competing in several regards including for influence among the staff members, suppliers and customers as well as the trade unions and the local community (Pierce and Robinson, 2011).

According to Thompson (2010), there are two models which are instrumental in facilitating the conceptualization of this relationship. There is the inside-out model which holds that organizational leaders can control their CSR programs and aim at achieving preferable reputations with the stakeholders. and secondly they can exploit the CSR programs to deliver information about organizational goals and objectives to the stakeholders including the shareholders (Pierce and Robinson, 2011).

The aim of the CSR programs is to satisfy the integrated and the multiplicity of needs of several stakeholders of the firm (Goodwin, et al. 2013). Luo and Bhattacharya (2012) contend that CSR programs should be managed so that they provide the authentic and specific needs as well as expectations of the stakeholders within the monetary constraints that the organization could be experiencing. Just like other organizational factors, CSR programs impact on the long-term human resource and organizational management (Clark, 2007).

CRS program’s publicization is influenced partly by the regulatory requirements and the demand for the organization to show its commitment to ascertain the attainment of stakeholders’ needs (Pierce and Robinson, 2011). Therefore, the character and the efficiency of CSR programs influences the extent to which organizations deliver the promises made to stakeholders and the ultimate realization of strategic intent (Clark, 2007).

The efforts aimed at dealing effectively with the stakeholders if coupled with uncertainties and constraints precipitate greater sustainability for potential in terms of culture and structural output (Thompson, 2010). There is need for corporations to engage stakeholders in developing important CSR-related actions (Pierce and Robinson, 2011). Stakeholders face several challenges and intimidation that have the propensity of succeeding in the long-term vision (Thompson, 2010).
2.4.5 Commercial Interests

According to Porter (2011), contends that business appreciate the importance of the private sector in ensuring sustainable markets for their operations and the business community the instrument for promoting its commercial objectives while being socially responsible. Porter (2011) asserts that CSR is a rapidly developing field and several players are partaking in CSR initiatives. Consequently, there is a variety of CSR activities that are currently being performed by organizations and firms. He contends that pioneer approaches and alliances are emerging. Therefore, there is a consensus that CSR precipitates business values and facilitates the integration with the society while sustaining organization’s integrity and realizing profits on investments (Goodwin, et al. 2013).

Porter (2011) suggests a novel approach to CSR relating to Creating Shared Value (CSV). According Goodwin, et al. (2013) the common value model is grounded on the belief that the success of the company and the social welfare are interdependent. He recommends that organizations need a viable and healthy workforce. Furthermore, Porter contends that organizational resources should be governed adeptly for be more effective in a competitive market. He also contends that the success of the society, businesses need to be developed and augmented to create tax revenues, income and philanthropic opportunities (Goodwin, et al. 2013).

Research has confirmed leadership’s pivotal role in initiating and developing CSR programs and initiatives within and across organizations. The real plenary citizens in the commercial world are the leaders. They possess the universal capacity and responsibility to effect both the society and the economics (Goodwin, et al. 2013). The organizations with competent leadership are able to practice CSR in a manner that addresses the societies need and survive and also remain profitable in a turbulent environment that is the modern business milieu (Goodwin, et al. 2013).

Organizations that are socially responsible organizations mostly have charismatic leadership styles. According to Jonson (2011) the firms performance is dependent on the manager’s leadership even in time of turbulence in the business milieu. Several challenges are experienced by organizations as they implement CSR and it is upon the leadership to wade the organization through these turbulent times and to uphold the move
towards the realization of the organizational goals. The environmental factors that influence the business environment are the political developments and the internal organization-level circumstances. The intricacy of in commission in a universal society places novel stress on firms and their management (Johnson, 2011).

2.4.6 Company Reputation

According to Kimathi (2009), the current global milieu has precipitated the blurring of the line of distinction between the political and the economic environment. Companies while seeming less beholden to government control must contend with the issues of image, brand and reputation (McWilliams, et al., 2009). These issues are important because they have a direct correlation with customer loyalty, regulatory freedom and stakeholder support. Therefore, in order to remain viable and operational corporations must contend with making good reputations and as such must engage in the techniques of impression management (Ritson, 2013). According to Kiko (2008), companies must therefore engage in philanthropic as well as state-dictated activities to ensure that they have a good reputation which impacts positively on their organizational strategy and strategic intent.

The development of a good reputation is one of the major aims of companies operating in the modern competitive environment. There are several way in which companies can ensure that their have a good reputation in the current environment and one such ways is through the practice of CSR (Goodwin, et al., 2008). According to Wafula (2012), the establishment of a good corporate reputation is one of the way and means through which companies can ensure sustainability and growth while also maintain a good competitive advantage over other companies.

In fact, the extent to which the company maintains a good and positive reputation has been found to be an important factor that influences its competitive differentiation (Hohnen, 2011). A company’s engagement in CSR initiatives has been found to be viable avenues for the company towards the acquisition of a good reputation (Lichtenstein, et al., 2010). A bad reputation due to the disregard for CSR by a company has inherent disadvantages for the company as it makes the company vulnerable to activists’ attention and boycotts which directly affects the revenue earnings for the firm (Ponayiotou, 2009).
2.5 Corporate Social Responsibility (CSR) Programs

For any organization wishing to enhance CSR, the management must exhibit social conscience in their operations which goes beyond participating in community projects or donating money to projects. To be able to adequately plan for social responsibilities the management must consider four types of social commitment thus economic, legal, ethical and discretionary social responsibilities. The organization’s drive on whether or not to engage in Social responsibility is largely dependent on the stance assumed by the organization (Pierce and Robinson, 2011).

A company can choose to participate in a number of different socially responsible endeavors and it is this then that coins its strategy for CSR. A CSR strategy has five components thus it should observe ethical principles in operating the business. Ideally, an unethical conduct would go against the company’s quest of being ethical. Secondly, it could entail organization making charitable contributions, supporting the community service and reaching out to making a difference in the lives of individuals (Thompson, 2011).

2.5.1 Sporting Programs

Sporting events like that the Standard Chartered Nairobi Marathon is one of the CSR programs practiced by the bank. The Standard Chartered Nairobi Marathon is the only athletics event in Kenya featuring on the International Association of Athletics Federations’ (IAAF) calendar alongside other great marathons like Boston, New York, London, and Beijing among others. According to Clark (2007), upcoming Kenyan runners have found a platform to launch their athletics careers in an international marathon on their home soil this strengthening the CSR social pillar at Kenyan home front.

Others have found the marathon a perfect opportunity to showcase their potential and move on to participate in international meets. Standard Chartered Nairobi Marathon is part of nine marathons sponsored by Standard Chartered Bank across the world- Mumbai, Dubai, Bangkok, Singapore, Hongkong, Jersey, Falkland Islands and Kuala Lumpur. These combined is over 300,000 passionate runners, each with a unique story and experience (Clark. 2007).
The marathon’s contribution to the economy cannot be overlooked due to athletics being one of the biggest foreign exchange earners for Kenya. Many a Kenyan athletes have dominated the athletics scene in the world bringing home billions of shilling in foreign exchange. Since 2003, winners of the Nairobi marathon have walked away with over USD1, 200,000 in prize money which has significantly changed the participants’ lives. Kenyan runners have dominated the event which also attracts participants from over 50 nations in the world.

2.5.2 Healthcare programs

Another area in which the CSR programs have been conducted includes the health sector. The idea behind the CSR programs is to ensure the curtailment of human suffering by business organizations which are either legally mandated to play a role of those that undertake the initiatives as part of their overall ethical duties (Porter, 2011). “Seeing is Believing” is Standard Chartered Bank’s flagship sustainability initiative aimed at eradicating avoidable and curable blindness (Clark, 2007, p.19).

The flagship program achieved its overall goals in 2012 with respect to contributing to reduction of avoidable blindness in Kenya. The program provided 869 surgeries for various blinding and potentially blinding conditions for children. The program was implemented across the five partnering hospitals i.e. Kikuyu Eye Unit, Sabatia Eye Hospital, Tenwek Eye Unit, Lighthouse for Christ Eye Hospital and Kwale District Eye Centre. In accordance to the SCB marathon, report a total of 650 pediatric cataract surgeries were delivered in 2012 against a projected target of 636 operations translating to a 102% achievement. In general, all the hospitals reported a busy year particularly in the area of Glaucoma and other blinding conditions (Porter, 2011).

A cumulative total of 219 surgeries for Glaucoma and other potentially blinding conditions were carried out. This is against a projected target of 140 operations translating to a 156% achievement. Tenewek Eye Unit had the sharpest increase in demand/provision for these surgeries, performing 124 through the year against the initial 50 operations envisioned (Porter, 2011).
2.5.3 Education Programs

Standard Chartered Bank recognizes that education is a key pillar of Kenya’s Vision 2030 blueprint. To help further this agenda, the bank has decided to support girl child education. The Global Give Back Circle campaign (GGBC) seeks to ‘complete’ the educational process of the world’s disadvantage girls, so they gain employable skills and become contributing members of society. It accomplishes this through a transitioning model that recognizes an impoverished girl needs mentoring empowerment and financial enablement to step-change her accessibility to “Life’s Chances” (Clark, 2007).

The GGBC objective is to transition 100 at-risk adolescent girls from marginalized circumstances to contributing global citizens, by embedding a Give Back Ethos. In Kenya it targets girls from Starehe Girls Centre and St. Martins School. The program is designed to integrate volunteer service, community infrastructure and government loan systems to help disadvantaged girls continue their education process, find employment and break out of the circle of poverty. Research done by GGBC has shown that it cost US$10,000 to cover a girl’s costs from the time she leaves high school to the time she graduates from university (Clark, 2007). This translates to a period of 5 and a half years (includes an unavoidable gap period of 18 months between high school graduation and start of university). The campaign covers accommodation, personal items, food, books and transportation. Standard Chartered Bank Kenya support for this initiative takes the format of education facilities like Starehe Girls Centre Nairobi (Wafula, 2012).

2.5.4 Environmental

Kothari (2005) contends that the issue of environment has become so important to the society that organizations that ignore it in there CSR initiatives risk sanctions by the government and attract negative activists’ attention. The protection of the environment is one of the hot topics currently in the global agenda and the concept of CSR has become so intricately intertwined with it (Hohnen, 2011). The precedence that environmental issues are currently taking in the business sector is hardly surprising considering that large companies and particularly factories are indicted for contributing markedly to global warming and climate change (McWilliams, et al. 2009)
As such, most companies are engaging in environmental protection activities as part of their CSR programs. For instance, as Muriu (2010) contends most companies in Kenya including Safaricom Kenya Limited, Equity Bank as well as Kenya Commercial Banks among others have participated in several tree-planting activities as part of their corporate social responsibility.

Besides most companies worldwide and also in Kenya has also engaged their personnel and contribute huge amounts of cash to facilitate environmental drives such as the maintenance of rivers and parks. In Kenya as Wafula (2012) contends, the Safaricom Foundation has played a key role in programs aimed at protecting the biodiversity in national parks and contributed money towards the fencing of the Nairobi National Park to ensure the protection of the Flora and Fauna at the park. Indeed, given the environmental problems that are occasionally experienced in the country and the drought and starvation that are annually experienced in the North-Rift parts of the Valley, several organizations have engaged in CSR programs that aim to help the local communities in those areas (Muriuki, 2008).

2.6 Effectiveness of CSR Strategies

2.6.1 Competitive Advantage

Competitive advantage is how an organization will achieve its objectives in the face of competition from other organizations (Carroll and Shabana, 2010). In achieving this goal, an organization must perform better than other players in its industry must. In so doing, this could boil down to meeting the needs of the consumers more effectively and this could enable the service provider to command a higher price which can lead to increased revenues (Crowth and Aras, 2008). In addition, if the company is cost effective, it can then be able to command a lower price in its offering to the consumers and this can lead to increased revenues. It is important that a company not only gets to have a competitive edge over its competitors but that it also sustains this in the long haul. Thompson, (2010) this gives the customer a reason that lasts to prefer the company products to competitors.

An organization derives its competitive advantage from either managing their costs or providing a unique offering to their market Crowth and Aras, 2008). When the strategy of managing cost is applied this leads to adoption of Cost leadership while that strategy that
seeks to provide unique offering is known as Differentiation strategy. In addition where a company seeks to venture into foreign markets it can also engage in licensing or contract manufacturing, joint ventures, opening a foreign branch, private equity investment and or wholly owning a foreign subsidiary (Thompson, 2010).

Cost leadership strategy is where the organization sets out to be the lowest cost producer in its industry. This strategy can be achieved by the organization pursuing proprietary technology, economies of scale and its ability to access raw materials. Characteristic of products that are produced by organizations that apply this strategy is that the products are usually standardized and have absolutely no frills (Carroll and Shabana, 2010).

Effective pursuit of this strategy requires that the organization be at the top of applying this strategy effectively and not merely be one of those in the industry applying it if it is to reap the desired benefits (Crowth and Aras, 2008). Differentiation strategy on the other hand is where the organization seeks to be unique in the industry along the propositions valued by customers. An organization applying this strategy searches for a product attribute highly demanded by its consumers and positions itself in line to meet those needs (Thompson, 2010).

2.6.2 Increasing Business Opportunities and Profitability

Increasing business opportunities and profitability, while also creating social and environmental benefits, by improving operational effectiveness throughout the value chain be it upstream in the supply chain or downstream in the distribution chain (Carroll and Shabana, 2010). This CSR approach, which has become increasingly popular among both academics and corporate leaders, may be considered roughly analogous to the shared value framework, in which the corporation seeks to co-create economic and social value. Corporations, particularly recognize the business value of innovating new manufacturing and technology solutions that reduce operating costs while mitigating environmental impacts (Clark, 2007).

Initiatives in this CSR domain are typically managed or co-managed by an operational manager on the supply side or a marketing manager on the demand side of the value chain. This reflects the focus on enhancing operational efficiency and/or building revenue (Carroll and Shabana, 2010). In some cases, the community affairs or CSR manager is
involved in devising and overseeing supply chain initiatives, and may assist the marketing department in cause of branding initiatives.

2.6.3 Vital Tool to Boost Business and Employee Morale

These programs give people a sense of pride in the organization, engender teamwork and are a source of inspiration and connectedness. Building a Positive Workplace Environment Finally, one of the greatest benefits of promoting social responsibility in the workplace is the positive environment you build for your employees. When employees and management feel they are working for a company that has a true conscience, they will likely be more enthusiastic and engaged in their jobs. This can build a sense of community and teamwork which brings everyone together and leads to happier, more productive employees (Johnson, 2011).

In developing countries public relations is a potent tool for shaping consumer perception and building a company’s image (Carroll and Shabana, 2010). Corporations like that SCB Kenya Limited actively promote their social responsibility activities taking steps to publicize these efforts through the media. Getting the word out about corporate donations, employee volunteer programs, or other CSR initiatives is a powerful branding tool that the bank uses to build publicity for you in both online and print media. The seeing believes Initiative has become a popular tool for the bank to not only communicate but also build good rapport with the existing and potential banking clientele (Pierce and Robinson, 2011).

2.6.4 Customer Satisfaction

Perceptibly, customer satisfaction is a subjective issue that is attributable to several issues that are unique each individual customer (Luo and Bhattacharya, 2012). These are the emotional demands, which the customer expects (Atkinson, 2008). CSR is a crucial and formidable means of ensuring that the consumer expectations are realized by the organization (Luo and Bhattacharya, 2012).

It is important for the organization to ascertain that the consumers are satisfied in doing business with it to increase its market share and to ensure customer loyalty. According to Pierce and Robinson (2011), consumers are the most important stakeholders in the
organization and as such, the businesses ability to satisfy them indicates the effectiveness of the strategies that are implemented by that organization.

The effectiveness of the CSR can be determined by how much the consumers feel that the organization is responsive to their concerns. In fact, consumers’ or clients loyalty is pinned to a great extent on the customers’ idea of how the CSR is meet the societal needs. Indeed, research has found that consumers and customers are more likely to purchase products of more socially responsible firms. In essence it therefore seems that the more the firms CSR initiatives is deemed responsive to societal needs the more the customer satisfaction with the organization’s products or services and the more profitable the organization will be (Maigan and Ferrel, 2009).

2.7 Chapter Summary

This chapter has reviewed the existing literature concerning the topic of study and meticulous relative to the research questions that the study sought to answer. The review therefore assessed literature concerning corporate responsibility. The literature were assessed with respect to; the meaning and scope of social corporate responsibility, the influence of CSR on the strategic intent; social corporate responsibility programs; and the effectiveness of CSR strategies. The next chapter discusses the research methodology that was employed in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
The methods section, describes the procedures that was followed in conducting the study. Mugenda, A.G. and Mugenda, M. O. (1999), explain that at this stage the researcher describes in detail the steps and procedures that will be followed while conducting the study. This chapter discusses the research design that was employed in this study. Furthermore, the study also outlines the population as well as the sampling design, the method of data collection, the procedures that was followed, the data analysis method that was used in this study.

3.2 Research Design
According to Kothari (2005), a research design as a general outline or a strategy for exploration and rational model of proof that directs the researcher in the different stages of research. The research design that was adopted for the study was partly descriptive and partly correlational. The principal use of descriptive research statistics is to describe information or date through the use of numbers while the correlational part allowed for relations between the different variables to be made.

Cooper and Schindler (2011), contend that when the study is concerned with finding out whether then the study is descriptive. A descriptive survey is primarily concerned with addressing the particular characteristics of a specific population of subjects, either at a fixed point in time or at varying times for comparative purposes (Mugenda, A. G. and Mugenda, M. O., 1999).

Saunders, Lewis and Thornhill (2003) have showed that surveys are one of the most utilized methods in business research since for they allow the collection of large amount of data from a sizable population in a highly economic way while describing the status quo. The survey method was therefore justified for this research as it contains the most the advantageous traits given the large sample size and short time span for administration. Some of the traits include; flexibility of data collection, range of questions, sample management, control of the data collection environment, number of data, response rate, rate and expenditure (Mugenda, A. G. and Mugenda, M. O., 1999).
The independent variable for the study was the Corporate Social Responsibility (CSR) while the dependent variables included the following; the strategic intent, stakeholder performance, commercial interests, company reputation, CSR Programs, competitive advantage, increased business opportunities, profitability of the business, and customer satisfaction.

3.3 Population and Sampling Design

3.3.1 Population

Ngechu (2004) contends that a population is a distinct or set of services, people, elements, events, households or group of things that are being investigated. This definition ensures that population of interest is homogeneous. According Cooper and Schindler (2011) a population is the total conglomeration of all the elements about which the researcher intends to make some references or generalize the study findings.

The study population of this study consisted of employees of standard chartered bank. The population was targeted because it is entrusted with the responsibility of working towards the attainment of the businesses ultimate goals. The SCB Kenya Limited has a total of 33 branches across the country and 1024 employees.

3.3.2 Sampling Design

Getting a sample involve selecting some elements of the population and using it to draw conclusions regarding the entire population (Mugenda, A. G. and Mugenda, M. O., 1999). According to Cooper and Schindler (2011), a good sample should be a representative of the population. This study used sampling for various reasons including lowering cost, increasing the accuracy of results, and facilitating speedy of data collection, as well as accessibility of population elements.

3.3.2.1 Sampling Frame

Cooper and Schindler (2011) have defined sampling frame as a list of the population members. A sampling frame was developed from the staff list provided by SCB Kenya Limited.
3.3.2.2 Sampling Technique

According to Cooper and Schindler, (2011) sampling is the process of selecting some elements from a population to represent the population as a whole. The study adopted the stratified random sampling. This is because most populations can be segregated into several strata making it easier to make inferences on the specific groups of the population. Thereafter proportional allocation was used to determine the number in the sample from each stratum

3.3.2.3 Sample Size

A sample size is characteristically one that has some comparative association to the size of the population from which it is drawn. In order for the researcher to get a representative sampling size, then, the sampling size must be large (Cooper, 2001). According Adams and Schvaneveldt (2007), the desired sample size can be derived from a population using the following formula;

$$\text{Sample Size} = \frac{N}{1 + \left(\frac{N}{P}\right)}$$

(Where N is the population and P is the Confidence level)

Using a confidence level of 95% and Margin of error of 8% and applying the formula by Adams and Schvaneveldt (2007). A sample size of 131 was obtained.

Table 3.1: Sample Size Distribution

<table>
<thead>
<tr>
<th></th>
<th>Population (P)</th>
<th>Sample Size (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Managers</td>
<td>23</td>
<td>5</td>
<td>4.0</td>
</tr>
<tr>
<td>Directors</td>
<td>44</td>
<td>14</td>
<td>10.0</td>
</tr>
<tr>
<td>Junior Staff</td>
<td>957</td>
<td>112</td>
<td>86.0</td>
</tr>
<tr>
<td>Total</td>
<td>1024</td>
<td>131</td>
<td>100</td>
</tr>
</tbody>
</table>
3.4 Data Collection Methods

As a survey, the study concentrated on collecting primary data and employed the primary data collection methods. Questionnaires refer to collection of information about the population (Mugenda, A. G. and Mugenda, M. O., 1999). They are easier to administer since each item is followed by an alternative answer that requires the respondents to fill. When a respondent is allowed to, give a personal response, usually reason given for may be directly or indirectly included (Ngechu, 2004). This involved collecting data directly from the respondents by use of well-structured semi-structured interview schedule. Hence, research instrument that was employed for data collection was the use of the semi-structured interview schedule that facilitated the utilization of both the Linkert scale and categorizing scale.

The instrument mainly contained questions relating to the three research questions. The first part of the semi-structured interview schedule contained the questions that were meant at soliciting the background information. The second part of the instrument contained questions that were aimed at obtaining information regarding the influence of the CSR programs on strategic management at the Standard Chartered Bank – Kenya Limited. The third part of the instruments solicited the information regarding the CSR programs implemented by the Standard Chartered Bank – Kenya Limited. In addition, the last part, the solicited questions concerning the effectiveness of CSR to the SCB Kenya Limited.

3.5 Research Procedures

The research procedure is the process that the researcher undertakes during the research process (Mugenda, A. G. and Mugenda, M. O., 1999). The research procedure expedites the realization of the validity and applicability of the findings of the study. Cooper and Schindler (2001) elucidate that while describing research procedure, the researcher highlights the step-by-step techniques that were taken during conducting the study, including pilot study. Furthermore, the researcher also provides an account of the subject scheduling, and data collection methods.

The researcher developed and present the semi-structured interview schedule to the respondents after identifying a sizeable sample size. The researcher conducted a pilot study on a fraction of the respondents to assess dependability and appropriateness of the
instrument. The researcher evaluated the feedback of the pilot study to improve the instrument to ensure that it reliable.

To ensure quick and relevant responses and to avoid respondent fatigue, the researcher ensured that the data collection instrument was as short, relevant and as concise as possible. Throughout the actual study, the respondents were randomly supplied with the semi-structured interview schedule. The use of this instrument was necessary because it ensured that the survey process is made as convenient and as flexible as possible to the respondent who might have tight schedules. This additionally guaranteed a greater response rate and helped the researcher to avoid extemporal responses.

The data collection was conducted over a period of one week, from Monday to Saturday. Upon completion, the collected questionnaires were checked to ensure proper completion had been done by the respondents. The data were encoded and analyzed so that conclusions could be drawn. The pilot test was administered at all the three management levels as defined in the sample size. Thereafter, the instrument was revised based on the findings.

3.6 Data Analysis Methods

The study applied a quantitative approach in analysing data. The study applied descriptive statistics to analyse and present the data that was collected. Descriptive statistics include cross tabulations and frequency distribution (Mugenda, A. G. and Mugenda, M. O., 1999). This involved analysis of data to summarize the essential features and relationships of data in order to generalise from the analysis to determine patterns of behaviour and particular outcomes. Prior to processing the responses that were obtained, the questionnaires were examined for completeness and consistency.

The main purpose of this was to ensure that the data was accurate. Thereafter, the data was then be coded, entered and cleaned using the MS Excel. The complete dataset was then be exported to SPSS for other analysis, which could not be analyzed using MS Excel. Graphical as well as numerical summaries of the various variables were used in the study and were generated using the Statistical package (SPSS). Correlation analysis was used to analyze the data.
3.7 Chapter Summary

The Chapter has indicated the research design that was used and identified the population and the sample population that was assessed in the survey. The chapter also defined the data collection method that was used as well as the research procedure and the data analysis method that was used. The next chapter, Chapter four presents the survey findings and provide the correlation analysis between and among the variables.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

Chapter four provides the study results and findings. The chapter presents the results of the findings regarding the background information. The second part of the chapter presents the results regarding the influence of the CSR programs on strategic management at the Standard Chartered Bank – Kenya Limited. The third part of the CSR programs implemented by the Standard Chartered Bank – Kenya Limited. In addition, the last part, the solicited questions concerning the effectiveness of CSR to the SCB Kenya Limited. The response rate for the study was 75% a response rate that was highly valid (Table 4.1 shows the classification of the respondents).

4.2 Background Information

During the survey study, the research sought to obtain background information of the respondents. The following are the results which were obtained.

4.2.1 Current Position in the Bank

Table 4.1 is indicative of the results that were obtained when the respondents were asked to indicate their position in the bank. Eighty-eight respondents (89.8%) indicated that they were junior staff members. Eight respondents (8.2%) answered that they were occupied the directors’ position. Two respondents (2%) indicated that they were senior managers.

Table 4.1: Classification of Respondents by Position in the Bank

<table>
<thead>
<tr>
<th>Position in the Bank</th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior Staff</td>
<td>88</td>
<td>89.8</td>
</tr>
<tr>
<td>Directors</td>
<td>8</td>
<td>8.2</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>
4.2.2 Respondents by Experience in the Banking Sector

Figure 4.1 shows the results when the respondents were asked to indicate their years of experience in the Banking Sector. Fifteen respondents (15.3%) indicated that they had less than a year’s experience. Twenty-six respondents (26.5%) indicated that they have between 1 and 5 years experience. Thirty-four respondents (34.7%) indicated that they had an experience of between 6 and 10 years while 18 respondents (18.4%) indicated that their experience in the banking sector was between 11 and 15 years. The rest of the respondents, 5 in number (5.1%) indicated that they had over 15 years experience in the banking sector.

![Figure 4.1: Respondents by Experience in the Banking Sector](image)

4.2.3 Extent of Bank’s Engagement in CSR

The respondents were also asked the extent to which they agreed that their organization was involved in the CSR initiatives. Figure 4.2 is a representation of the results that were determined. About 45 respondents (45.9%) indicated that their organization was extensively involved in CSR. Another group, comprising of 18 respondents (18.4%) responded that they were neutral. Thirty respondents (30.6%) indicated that their organization was involved in CSR initiatives to a great extent. About 5 respondents (5.1%) indicated that their organization was involved in CSR to a little extent.
4.2.4 Organization's Involvement in CSR Impacts on Overall Strategy

Table 4.2 represents the results that were determined when the respondents were asked to indicate whether they agreed that their organization’s involvement in CSR impacted on the overall organizational strategy. About 19 respondents (19.4%) indicated that they strongly disagreed that organization’s involvement in CSR impacted on the overall strategy. On the other hand, 25 respondents (25.5%) and 38 respondents (38.8%) indicated that they agreed and strongly agreed respectively that organization’s involvement in CSR had an influence on the overall organizational strategy. The rest of the respondents, 16 respondents (16.3%) indicated that they were neutral.

Table 4.2: Organization's Involvement in CSR Impacts on Overall Strategy

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>19</td>
<td>19.4</td>
</tr>
<tr>
<td>Agree</td>
<td>25</td>
<td>25.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>16</td>
<td>16.3</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>38</td>
<td>38.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

When asked to provide an explanation for their answer, the respondents who indicated that they either agreed or strongly agreed indicated that CSR had the potential of being exploited by the organization’s management to aid the attainment of the overall strategy.
The respondents who indicated that they strongly disagreed indicated that they did not see any real impact of CSR on strategy. Most of these respondents indicated that CSR was a philanthropic initiative with no strategic implications for the organization.

4.3 The Influence of CSR Programs on Strategic Intent

In section B of the questionnaire, the researcher solicited responses that were specifically related to the third research question. The following are the results which were obtained.

4.3.1 Major Ways in Which CSR Impacts on Strategic Intent

Table 4.3 is indicative of the results that were obtained when the respondents were asked to indicate the major ways in which they thought CSR impacted on the strategic intent. About 19 respondents (19.5%) indicated that they thought that CSR impacted on the level of employee commitment. About 14 respondents (14.3%) indicated CSR enhances the firm’s customer satisfaction. On the other hand, 17 respondents (17.3%) indicated that they thought CSR facilitates the firm’s adaptability and another 17 respondents (17.3%) indicated that CSR had a promotional value to the firm. About 31 respondents, (31.6%) indicated that CSR facilitated shareholder performance.

<table>
<thead>
<tr>
<th>Table 4.3: Major Ways in Which CSR Impacts on Strategic Intent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency (F)</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Level of Employee Commitment</td>
</tr>
<tr>
<td>Enhances the Firm's Customer Satisfaction</td>
</tr>
<tr>
<td>Facilitates Adaptability the Environment</td>
</tr>
<tr>
<td>Promotional Value</td>
</tr>
<tr>
<td>Facilitates Shareholder Performance</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

4.3.2 Extent of Agreement that CSR Impacts on Strategic Intent

The researcher asked the respondents the extent to which they agreed that CSR impacted on the strategic intent. Sixteen respondents (16.3%) indicated that they agreed to a little extent that CSR impacted on the strategic intent while 12 respondents (12.2%)
indicated that they areed to a great extent that CSR impacted on the strategic intent. Thirty-three respondents (33.7%) indicated that they were neutral. About 38 respondents (37.8%) indicated that they extensively agreed that CSR impacted on the strategic intent. These results are shown in figure 4.3.

![Figure 4.3: Extent of Agreement that CSR Impacts on Strategic Intent](image)

When asked to indicate the reason for their answer, the respondent indicated that CSR presented the company positively to the public and the organization’s customers and as such contributed to customer loyalty. Some the respondents who indicated that the CSR only impacted on the strategic intent to a little extent indicated that the CSR was a moral undertaking with no strategic importance to the organization.

### 4.3.3 CSR Enhances Shareholder Performance

Table 4.4 is indicative of the results that were obtained when the respondents were asked to indicate whether they agreed that CSR enhanced shareholder performance. About 16 respondents (16.3%) and 14 respondents (14.3%) indicated that they strongly disagreed and disagreed respectively that CSR enhanced shareholder performance. Another group comprising of 11 respondents (11.2%) responded that they were neutral. On the other hand, 23 respondents (23.5%) and 34 respondents (34.7%) indicated that they agreed respectively that CSR enhanced shareholder performance.
### Table 4.4: CSR Enhances Shareholder Performance

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>16</td>
<td>16.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>14</td>
<td>14.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>11.2</td>
</tr>
<tr>
<td>Agree</td>
<td>23</td>
<td>23.5</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>34</td>
<td>34.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### 4.3.4 CSR Initiatives Promotes Organization’s Reputation

Figure 4.4 shows the results that were derived when the respondents were asked to indicate whether they agreed or disagreed that CSR promoted organization’s reputation.

Thirty-two respondents (32.6%) and 36 respondents (37.4%) indicated that they strongly agreed and agreed respectively that that CSR promoted organization’s reputation. Two respondent (2%) indicated that they were neutral. On the other hand, 14 respondents (14%) and another group of 14 respondents (14%) indicated that they strongly disagreed and disagreed respectively that CSR promoted organization’s reputation.

![Figure 4.4: CSR Initiatives Promotes Organization’s Reputation](image)
4.3.5 CSR Positively Impacts on Employee Morale

Table 4.5 shows the results when the respondents were asked to indicate whether they thought CSR positively influenced employee morale. Thirteen respondents (13.3%) and 15 respondents (15.3%) indicated that they strongly disagreed and disagreed respectively that CSR positively influenced employee morale. About 20 respondents (20.4%) answered that they were neutral. Thirty-six respondents (36.7%) indicated that they agreed while 14 respondents (14.3%) that they strongly agreed.

Table 4.5: CSR Positively Impacts on Employee Morale

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>13</td>
<td>13.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>15</td>
<td>15.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>20</td>
<td>20.4</td>
</tr>
<tr>
<td>Agree</td>
<td>36</td>
<td>36.7</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>14</td>
<td>14.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

When the respondents were asked to provide a reason for their answer, the respondents who either indicated that they strongly disagreed or disagreed indicated that CSR had no impact on their morale and indicated that such incentives as remuneration and pay package, employee-management relationship and perceptions about job satisfaction as the sources for their motivation. Those respondents, who indicated that they either agreed or strongly agreed that CSR impacts on employee morale, also indicated that they felt motivated when they perceived they organization as being socially responsible.

4.3.6 Organization’s CSR Initiative and Its Strategic Intent

The researcher asked the respondents whether they thought there was an association between the organization’s CSR engagements and its strategic intents. Thirty-six respondents (36.7%) indicated that they strongly agreed that there was an association between the organization’s CSR engagements and its strategic intents. Twenty-seven respondents (27.6%) of the respondents indicated that they agreed that there was an association between the organization’s CSR engagements and its strategic intents. On the
other hand, 18 respondents (18.4%) indicated that they disagreed that there was an association between the organization’s CSR engagements and its strategic intents. While 17 respondents (17.7%) indicated that they strongly disagreed that there was an association between the organization’s CSR engagements and its strategic intents.

![Figure 4.5: Organization’s CSR Initiative and Its Strategic Intent](image)

The respondents were asked to give a reason for their answers. Most of the respondents who indicated that they either strongly agreed or agreed that there was an association between the organization’s CSR initiatives and its strategic intent explained that their organization engaged in CSR activities with the need to realize the attainment of the organizations strategic intents. Most of the respondents who indicated that they either disagreed or strongly disagreed explained that CSR was undertaken by their organization for as an ethical and a legal mandate and had no real value for the organizations strategic intent.

### 4.4 Corporate Social Responsibility (CSR) Programs

In section C of the interview schedule, sought to illicit responses having specific relevance to the second research of objective. This part of the chapter shows the results that were realized.
4.4.1 Major CSR Initiatives By the Organization

Table 4.6 is indicative of the findings that were realized when the respondents were asked to show main CSR programs that their firm had undertaken. Thirty-three respondents (33.8%) indicated that healthcare programs were the major CSR initiatives that their organization had undertaken.

**Table 4.6: Major CSR Initiatives By the Organization**

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare Programs</td>
<td>33</td>
<td>33.8</td>
</tr>
<tr>
<td>Paying School Fees For Need Students</td>
<td>17</td>
<td>17.3</td>
</tr>
<tr>
<td>Promoting Other Educational Programs</td>
<td>21</td>
<td>21.4</td>
</tr>
<tr>
<td>Sponsoring Sports Activities in Slums</td>
<td>12</td>
<td>12.2</td>
</tr>
<tr>
<td>Supporting Campaign Against FGM</td>
<td>15</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Seventeen respondents (17.3%) indicated that paying school fees for needy students was the major CSR initiative that their organization had undertaken. Twenty-one respondents (21.4%) indicated that promoting other educational programs was major CSR initiative that their organization had undertaken. Twelve-point-two respondents (12.2%) and 15 respondents (15.3%) indicated that sponsoring sports activities in slum areas and supporting campaign against FGM respectively were the major CSR initiative that their organization had undertaken.

4.4.2 Organization’s Sponsorship of Needy Students

Figure 4.6 shows the results that were obtained when the respondents were asked to indicate whether they agreed that their organization sponsored needy children. Ten respondents (10.2%) and 15 respondents (15.3%) indicated respectively that they strongly disagreed and disagreed respectively that the organization sponsored needy students. Eight respondents (8.2%) indicated that they were neutral. Thirty-two respondent (32.7%) and 33 respondents (33.6%) indicated that they agreed and strongly agreed respectively that there organization sponsored needy students.
4.4.3 Organization Engages in Up Lifting the Marginalized

The respondents were asked whether they agreed that their organization was involved in the up-lifting of the marginalized groups in the society. Sixteen-point-three respondents (16.4%) and 14 respondents (14.3%) indicated that they strongly disagreed and disagreed respectively that their organization was involved in the up-lifting of the marginalized groups in the society. About fourteen respondents (14.3%) indicated that they were neutral. Twenty-seven respondents (27.5%) and another 27 respondents (27.5%) indicated that they agreed and strongly agreed respectively that their organization was involved in the up-lifting of the marginalized. Table 4.7 is indicative of these findings.

**Table 4.7: Organization Engages in Up-Lifting the Marginalized**

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>16</td>
<td>16.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>14</td>
<td>14.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>14</td>
<td>14.3</td>
</tr>
<tr>
<td>Agree</td>
<td>27</td>
<td>27.5</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>27</td>
<td>27.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.4.4 Firm Engages in HIV/AIDS Alleviation and Awareness Campaigns

Figure 4.7 is indicative of the results that were obtained when the respondents were asked whether their firm engaged in HIV/AIDs alleviation and awareness campaigns. Thirty respondents (30.6%) and 18 respondents (18.4%) suggested that they strongly agreed and agreed respectively that their firm engaged in HIV/AIDs alleviation and awareness campaigns. Nine respondents (9.1%) indicated that they were neutral. On the other hand, 23 respondents (23.5%) and 18 respondents (18.4%) indicated that they disagreed and strongly disagreed respectively that that their firm engaged in HIV/AIDs alleviation and awareness campaigns.

![Figure 4.7: Firm Engages in HIV/AIDS Alleviation and Awareness Campaigns](image)

4.4.5 Standard Heart Marathon a Part of CSR Initiatives

Table 4.8 shows the results that were obtained when the respondents were asked whether the “Standard Hear Marathon” was part of CSR initiatives undertaken by their organization. About seven respondents (7.1%) and 11 respondents (11.2%) indicated that they strongly disagreed and disagreed respectively. About 11 respondents (11.2%) indicated that they were neutral. Thirty-two respondents (32.7%) and 37 respondents (37.8%) indicated that they agreed and strongly agreed respectively that the “Standard Heart Marathon” was part of CSR initiatives undertaken by their organization.
Table 4.8: Standard Heart Marathon as Part of CSR

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>7</td>
<td>7.1</td>
</tr>
<tr>
<td>Disagree</td>
<td>11</td>
<td>11.2</td>
</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>11.2</td>
</tr>
<tr>
<td>Agree</td>
<td>32</td>
<td>32.7</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>37</td>
<td>37.8</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100</td>
</tr>
</tbody>
</table>

4.4.6 Company Occasionally Mobilizes Employees for Community Service

Figure 4.8 shows the results that were obtained when the respondents were asked whether their organization occasionally mobilizes its employees for community service. Twenty-four respondents (24.5%) indicated that they strongly disagreed that their organization mobilizes employees to do community service. Thirty-two respondents (32.7%) indicated that they disagreed that their organization does mobilize employees for community work. On the other hand, 18 respondents (18.4%) indicated that they agreed that their organization mobilizes employees to do community service. While 12 respondents (12.2%) indicated that they strongly agreed that, their organization mobilizes employees to do community service.

Figure 4.8: Company Occasionally Mobilize Employees for Community Service
4.4.7 It is Important for the Organization to Conduct CSR

Table 4.9 shows the responses that were obtained when the respondents were asked to indicate their level of agreement with the statement that it is important for the organization to conduct CSR. Seven respondents (7.1%) and 9 respondents (9.2%) indicated that they strongly disagreed and disagreed respectively that it is important for the organization to conduct CSR. Twelve respondents (11.2%) indicated that they were neutral. Twenty-four respondents (24.5%) indicated that they agreed that it is important for the organization to conduct CSR. Forty-seven respondents (48%) indicated that they strongly agreed that it is important for the organization to conduct CSR.

**Table 4.9: It is Important for the Organization to Conduct CSR**

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Important</td>
<td>7</td>
<td>7.1</td>
</tr>
<tr>
<td>Important</td>
<td>9</td>
<td>9.2</td>
</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>11.2</td>
</tr>
<tr>
<td>A little Important</td>
<td>24</td>
<td>24.5</td>
</tr>
<tr>
<td>Very Important</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

When the respondents were asked to provide a reason for answer. Those respondents who indicated that they strongly disagreed or disagreed explained that CSR was an expensive venture for the organization and diverted resources that would otherwise have been invested to earn profits. Most of those who indicated that they either agreed or strongly agreed that CSR was important for the organization, also indicated that CSR programs initiated by the organization added to the company’s public standing and reputation.

4.5 Effectiveness of CSR Strategies

The researcher also asked the respondents questions with specific relevance to research objective three. This part of the study presents the findings or results obtained with regard to the third research objective.
4.5.1 Indicators of the Effectiveness of the Company’s CRS

Table 4.10, shows the results that were obtained when the respondents were asked to show what they considered as the indicators of the effectiveness of the company’s CSR. Thirteen-point respondents (13.4%) and 22 respondents (22.4%) indicated that they thought that the boost in employee morale and the enhanced customer satisfaction were indicators of the indicators of the effectiveness of the company’s CSR. Thirty-one respondents (31.6%) indicated that improved competitive advantage was the indicator of the effectiveness of the company’s CSR, 16 respondents (15.3%) thought increased opportunities, and profitability of the business was the indicators of the effectiveness of the company’s CSR. Lastly, 17 respondents (17.3%) indicated that positive company reputation was the indicator of the effectiveness of the company’s CSR.

Table 4.10: Indicators of the Effectiveness of the Companies CSR

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Advantage</td>
<td>31</td>
<td>31.6</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>22</td>
<td>22.4</td>
</tr>
<tr>
<td>Increased Opportunities &amp; Profitability</td>
<td>15</td>
<td>15.3</td>
</tr>
<tr>
<td>Boost in Employee Morale</td>
<td>13</td>
<td>13.4</td>
</tr>
<tr>
<td>Positive Company Reputation</td>
<td>17</td>
<td>17.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.5.2 Contribution of CSR to Increased Market Share Acquisition

The researcher asked the respondents whether they thought that CSR contributed to increased market share acquisition. Eleven respondents (11.2%) and 18 respondents (18.4%) indicated that they strongly disagreed and disagreed respectively that CSR contributed to increased market share acquisition. Twenty-one respondents (21.4%) indicated that they were neutral. On the other hand, Thirty-two respondents (32.7%) and 16 respondents (16.3%) indicated that they agreed and strongly agreed respectively that CSR contributed to increased market share acquisition.

When the respondents were asked to give a reason for your answer. Most of the respondents who indicated that they either strongly disagreed or disagreed indicated that CSR did not contribute to increased market share acquisition because the initiatives were taken either as an ethical act or as an initiative for the fulfillment of a legal mandate. Most
of the respondents who either indicated that they agreed or strongly agreed explained that CSR contributed to increased market share acquisition for the organization since it facilitated the development of a positive organizational image which allowed more customers to remain loyal to the organization.

Figure 4.9: Contribution of CSR to Increased Market Share Acquisition

4.5.3 CSR Has Promoted the Company’s Products and Services

Figure 4.10 shows the results that were obtained when the respondents were asked to indicate their level of agreement with the assertion that CSR has promoted the company’s products and services. Eighteen-point respondents (18.4%) and 23 respondents (23.5%) indicated that they strongly agreed and agreed respectively that CSR has promoted the company’s products and services. Twenty-six respondents (26.5%) indicated that they were neutral. Twenty-four respondents (24.5%) and 7 respondents (7.1%) indicated that they disagreed and strongly disagreed respectively that CSR has promoted the company’s products and services.
4.5.5 CSR Contributes to Good Reputation for Your Organization

The respondents were asked whether they agreed that CSR contributed to a good reputation for the organization. Fifteen respondents (15.2%) indicated that they strongly agreed that CSR contributed to a good reputation for the organization. Thirteen respondents (13.3%) indicated that they disagreed that CSR contributed to a good reputation for the organization. Three respondents (3.1%) indicated that they were neutral. Thirty-five respondents (35.7%) indicated that they agreed that CSR contributed to a good reputation for the organization while 32 respondents (32.7%) indicated that they strongly agreed CSR contributed to a good reputation for the organization. Table 4.11 is indicative of these findings.

Table 4.11: CSR Contributes to Good Reputation

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>15</td>
<td>15.2</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>13.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>3.1</td>
</tr>
<tr>
<td>Agree</td>
<td>35</td>
<td>35.7</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>32</td>
<td>32.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.5.7 Effectiveness of CSR is Indicated by the Level of Customer Satisfaction

Figure 4.11, shows the results that were obtained when the respondents were asked to indicate whether they agreed that the effectiveness of CSR is shown by the customers’ satisfaction level. Fifteen respondents (15%) indicated that they strongly disagreed that the effectiveness of CSR is shown by the customers’ satisfaction level. About thirty respondents (30.6%) indicated that they disagreed that the effectiveness of CSR is shown by the customers’ satisfaction level. Sixteen respondents (16%) indicated that they were neutral. Twenty-four respondents (22.4%) indicated that they agreed that the effectiveness of CSR is shown by the customers’ satisfaction level. Another sixteen respondents (16%) indicated that they strongly agreed that the effectiveness of CSR is shown by the customers’ satisfaction level.

![Figure 4.11: Effectiveness of CSR is Indicated by the Level of Customer Satisfaction](image)

4.5. 8 Correlations between the Dependent and the Independent Variable

Table 4.12 shows the results that were obtained when correlation analyses was computed between the various variables. The correlation analysis between the experience in the banking sector and the respondents position in the bank yielded a positive value, \( r = .3414, p < 0.05 \).

The correlation analysis between the respondents experience in the banking sector and the banks engagement in CSR yielded a negative value \( r = -.1962, p < 0.05 \). The correlation
analysis between the experience in the banking sector and the extent of agreement that CSR impacts on strategic intent also yielded a negative value, $r = -0.0792, p < 0.05$.

The correlation analysis between the respondents' current position in the bank and their take on whether the organization's involvement in CSR impacts on overall strategy yielded a positive value, $r = 0.1364, p < 0.05$. A weak but a positive correlation was also realized in the correlation analysis between the respondents' current position in the bank and their extent of agreement that CSR impacts on strategic intent, $r = 0.1374, p < 0.05$. A weak but a positive correlation was also realized in a correlation analysis between the respondents' take on whether the organization's involvement in CSR impacts on the overall strategy and experience in the banking sector, $r = 0.0875, p < 0.05$. 
Table 4.12: Correlations between the Dependent and the Independent Variable

<table>
<thead>
<tr>
<th>Experience in the Banking Sector</th>
<th>Current Position in the Bank</th>
<th>Bank Engages in CSR</th>
<th>Organization's Involvement in CSR impacts on Overall Strategy</th>
<th>Extent of Agreement that CSR Impacts on Strategic Intent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience in the Banking Sector</td>
<td>1</td>
<td>0.3414</td>
<td>-0.1962</td>
<td>0.0875</td>
</tr>
<tr>
<td>Current Position in the Bank</td>
<td>0.0003</td>
<td>0.264</td>
<td>0.1957</td>
<td>0.2190</td>
</tr>
<tr>
<td>Bank Engages in CSR</td>
<td>-0.1962</td>
<td>-0.0276</td>
<td>1</td>
<td>0.0264</td>
</tr>
<tr>
<td>Organization's Involvement in CSR impacts on Overall Strategy</td>
<td>0.0875</td>
<td>0.1364</td>
<td>-0.0511</td>
<td>1</td>
</tr>
<tr>
<td>Extent of Agreement that CSR Impacts on Strategic Intent</td>
<td>0.1957</td>
<td>0.0902</td>
<td>0.3088</td>
<td>0.2781</td>
</tr>
<tr>
<td>CSR Initiatives Promotes Organization's Reputation</td>
<td>-0.0792</td>
<td>0.1374</td>
<td>0.1749</td>
<td>-0.0602</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (1-tailed)*

**Correlation is significant at the 0.01 level (1-tailed).
4.6 Chapter Summary

This Chapter has presented the data that was obtained from the field study. The Chapter has shown that out of the 131 data collection instruments that were issued out to the potential respondents, only 98 were returned putting the response rate at 75%. Descriptive statistics was used to represent the data and consequently, bar graphs as well as frequency tables have been used to present the data. The chapter has also shown the results of the correlation analysis. Chapter five provides the summary, discussion of the findings, conclusion and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Chapter five is the final chapter of the study and provides the summary of the study, the discussion of the major findings of the study. The Chapter also provides the conclusion and the recommendations deemed viable at the backdrop of the findings of the study.

5.2 Summary of the Study

The purpose of this study was to assess the impact of corporate social responsibility on the strategic intent in the banking in industry in Kenya. The study focused on Standard Chartered Bank (SCB) Kenya Limited. The study was guided by the following research questions: What is the meaning and scope of corporate social responsibility (CSR)? What is the influence of the CSR programs on strategic management at the Standard Chartered Bank Kenya Limited? What are the CSR programs implemented by the Standard Chartered Bank Kenya Limited? How effective are the corporate social responsibility strategies to Standard Chartered Bank Kenya Limited?

A descriptive research design was adopted for the study. The reason for using this research design was because the research design permitted for an assessment of the relation between and the strategic intent and CSR. The population of the study consisted of 1024 staff members working for Standard Chartered Bank (SCB) Kenya Limited from which a sample size of 131 was computed. Semi-structured interview schedules were used to collect the data from the respondents. The sampling procedure used in the study was the simple random sampling. The study employed the use of descriptive statistics including tables and bar graphs to present the data that was collected. The Statistical Package for Social Sciences (SPSS) was used to analyze the data and to draw correlations between the independent and the dependent variables.

The study found that Standard Chartered Bank actively undertakes CSR initiatives. This is so, because from the study, it was found that most of the respondents indicated that their organization was intensively involved in the CSR programs. The study also found that the organization was involved in several CSR programs.
The study also determined that the effectiveness of the organization’s CSR initiatives was indicated by several factors. The study found that the respondents, despite their lack of consensus on how CSR impacts on the organization’s strategic intent were instrumental in highlighting some of the ways on which CSR influenced the firms strategy. According to the study, not many respondents indicated that they thought that CSR influenced the level of employee commitment.

5.3 Discussion
This part of the study discusses the findings of the survey study with respect to previous findings and existing literature on the issue area.

5.3.1 The Influence of CSR Programs on Strategic Intent
The discussion has shown that CSR influences organizational strategic intent positively. From the study it has been determined that a larger proportion of the respondents indicated that they CSR indicated that they strongly disagree that organization’s involvement in CSR impacted on the overall strategy. On the other hand, slightly fewer respondents indicated that they agree and strongly agree respectively that organization’s involvement in CSR had an influence on the overall organizational strategy. The rest of the respondents, indicated that they were neutral. This finding was indeed in tandem with Mantere and Sillince’s (2007) assertion that the CSR had a direct a positive influence on the organizations strategy.

Indeed, the very culture of the organization and the manner in which the organization wants to present itself is indicated by its involvement or non-involvement in CSR activities. Pierce and Robinson (2011) elucidate that the organization’s drive on whether or not to engage in Social responsibility is largely dependent on the stance assumed by the organization. As such it can be contended that CSR is to a great extent instrumental in evaluating and offering insight in the firms overall strategy and the firm’s sustainability as well as its propensity to acclimatize to both the internal and external development (Mantere and Sillince, 2007).

Furthermore, is not surprising that several respondents indicated several ways in which CSR impacts of the firms sustainability. The respondents, despite their lack of consensus on how CSR impacts on the organization’s strategic intent were instrumental in
highlighting some of the ways on which CSR influenced the firms strategy. According to the study, not many respondents indicated that they thought that CSR influenced the level of employee commitment. The lack of consensus notwithstanding, Goodwin and Bartlett’s (2008) assertion that the impact of CSR on the strategic intent of an organization is intricate is apparent. CSR has the propensity to influence the organization’s both internal and external standing. With regard to the former, CSR influences how the organization’s staff perceives the organization and their activities as well as roles within the organization as having impact on the society as general (Atkinson, 2008).

In this sense therefore, the staff members are able to acquire some sense of satisfaction from the feeling that there activities are crucial in helping the society in general and that there efforts are not only for profit or for organizational objectives but rather for the common good for the entire community (Crowth and Aras, 2008). As such a sense of job satisfaction and employee morale among the employees derives from the fact that the organization is undertaking CSR and this adds to the overall strategy of increased productivity (Carroll, 2012).

With regard to the external, the organization’s involvement in CSR adds to the organization reputation and social standing (Crowth and Aras, 2008). The society of the society is able to benefit from the CSR initiatives and acquire as sense of satisfaction with the organization’s products and services. According to McWilliams, et al., (2009), the organization’s customer bases increases and the organization is able to maintain customer loyalty. The society views the organization as a partner in life cognizant of the social issues that the society may be reveling in.

5.3.2 Corporate Social Responsibility (CSR) Programs

An organizations participation in CSR initiatives and programs has been cited as being not only legally mandatory but morally significant and sensible (Hohnen, 2011). Consequently, organizations have participated in CSR to fulfill the moral and the legal demands. Indeed, as the study determined several respondents indicated that the organization involved in CSR initiatives that were important to the society in general. The study determined that 33.3% of the respondents (n = 33) indicated that healthcare programs were the major CSR initiatives that their organization had undertaken.
These findings resonated well with Thompson (2011) postulations that CSR activities are not merely undertaken to fulfill some ulterior motive but to facilitate the addressing of societal challenges.

A company can choose to participate in a number of different socially responsible endeavors and it is this then that coins its strategy for CSR (Muriu, 2010). A CSR strategy has five components thus it should observe ethical principles in operating the business. Ideally, an unethical conduct would go against the company’s quest of being ethical. This is probably why the majority of the respondents indicated that most of the initiatives in which their organization engaged in were mostly those to do with social problems.

The idea behind the CSR programs is to ensure the curtailment of human suffering by business organizations which are either legally mandated to play a role of those that undertake the initiatives as part of their overall ethical duties (Porter, 2011). “Seeing is Believing” is Standard Chartered Bank’s flagship sustainability initiative aimed at eradicating avoidable and curable blindness (Clark, 2007, p.19).

Therefore, for both the organization and the society in general, there is a mutual relationship that exists between them and one in which neither the organization nor the society unfairly benefits (McWilliams, et al., 2009). All these relationships work to enhance the organizations strategic intent, which could be it initiate and sustain customer loyalty or to ascertain the legal and moral requirements demanded at its capacity. Hence, the assertion that there is a strategic objective being met by an organizations involvement in CSR activities is a viable one. Given that strategic intent is centered on the idea that there must be sustained fascination for accomplishing goals at all levels of the organization if the organization in question is to be successful (Muriu, 2010).

### 5.3.3 Effectiveness of CSR Strategies

Pierce and Robinson (2011), contend that for any organization wishing to enhance CSR, the management must exhibit social conscience in their operations which goes beyond participating in community projects or donating money to projects. This social conscience is always mostly moral and for CSR to be considered effective, it must facilitate the realization of the moral, ethical and legal objectives as well as the organizations general strategy (Thompson, 2011).
In addition, if the company is cost effective, it can then be able to command a lower price in its offering to the consumers and this can lead to increased revenues. It is important that a company not only gets to have a competitive edge over its competitors but that it also sustains this in the long haul. Thompson, (2010) this gives the customer a reason that lasts to prefer the company products to competitors.

This is probably why several respondents indicated that the effectiveness of the organizations CSR was indicated by the level of customer satisfaction. An organization derives its competitive advantage from either managing their costs or providing a unique offering to their market (Crowth and Aras, 2008). Effective pursuit of this strategy requires that the organization be at the top of applying this strategy effectively and not merely be one of those in the industry applying it if it is to reap the desired benefits (Crowth and Aras, 2008).

Increasing business opportunities and profitability, while also creating social and environmental benefits, by improving operational effectiveness throughout the value chain be it upstream in the supply chain or downstream in the distribution chain (Carroll and Shabana, 2010). This CSR approach, which has become increasingly popular among both academics and corporate leaders, may be considered roughly analogous to the shared value framework, in which the corporation seeks to co-create economic and social value.

These programs give people a sense of pride in the organization, engender teamwork and are a source of inspiration and connectedness. Building a Positive Workplace Environment Finally, one of the greatest benefits of promoting social responsibility in the workplace is the positive environment you build for your employees. When employees and management feel they are working for a company that has a true conscience, they will likely be more enthusiastic and engaged in their jobs.

According to Pierce and Robinson (2011), consumers are the most important stakeholders in the organization and as such, the businesses ability to satisfy them indicates the effectiveness of the strategies that are implemented by that organization. Indeed, research has found that consumers and customers are more likely to purchase products of more socially responsible firms. In essence it therefore seems that the more the firms CSR initiatives is deemed responsive to societal needs the more the customer satisfaction with
the organization’s products or services and the more profitable the organization will be (Maigan and Ferrel, 2009).

5.4 Conclusions

5.4.1 The Influence of CSR Programs on Strategic Intent

The influence of CSR on the organization general strategy and particularly on the organizations strategic intent is cannot be refuted. CSR influences the organizations strategy in many ways and an organizations failure to partake in CSR initiatives puts the organization at a strategic and competitive disadvantage relative to peers who engage in such activities. Further, more, it is irrefutable that an organization may choose to partake in CSR initiatives as strategic move to achieve some predetermined goal.

Indeed, CSR is to a great extent instrumental in evaluating and offering insight in the firms overall strategy and the firm’s sustainability as well as its propensity to acclimatize to both the internal and external development. Additionally, it is perceptible that organizations involvement in CSR activities influences how the staff members perceive there organization and their roles in the organization. It also influences the manner in which the general public and the perceives the organization as being too profit oriented to the extent that it precludes itself from social issues in the milieu in which it operates or as being cognizant of the social issues and facilitating their resolution process as it realizes profits.

5.4.2 Corporate Social Responsibility (CSR) Programs

An organization can engage in several CSR initiatives that help in the up-lifting of the marginalized in the society. These initiatives can include paying school fees to needy children, contributing the fight against communicable and chronic diseases, facilitating the fights against conventional societal practices such FGM and wife inheritance among others. These actions should transcend the profit and the strategic considerations as well as legal but should be undertake as part of the moral and ethical duty.

In so doing, and engaging in the multiplicity of society-sensitive CSR initiatives that an organization engages in, the organization is able to acquire among others a positive reputation and standing with the society and the authorities while at the same time ensuring the retention and expansion of its customer base. Thus it can be contended that
it even though CSR it always undertaken for moral, legal and ethical considerations, it can also be undertaken to facilitate the realization of the organizations strategic intents and overall strategy. In this sense, it can be contended that CSR influences the organizations strategic intent positively facilitating its realization.

5.4.3 Effectiveness of CSR Strategies

Effective CSR involvement impacts positively on the organization’s strategic intent and overall strategy. Effective implementation of CSR contributes to the organization’s reputation, employee satisfaction and morale as well as the competitive advantage and profitability of the organization. These have an effect of facilitating the sustainability of the business and can augment its survival even in turbulent times. Furthermore, if the company is cost effective, it can then be able to command a lower price in its offering to the consumers and this can lead to increased revenues.

It is important that a company not only gets to have a competitive edge over its competitors but that it also sustains this in the long haul. In essence it therefore seems that the more the firms CSR initiatives is deemed responsive to societal needs the more the customer satisfaction with the organization’s products or services and the more profitable the organization will be. Indeed, CSR can facilitate employee job satisfaction and morale when the employees view their jobs as facilitating the broader societal goals such contributing to the resolution of the problems that are realized in the society. At the same the study has indicated that there are environmental dimension to the organization’s involvement in CSR which work to the advantage of both the organization and the society.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 The Influence of CSR Programs on Strategic Intent

Organizations should appreciate the influence of CRS programs on the organizational strategy. Organizations should acknowledge that CSR initiatives can be undertaken as a moral or legal obligation but can also be implemented to augment the organizational strategy. As such organizations should define their strategic intents clearly and explore ways in which the CSR can be implemented to strengthen and facilitate the realization of
the strategic objectives. Organizations should therefore do more research on the needs and social issues in the society and determine ways in which their CSR initiatives can be implemented such that the CSR initiatives meet the society’s needs while at the same time facilitating the realization of the organizations short and long-term objectives.

5.5.1.2 Corporate Social Responsibility (CSR) Programs

Organizations should undertake CSR initiatives that help the society. Organizations should conduct proper research before they engage in CSR, ensure that the CSR programs, which they undertake, are responsive to the societies needs, and are relevant. The CSR programs should be linked to both the short and the long-term goals of the organization and should facilitate the realization of community development objectives. The sponsoring of education programs especially the education of the needy students, the support of healthcare programs as well as the implementation of programs which are aimed at alleviating poverty should considered highly by organizations in their CSR initiatives as these undertakings do have implications for both strategy and community development. The corporations should therefore take seriously CSR initiatives since these activities are crucial to the marginalized groups in the society.

5.5.1.3 Effectiveness of CSR Strategies

Organizations should undertake measures that enable them to assess the effectiveness of their CSR initiatives. Organizations should therefore implement a structural framework to facilitate analysis of corporate social activities having two elements. This elements include, categories for classifying corporate activities should be stable over time, this making historical comparisons possible. In addition, the definitions of various categories should be applicable across firms, industries, or even social systems, making comparative analysis possible.

5.5.2 Recommendations for Further Studies

Future researchers should conduct more study on the issue of corporate social responsibility. Such studies should examine the impact that CSR has on the various stages and processes of the organization. Future researchers should examine the impact of CSR on the general organizational strategy of the organizations that undertake these initiatives. Such studies should be conducted to facilitate the validity of the current study and to
contribute more literature on this important but relatively ignored aspect of CSR. Furthermore, future researchers should conduct more studies on the issue of CSR in order to verify whether CSR is conducted as a moral act or whether there are strategic dimensions to such initiatives.
REFERENCES


APPENDIX 1: LETTER OF INTRODUCTION

Runji Ndegi
Mobile No.: 0721389860
July 1, 2014

Dear Sir/Madam

RE: LETTER OF INTRODUCTION

I am a Masters student at United States International University. I am currently working on my project entitled, “THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON THE STRATEGIC INTENT IN THE BANKING INDUSTRY IN KENYA: CASE STUDY OF STANDARD CHARTERED BANK”. This is in partial fulfillment of my degree requirements.

I have identified Standard Chartered Bank as the organization in which I want to conduct the survey in order to realize the purpose and objectives of my study. I am convinced that your staff and management hold the relevant information that will help me in this undertaking.

My reason for writing this letter to you is to request your assistance and permission to conduct the study in your organization and among your staff using a semi-structured interview schedule. I also request that you may recommend to me some of the staff members that you determine to possess the relevant information.

I affirm that I will abide by the university rules and guidelines concerning research work. Additionally, I will aim at applying utmost ethical standards in the process of conducting the research. Stay assured that the survey will not affect your organization in any negative way.

Yours Sincerely,

Runji Ndegi.
APPENDIX 2: INTERVIEW SCHEDULE

SURVEY TITLE: THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON THE STRATEGIC INTENT IN THE BANKING INDUSTRY IN KENYA: CASE STUDY OF STANDARD CHARTERED BANK

Date: ___________________
Name (Optional): ______________ Mobile Number (Optional):__________

The purpose of this study will be to assess the impact of corporate social responsibility on the strategic intent in the banking industry in Kenya. The researcher is specific, in obtaining information regarding three areas of interest, namely; influence of CSR on strategic intent; CSR programs in SCB; the effectiveness of CSR strategies.

Please read each question carefully and answer it to the best of your ability; where necessary check [✓] the boxes provided. There are no correct or incorrect responses; your answers are crucial to the study.

To facilitate follow-up surveys, please enter the date, and your name and your mobile phone number in the designated spaces above (nonetheless stay advised that this is optional). Please Note: all responses to this survey are completely confidential any identifying information will be removed from this survey instrument and destroyed as soon as all data has been collected and processed.

Thank you for your participation in this study

Section A: Background Information

1. Kindly, indicate your experience the banking sector.

   [ ] Less than a year  [ ] 1 - 5 years
   [ ] 6 – 10 years  [ ] 11 – 15 years
   [ ] Over 15 years

2. What is your current position in the bank?

   [ ] Teller  [ ] Front desk Personnel
   [ ] Clerk  [ ] Director/Manager
   [ ] Other, please specify ________________________________
3. Would you agree that your bank engages in CSR?

[ ] Strongly disagree
[ ] Agree
[ ] Neutral
[ ] Strongly agree

4. To what extent are you aware of your organizations CRS engagements?

[ ] To a little extent
[ ] To a great Extent
[ ] Neutral
[ ] Extensively

5. Would you say that your organizations involvement in CSR has implications for the overall strategy?

[ ] Strongly disagree
[ ] Agree
[ ] Neutral
[ ] Strongly agree

6. Kindly provide an explanation for your answer above. _______________________
___________________________________________________________________
___________________________________________________________________
___________________________________________________________________

Section B: The Influence of CSR Programs on Strategic Intent

7. To what extent would you agree that CSR programs initiated by your organization influences the firm’s strategic intent?

[ ] To a little extent
[ ] To a great Extent
[ ] Neutral
[ ] Extensively

8. Would you agree that CSR enhances shareholders performance?

[ ] Strongly Disagree
[ ] Disagree
[ ] Neutral
[ ] Agree
[ ] Strongly Agree

9. In the table below are some of the major ways in which CSR is said to influence strategic intent. Kindly, rank them from the most from highest to the lowest.

Key: 1 = Highest 4 = Lowest.

<table>
<thead>
<tr>
<th></th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder Performance</td>
<td></td>
</tr>
<tr>
<td>Employee Commitment</td>
<td></td>
</tr>
</tbody>
</table>
10. Do you agree that the CSR initiatives that your organization engages in promotes its reputation?

[ ] Strongly Disagree  [ ] Disagree
[ ] Neutral  [ ] Agree
[ ] Strongly Agree

11. To what extent would you say that CSR initiatives by your company impacts on your morale as an employee or the level of satisfaction you have with your organization?

[ ] To a little extent  [ ] To a Great Extent
[ ] Neutral  [ ] Extensively

12. Kindly provide an explanation for your answer above. _______________________
    ___________________________________________________________________
    ___________________________________________________________________

13. To what extent are you aware of your company’s strategic intent?

[ ] To a little extent  [ ] To a Great Extent
[ ] Neutral  [ ] Extensively

14. Do you agree that there is any association between your company’s CSR engagements and the company’s strategic intent?

[ ] Strongly Disagree  [ ] Disagree
[ ] Neutral  [ ] Agree
[ ] Strongly Agree

15. Kindly provide an explanation for your answer above. _______________________
    ___________________________________________________________________
    ___________________________________________________________________
    ___________________________________________________________________
16. Would you agree that one of the strategic intents of your company is to inspire a firm-wide tension which compels all the employees to stay committed to the specified future direction

[ ] Strongly Disagree [ ] Disagree
[ ] Neutral [ ] Agree
[ ] Strongly Agree

17. Kindly provide an explanation for your answer above. _______________________
   ___________________________________________________________________
   ___________________________________________________________________
   ___________________________________________________________________

Section C: Corporate Social Responsibility Programs

18. In the table below are some of the major CSR initiatives that organizations practice. Kindly, rank them from the most from the one your organization considers most important to the one it considers less important.

Key: 1 = Highest 4 = Lowest.

<table>
<thead>
<tr>
<th>CSR Programs</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sporting programs</td>
<td></td>
</tr>
<tr>
<td>Healthcare Programs</td>
<td></td>
</tr>
<tr>
<td>Educational Programs</td>
<td></td>
</tr>
<tr>
<td>Other, specify:</td>
<td></td>
</tr>
</tbody>
</table>

19. Does your firm sponsor brilliant but needy students?

[ ] Strongly Disagree [ ] Disagree
[ ] Neutral [ ] Agree
[ ] Strongly Agree

20. Would you agree that your firm engage in projects aimed at uplifting the orphans, sick and the homeless?

[ ] Strongly Disagree [ ] Disagree
[ ] Neutral [ ] Agree [ ] Strongly Disagree
21. Please indicate your level of agreement with the following statements.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your company pays school fees for the needy students</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your company participates in HIV/AIDS awareness and alleviation campaigns</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The “Standard Heart” runs organized annually by your company is undertaken as an act of CSR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your company occasionally mobilizes employees to carry out community cleaning activities.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

22. Do you think it is important for your organization to participate in CSR?

[ ] Not Important         [ ] A little Important
[ ] Important             [ ] Very Important

23. Kindly provide a reason for your answer above. _________________________________
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________

24. Would you agree that your organization employs enough of financial and human resources to aid CSR initiatives that it engages in?

[ ] Strongly Disagree       [ ] Disagree
[ ] Neutral                [ ] Agree
[ ] Strongly Agree
25. Do agree that your organization engages in enough CSR initiatives considering its capital base and profitability?

[ ] Strongly Disagree  [ ] Disagree
[ ] Neutral  [ ] Agree
[ ] Strongly Agree

26. Please explain further _______________________________________________

___________________________________________________________________
___________________________________________________________________

Section D: Effectiveness of CSR Strategies

27. In the table below are some of the indicators of the effectiveness of a company’s CSR Initiatives. Kindly indicate from highest to lowest which one you think is the most indicative of the effectiveness of your company’s CSR initiatives

**Key: 1 = Highest 4 = Lowest.**

<table>
<thead>
<tr>
<th>Rank</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Competitive Advantage</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction</td>
</tr>
<tr>
<td></td>
<td>Increased Opportunities and Profitability</td>
</tr>
<tr>
<td></td>
<td>Boost in Employee Morale</td>
</tr>
<tr>
<td></td>
<td>Other, specify:______________________________</td>
</tr>
</tbody>
</table>

28. Do agree that CSR enhances the chances the customers’ preference for your organization as the number one choice?

[ ] Strongly Disagree  [ ] Disagree
[ ] Neutral  [ ] Agree
[ ] Strongly Agree

29. What is the reason for your answer above? Please explain_____________________

___________________________________________________________________
___________________________________________________________________

___________________________________________________________________
30. Would you say that CSR has enabled your organization to acquire a large market share among its competitors?

[ ] Strongly Disagree  [ ] Disagree
[ ] Neutral  [ ] Agree
[ ] Strongly Agree

31. What is the reason for your answer above? Please explain____________________________
                                                                                       
                                                                                       
32. Would you say that CSR has eased the availability of products and around the market?

[ ] Strongly Disagree  [ ] Disagree
[ ] Neutral  [ ] Agree
[ ] Strongly Agree

33. To what extent would you say that the CSR initiatives such as the Stan-Chart sponsored run has influenced the promotion of a good reputation of your company?

[ ] To a little extent  [ ] To a great Extent
[ ] Neutral  [ ] Extensively

34. Would you agree that the effectiveness of your company’s CSR initiatives is indicated by the level of customer satisfaction with your organization?

[ ] Strongly Disagree  [ ] Disagree
[ ] Neutral  [ ] Agree
[ ] Strongly Agree

35. Kindly, provide a reason for your answers above____________________________________
                                                                                       
                                                                                       
36. Would you agree that your company currently enjoys a competitive advantage over peer or key competitors?

[ ] Strongly Disagree  [ ] Disagree
[ ] Neutral  [ ] Agree
[ ] Strongly Agree

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37. To what extent would you say that the competitive advantage that your company enjoys vis-à-vis its competitors is a product of its CSR initiatives or engagements?

[ ] To a little extent [ ] To a great Extent
[ ] Neutral [ ] Extensively

38. Please provide any general comment on the issue of the association between CRS and the strategic intent________________________________________
________________________________________
________________________________________

End of Questions

Thank You for Your Participation in the Survey.
## APPENDIX 3: PROJECT BUDGET

### PROJECT BUDGET

<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT BUDGETED (Kshs.)</th>
<th>TOTAL (Kshs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposal development:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Internet Access</td>
<td>5,000.00</td>
<td></td>
</tr>
<tr>
<td>- Telephone</td>
<td>1,500.00</td>
<td></td>
</tr>
<tr>
<td>- Transport</td>
<td>2,000.00</td>
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</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>8,500.00</strong></td>
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</tr>
<tr>
<td><strong>Data collection:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Printing</td>
<td>5,000.00</td>
<td></td>
</tr>
<tr>
<td>- Transport</td>
<td>1,000.00</td>
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</tr>
<tr>
<td>- Telephone</td>
<td>2,000.00</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>8,000.00</strong></td>
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<tr>
<td><strong>Analysis and reporting:</strong></td>
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</tr>
<tr>
<td>- Computer time</td>
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<td></td>
</tr>
<tr>
<td>- Stationery</td>
<td>3,500.00</td>
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</tr>
<tr>
<td>- Report production &amp; Binding</td>
<td>6,500.00</td>
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</tr>
<tr>
<td><strong>Subtotal</strong></td>
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<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>28,500.00</strong></td>
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# APPENDIX 4: IMPLEMENTATION PLAN

<table>
<thead>
<tr>
<th>Activity/Task</th>
<th>Time Frame/ Schedule</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Proposal Writing</td>
<td>Start: May 12&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Finish: June 15&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>2. Review and Corrections</td>
<td>Start: June 16&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Finish: June 29&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>3. Data collection</td>
<td>Start: June 30&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Finish: July 13&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>4. Data Entry &amp; Analysis</td>
<td>Start: July 14&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Finish: July 27&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>5. Report Writing</td>
<td>Start: July 28&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Finish: Aug 2&lt;sup&gt;nd&lt;/sup&gt;</td>
</tr>
<tr>
<td>6. Binding and Production</td>
<td>Start: Aug 3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Finish: Aug 4&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>7. Project Complete&amp; Submission</td>
<td>Start: 5&lt;sup&gt;th&lt;/sup&gt; Aug</td>
<td>Finish:</td>
</tr>
</tbody>
</table>