EFFECT OF CORPORATE SOCIAL RESPONSIBILITY STRATEGY ON PERFORMANCE: A CASE STUDY OF EQUITY BANK OF KENYA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Master of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

FALL 2016
STUDENT DECLARATION

I, the undersigned declare that this is my original work and that it has not been submitted to any other College, Institution or University other than the United States International University for academic purposes.

Signed: ____________________  Date: _______________________

Karimi, Bernice Wachuka (628040)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ____________________  Date: _______________________

Dr. Juliana Namada

Signed: ____________________  Date: _______________________

Dean, Chandaria School of Business
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ABSTRACT

The purpose of the study was to find out the influence of Corporate Social Responsibility initiatives on organizational performance of Equity Bank in Kenya. The study was guided by the following specific objectives: To determine the influence of education strategy on the performance of Equity Bank, to examine the influence of health strategy on the performance of Equity Bank and to identify the influence of sports strategy on the performance of Equity Bank.

This study adopted a descriptive research design. The population was about 1,300 individuals. Random sampling technique was used to collect more information from the survey. The sample size of 110 was included in the study. The data collection method adopted in the study was primary data collection method. The researcher used descriptive methods such as mean, mode, median, percentages, tables and frequency distribution to compute data analysis. To ensure easy analysis, the questionnaire was coded according to each variable of the study. This study used descriptive statistics. Correlation analysis was used to establish the relationship between Corporate Social Responsibility and performance.

The findings on the influence of Education Corporate Social Responsibility strategy in the organization performance revealed that the education program results in lifetime benefit in the education for needy students. Undertaking corporate social responsibility provides a clear perspective to the insiders and outsiders that the company strives to become a good corporate citizen. Education empowers families who in turn remain loyal to the firm. This leads to enhanced market share, sales and profitability for the firm. The findings on the influence of health Corporate Social Responsibility strategy in the organization performance revealed that the program addresses certain social needs, focuses on alleviating social problems and allows employees to be part of a solution to a greater problem above the normal issues of profit maximization. Health Strategy gives people a sense of pride in the organization, engenders teamwork and is a source of inspiration. The findings on the influence of Sports Corporate Social Responsibility strategy in the organization performance revealed that companies have rationalized investments in sports strategy enhance brand reputation and boosts corporate image.
The study concludes that CSR strategies result in lifetime benefit in the education for needy students. For any kind of organizations to run successfully individual evaluation and development elements are essential. The organization should try to addresses certain social needs and improves the welfare of socially-excluded population leads to empowerment and reduced inequality to meet their basic human needs. Companies have rationalized investments in sports strategy enhance brand reputation. The company should also create a sense of satisfaction among employees.

In recommendations the researcher calls for the bank to educate more needy students to create a sense of purpose. The study recommends that the CSR Health Strategy should address certain social needs that are essential for everyone. The study also recommends that the investments in sports strategy should enhance brand reputation of the company.
ACKNOWLEDGEMENTS

I would like to acknowledge my project supervisor, Dr. Juliana M. Namada without whose intellectual support I would not have completed this study. I would also like to acknowledge my parents and my family in general for their moral and financial support in this study.
DEDICATION

With immense humbleness, I devote this work to my parents without whose assistance I would not have made it this far in my academic endeavors.
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LIST OF ABBREVIATIONS

CA: Competitive Advantage
CBK: Commercial Bank of Kenya
CSR: Corporate Social Responsibility
HIV/AIDS: Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IAAF: The International Association of Athletics Federation
IT: Information Technology
KBA: Kenya Bankers Association
MNC: Multi National Corporations
UBA: United Bank for Africa
UBM: Universal Banking Model
USD: United States Dollar
SME’s: Small and Medium-Sized Enterprises
SPSS: Statistical Package for Social Science
TB: Tuberculosis
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Corporate social responsibility (CSR) has become a fundamental concept in the contemporary business world. Today’s business executives are faced with complex strategic resource allocation decisions which are not only based on their financial outcomes, but also have to measure up to a set of societal and emerging stakeholder expectations. Environmental and social concerns are becoming increasingly important influences on corporate strategy (Ebrahimi, 2011). The main idea behind the call for corporate social responsibility is that companies should become aware to their responsibility, extend the social, ecological and economic engagement and arrange them according to the processes in the company (Harvard Business Review, 2011). This is needful as it helps in giving back to the society in which the company operates. It also definitely helps in the creation of the company name in a manner that allows for the development of a practicable company strategy that enables a company to sustain profitability in a multimarket and competitive business, milieu that the world is today (Webber, 2008).

Werther and Chandler (2010), say that the present-day CSR (also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) covers the relationship between the corporations and the society within which they interact. It is a concept whereby business organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as their environment. In the recent years the concept of Corporate Social Responsibility (CSR) is spreading very rapidly in the whole world and all the sectors including banking. This prevalence is because the fast pace of globalization and social development appeals to all corporations, big or small, local orientation, to take their CSR into account by improving the social and environmental performance (Wafula, 2012).

According to Kevan and Scholes (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 organization's strategy. The direction that corporate social responsibility takes has several dimensions thus corporate philosophy, corporate responsibility and corporate policy. Previous studies suggest that effective CSR initiatives have a direct impact on the overall financial and marketing performance of an organization (shin et al. 2000). Indeed CSR practices are expected to increase an organization's market share, return on investment and improve overall competitive positions. For instance, tan et al., (2010) asserted that customer relations and CSR initiatives have an impact on the effectiveness of a CSR strategy and leads to financial and marketing performance. On the other hand, companies with broader CSR relationships with society or community showed the largest achievements (Wetsbrook, 2009).

Thomson et al. (2007) notes that using financial measures alone overlooks the fact that what enables a company to achieve or deliver better financial results from its operations is the achievement of strategic objectives that improves its competitiveness and market strength. Performance is measured by both financial and non-financial measures. Non-financial measures include innovativeness, and market standing. The financial measures used to measure the overall organizational performance include, Accounting measures, Profitability measures, Growth measures, Leverage, Liquidity and Cash flow measures. Others include Operational performance, Market share, Changes in Intangible assets such as parents or human resources, customer satisfaction and stakeholder performance market based measures (Returns on shareholder performance), Market Value Added, Holding period returns) survival measured (takes time horizon of five years less), Economics Values Added and Cash flow.

Commercial banks are profit making financial institutions that play a significant role in the financial system. Commercial banks offer a wide range of corporate financial services that address the specific needs of enterprises. They provide deposits, loans and trading facilities in financial markets Magutu, et al (2009). The CBK, which falls under the minister for finances docket is responsible for formulating the liquidity, slovenly and proper functioning of the financial system. The Kenya banking sector comprises of 43 commercial banks, mortgage finance company and six deposit taking micro-finance
institutions of local and international origin. Regional integration is taking hold within Kenya’s banking sector with increase entry of regional banks such as Nigeria’s, United Bank for Africa (UBA) also Eco - bank and the gulf region banks such as Gulf African bank and First community bank. There are approximately 8.3 million bank accounts in Kenya with a total population of more than thirty six million people; there is a clear scope for further penetration of the market. The need for creation of lasting competitive advantage has lead to revision of both long term and short- term goals. The CSR initiatives are some of the earmarked strategies utilized by some commercial banks. Deliberate efforts have been undertaken by some banks to set aside annual budgets to run selected thematic CSR initiatives (CBK, 2014).

The CBK publishes information on Kenya’s Commercial banks and non- banking financial institutions, interest rates and other guidelines. The banks have come together under the Kenya Bankers Association (KBA) which serves as a lobby for the bank’s interest and addresses issues affecting its members Kenya bankers association annual report (2014). The commercial banks in Kenya play a number of roles in the financial stability and cash flow of the country’s private sector. They process payments through a variety of means including telegraphic transfer, internet banking and electronic funds transfers. They also issue bank cheques and drafts, as well accept money on term deposits. They act as a money lender, by way of installment loans and overdrafts loan options include secured loans, unsecured loans and mortgage loans (CBK, 2014).

Equity Bank was started in 1984, as a building society in Muranga with focus on the mortgage sector. Its expansion necessitated the conversion to a bank in December 2004. Equity bank is one of the biggest indigenous local banks, a status it has managed to achieve in just a space of 25years. Its initial target market was Muranga tea- zone. The bank has now moved to other segments like corporate banking, mortgages and investment banking. The bank has continued to consolidate its position in Kenya as at the end of February the bank had three million customers and 106 branches, empirical evidence has been provided that building a branch network enables a firm to favorably compete due to increase in proximity and resulting convenience. Equity branch expansion has been duplicated by raising its stakes at housing finance and acquiring the government 23% stake in National Bank. The bank has seven broad committees that guide and govern its
management. These committees are Audit, Credit, Risk, Management, Strategy, Investment, Tendering, Procurement, Governance, Board Nomination, Staff Remuneration, and Board executive (Chiou, 2009).

Equity Group Foundation was established by Equity Bank to create the financial and operational infrastructure for social programs aimed at low-income population. Equity bank provides infrastructure of delivery and reduce operational cost by actively participating in social investment in key areas such as, education and leadership development, financial literacy, innovation and entrepreneurship, agriculture and health. For instance, in education, implementation of a program known as Wings to Fly is a comprehensive secondary scholarship support program for top performing yet needy (orphan) students in the sub-counties across Kenya. This opportunity has encouraged children who may have otherwise gone unnoticed. The scholars under this program receive support for all their needs (tuition, accommodation, books, uniform and transport to and from school, shopping and pocket money) while attending secondary school for the 4 years (Equity Bank, 2016).

1.2 Statement of the Problem

Corporate responsibility is the basis for survival of modern corporate organization. Indeed industrial leaders are careless about social issues and its effect on the operational environment. Porter (2010) argues that CSR programs focus mostly on reputation and have only limited connection to the business, making them hard to justify and maintain over the long run. Sustainable competitive advantage can be achieved when the firm implements a value creating strategy that is not simultaneously being implemented by potential competitors. This translates to the view that sustained competitive advantage results from strategic assets. Dessler (2006) argues that many people have vested interests in the status quo.

While a study by Serafeim (2010) on the impact of Corporate Social Responsibility on investment recommendations found that some CSR initiatives are costly and may affect the profit margins of the organization. Another study by Bhattacharya and Sen (2001) cited that costly CSR activities may actually be beneficial to organization’s as they can have a positive effect on the decisions of socially or environmentally-minded individuals
consuming products of the organization, investing in it or working for it. Wanjala (2011) studied factors that influence of corporate social responsibility in commercial banks in Kenya and found that profitability was one of the factors that influence CSR practice in banks. Mutuku (2005) established that there is no relationship between CSR and financial performance.

According to Caroll (2011), the contextual knowledge on the study of Equity CSR strategies includes philanthropic responsibility. He indicates that these roles of CSR are purely voluntary and the decision to assume them is guided only by a business’s desire to engage in social roles not mandated, not required by law and not even generally expected of businesses ethical sense. Other scholars relate marketing approach to CSR as a way to utilize CSR activities to create customer satisfaction, increase market value Luo and Bhattacharya (2006) and build up corporate brand dominance Barens et al (2005). Other concerns include customers’ response to organizational CSR behavior Ellen, et al, (2006). Sen, et al, (2006); Waldman, et al, (2006) examines the relationship between CEO leadership style with organizational CSR values and finds out that the CEO’s vision of CSR may impact their subordinate manager’s view of CSR in their decision-making process.

Therefore, whereas many studies have been done on CSR, none of the studies has focused on the sole influence of CSR on organization performance. Hence, this study will endeavor to assess the influence of corporate social responsibility initiatives on organization performance in the banking industry. It seeks to conceptualize how various strategies undertaken by Equity Bank in its CSR activities such as education, health, environmental and sports strategies have influenced the firm’s performance. In so doing the study aims at contributing literature to the study of the association between CSR and corporate performance.

1.3 Purpose of the Study

The purpose of the study was to find out the influence of CSR initiatives on organizational performance of Equity Bank in Kenya.
1.4 Research Questions

1.4.1 What is the influence of education strategy on the performance of Equity Bank?
1.4.2 How does health strategy influence performance of Equity Bank?
1.4.3 What is the influence of sports strategy on performance of Equity Bank?

1.5 Significance of the Study

In examining the connection between CSR and competitive advantage, the study will unearth important information to the following groups of stakeholders.

1.5.1 Academicians

Academicians and future researchers stand to benefit from the study in various ways. The study provides a rich source of literature, which assists academicians and future researchers when conducting literature review. Furthermore, the study contributes to the existing body of knowledge on CSR to academicians and make recommendations arising from its findings for further research on this or other related areas of study. Hence, future research provides a research opportunity in which they can confirm or disconfirm the findings of the current study.

1.5.2 Equity Bank

Equity Bank stands to be the primary beneficiary of the research. CSR is a very important aspect of the organization in establishing a human face that the society can relate to. In assessing Equity Bank’s CSR strategies, the study allows the bank’s management to benchmark and assess the effectiveness of CSR towards the establishment of a positive image for the firm. Moreover, the study is valuable to the Equity Bank’s management in that they understand the effects of CSR towards brand management in their operations bearing in mind that the bank reviewed their CSR pillars last year after the acquisition of the Universal Banking Model (UBM).
1.5.3 The Government of Kenya

The government of Kenya benefits from the study by gaining information on the extent to which Equity Bank has complied with its responsibility to give back to the society. Furthermore, the study helps the government of Kenya, through the relevant officials, know the areas of focus of CSR activities and the impact of those activities on the general public. In this way, the officials may be in a position to improve or come up with new policies that guide them towards effective operations of stakeholders in the banking sector. In addition, the study results may assist government officials formulate and implement certain CSR-centered policies and regulations that may help improve the programs. The findings of this study may also benefit the government and other policy makers concerning the role they play towards the operations in the banking sector.

1.6 Scope of the Study

The study focuses on Equity Bank particularly on the impact of CSR on performance of the organization. The data is to be collected through primary sources among the banks staff members, through a structured questionnaire schedule at Equity Bank, Nairobi, Kenya. The data collection is to be conducted over a period not exceeding one week. However, the study involves collection of secondary information for the background information and literature review. The secondary sources of information to be reviewed will comprise of books, periodicals, press releases by Equity Bank.

1.7 Definition of Terms

1.7.1 Corporate Social Responsibility

Corporate Social Responsibility is the idea that a business has a duty to serve society in general as well as the financial interests of its stakeholders (Pearce & Robinson, 2011).

1.7.2 Performance Management

Performance management refers to the greatest opportunity for a human resource system in analyzing the contribution of employees in boosting performance (Jamil, 2012).
1.7.3 Organizational Performance

Organizational performance refers to the assessment or evaluation of corporate performance with respect to its goals and objectives (Siddiq & Javed, 2014).

1.7.4 Strategy

Strategy 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).

1.8 Chapter Summary

Chapter one presents the background of Equity and CSR in Kenya. The chapter also outlined the specific objectives of this research, the importance of the study, the scope of the study as well as the working definitions of specific terms used in the project. Chapter two is on the literature review and it provides insight into what other researchers have done on CSR. Chapter three is on research methodology and it highlights the various methods and procedures that will be used by the researcher in conducting the research. Chapter four is on the results and findings of the study. Chapter five is on the summary, discussion, conclusion and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter assesses literature relating to the research questions. Hence, the literature reviewed relate to; the influence of CSR education strategy on organizational performance, influence of CSR health strategy on organizational performance and the influence of sports strategy in the performance.

2.2 Influence of CSR Education Strategy on Organizational Performance

2.2.1 Corporate Responsibility and Performance

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 across countries and business people. Mallin (2009) argues that socially responsible companies are expected to integrate economic, social and environmental concerns into their business strategies and activities beyond their compliance with the law. Social responsibility is not a corporate philanthropy. A company can choose to participate in a number of different socially responsible endeavours 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, 2012).

Common conceptions of CSR denote that CSR 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 & Bhattacharya, 2012). 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.

According to Palmer (2012), CSR education strategies do not only result only in a onetime benefit for the firm. Studies have established that by engaging in community-empowering initiatives such as education, the company establishes or pursues a long-term growth strategy. The children and the youth that are educated and empowered today become the firm’s future customers. Certainly, a good deed performed by the firms such as taking needy children to school creates a feeling or sense of purpose for the employees. In fact, studies have established that the beneficiaries of such programs are developing a sense that they owe the corporation and a lot and as such become unwavering customers of the firm. Hence, it is perceptible that CSR is an important way in which firms market themselves by establishing public presence (Lichtenstein et al., 2010).

For instance, Palmer (2012) argues that providing education to bright needy students or children from humble backgrounds increases the future potential of the children not only to become loyal customers of the firm but to empower their families who in turn remain loyal to the firm. Both the beneficiaries and their relations attribute their economic status and prosperity to the firm. This further leads to increase in market share, sales and profitability for the firm (Webber, 2008).

2.2.2 Management- Employee Relationship

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).

Initiatives that 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, empowerment and ascertain of 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 & Battaharya, 2012). The establishment a positive reputation is one of the indicators of a firm’s performance. Bad performing firms seldom have a positive image while firms that have a positive image are also those that perform well (McWilliams & Siegel, 2011). However, the establishment of a positive reputation can also be pursued as a strategy for growth by a firm. It has been established that generally through CSR strategies, firms can establish and maintain positive image for themselves.

2.2.3 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 well being of employees, local communities, the environment and society (Pierce & Robinson, 2011).

There are two basic relationship models may help to explain how leaders can best interact with multiple and diverse stakeholders. The inside-out approach suggests that leaders can manage their CSR activities and achieve favorable reputations with their stakeholders by building CSR activities across boundaries and in a framework where the decision-making point resides inside the organization and where communication with stakeholders is a means to deliver information already developed and perhaps even implemented (Thompson, 2010).

The CSR programs are aimed at satisfying the joint and several needs of the various stakeholders of the organization. The stakeholders range from employees, customers, suppliers, investors, regulators and the surrounding communities. The CSR programs ought to be conducted in a manner that delivers the unique and specific needs of the stakeholders within the financial constraints of the organization (Pierce and Robinson, 2011). Leadership efforts to deal rationally with stakeholders, with uncertainty, and with constraints lead to greater potential for sustainability in terms of culture, structure, and
output. Corporations need to engage with stakeholders to develop valuable CSR-related actions. Stakeholders that face challenges and threats are more likely to partner with corporations on CSR-related issues and corporations and stakeholders are more likely to succeed when a long-term vision is embraced (Thompson, 2010).

According to Mazurkiewicz (2014), CSR education strategy facilitates the acquisition of a positive image for firms as corporations identify and sponsor needy children from humble backgrounds. The sponsorship of such needy and vulnerable people in the populations sends a message to the general population that the corporation is not abstract from the firm in which it operates but it is an integral part of it sharing in its social woes (Webber, 2008). Therefore, both the internal and external stakeholders of the firm are able to hold the firm in high regard and positively (Revert, 2009). Such perceptions allow the firm to obtain and sustain customers and to realize an increase in its customer base as everyone wants to associate with it.

In a study conducted by Aupperle, Carroll, and Hatfield (2015), it was determined that the establishment of a strong positive image was one of the major gains that a corporation obtained by engaging in the education and sponsorship of young people from very humble backgrounds. Empirical evidence suggests an association between corporate performance and good stakeholder relationship Webber (2008). It is suggested that through CSR, corporations establish good relations with the key stakeholders especially the customers.

In a recent study, McGuire, Sundgren and Schneeweis (2008) established that CSR activities especially those related and associated with education are important in facilitating the relationship between the rural stakeholders and the firm especially the manner in which the rural people who are also poor hold or perceive the firm. Gamerschlag, Möller and Verbeeten (2011) contend that CSR can result in the reduction of information asymmetry between the firm and its various stakeholders. It has been established that customers develop an intricate patronage relationship with the firm when they perceive the firm as taking the education of their children as very important (Kariuki & Rotich, 2013).

In a 2010 study, McWilliams and Siegel (2011) documented a positive association between education-centered CSR strategies and financial performance as a selected
number of banking firms. However, some scholars have contended that there is no positive association between CSR education strategy and Organizational performance. In a study conducted among several firms in Kenya providing mobile services, it was established that whether a company engaged in social responsibilities was not a precipitating factor for the establishment of positive stakeholder relationship (Kariuki & Rotich, 2013). This suggests that other factors may be at play as far as the link between CSR education strategy as well as other such strategies is concerned and that not a single factor can help account for the establishment of good stakeholder relationship.

2.3 Influence of CSR Health Strategy on Organizational Performance

2.3.1 Employee Motivation

According to Wentzel and Wigfield (2009), the relationship between employee motivation and productivity is not definitely established. The consensus, however, is that in the long-run motivation leads to increased productivity. The strongest implication of much of the research is that the two variables, motivation and performance, are relatively independent of each other. There seems to be at least two possible reasons for this. The first is that in many jobs variations in motivation cannot lead to variations in productivity. Secondly, even when correlations do appear, the associations may be spurious, since both may be associated with other factors. In other words, motivation and productivity may have largely separate casual paths: one set of factors, for example, Investment in technology, determines productivity, another set, for instance is perceived equity of rewards that produces job-satisfaction (Westover, 2010).

Employee motivation implies the drive held by the organization’s staff members to realize task objectives for the firm Peloza (2015). It is the inspiration that employees have to perform a task to the best of their ability because they feel that their effort’s not only helps the firm to grow and realize increased profits but that the tasks that they perform helps address a certain social need. Health is one of the things that most people, universally value, as key in their lives (Kiko, 2008).

Certainly, chronic and communicable diseases has caused alot of anxiety and suffering among people all over the world and addressing these health issues is of fundamental importance not only to the national governments but to every able person or entity such as
corporations Qu (2010). HIV/AIDs, Cancer, Tuberculosis (TB) and Malaria among other diseases are of great worry to the all stakeholders in the society. Therefore, by taking a health strategy focusing on the alleviation of these problems, firms allow employees to be part of a solution to a greater problem above the normal issues of profit maximization. Indeed, according to Peloza (2015), research has established that employees whose firms engage in health strategies often record greater levels of job satisfaction and motivation as compared to those firms that avoid health strategy.

Palmer (2012) observes that the through CSR strategies the firm facilitates the motivation of its employees. The employees feel that their duties and tasks in the firm are transcends to the fulfillment of a profit objective as it helps alleviate social problems within the society. According to Webber (2008), motivated employees also develop a sense of satisfaction with the firm and with their tasks and duties within the firm and increase their productivity. Increased productivity is associated with increased financial performance of the firms in terms of return on assets, increased profit margins among others (Aupperle, et al, 2015; Brunsel 2009).

According to Palmer (2012), in 2011 the DM Bicycle Company initiated a CSR strategy in city schools in US dubbed “Ride for Life”. It was determined that the programs boosted the morale of the employees of the firm and contributed to greater public-firm relations. The Ride for Life initiative was aimed at raising funds for battling the devastating Batten Disease among children (Qu, 2010). While the strategy should have been potentially disastrous for the firm since it involved the diversion of bonuses and rewards to employees, it however resulted in the employee full support for the programs, employee motivation as well as increased sales and production for the firm. This was a typical incident in which CSR strategy, in this case a health strategy resulted in increased organizational performance (Crowth & Aras, 2008).

2.3.2 Corporate Performance

Organizations endeavour to excel on the three measures of a company’s performance thus Economic, Social and Environment. 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. Likewise, human resource integration would entail the building of capacity among the people through reward systems in a bid to increase productivity levels and attain the business strategy. Lastly, integration of corporate and individual objectives would involve mechanisms that create a sense of pride in the individuals as they seek to deliver the business strategy (Nordberg, 2011).

Strategic intent is how an organization can attain superior performance and is usually a factor of the combination of strategic factors that enhance the attainment of the business strategy. In most cases, firms would be able to record high performing levels due to the unique insights and abilities they controlled when their strategies were selected and executed. This could be misconstrued to mean that organizations that attain high performance levels are simply lucky. However, corporate performance is the deliberate strategic and integrated approach to delivering sustained success to the organization by improving the contribution of the people who work in it and developing the capabilities of teams and individuals. The strategic part of corporate performance is concerned with broader issues facing the business and achievement of short term and long-term goals while the integrated approach to delivering sustained success would entail vertical integration, functional integration, vertical integration, human resource integration and integration of corporate and individual objectives. Vertical integration entails alignment of the business, team and individual objectives with the business strategy while functional integration involves linking functional strategies and activities with the business strategy (Thompson, 2010).

2.3.3 Competitive Advantage

Competitive advantage is how an organization will achieve its objectives in the face of competition from other organizations (Carroll & 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 & Aras, 2008). In achieving this goal an organization must perform better than other players in its industry. 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 (Thompson, 2010). However, a review of approaches for building competitive advantage illustrates that marketing plays a central role. A number of popular approaches include, strong market positions with products and services which are not easily substituted, entry barriers, strong bargaining position, mobility barriers, balanced portfolio’s, core competences, innovation and speed or time based competition. Multinational Companies (MNC’s) can promote the adoption of CSR practices as part of their strategy so as to increase their competitiveness within the economy and industry.

In competitive advantage, the current globalized world, competition has become a buzzword with regard to organizational performance and survival (Porter & Kramer, 2012). Research has established that firms, which are unable to attain or sustain greater organizational performance often, collapse (Palmer, 2012). 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 & Aras, 2008).

According to Reverte (2009), he contends that to attain and sustain a competitive advantage, firms have to explore several alternatives including engagement in CSR strategies. According to Weber (2008), health strategy is a fundamentally effective means of attaining a competitive advantage in a competitive business milieu as individual beneficiaries of the health assistance and their relatives, friends and acquaintances develop a feeling that they owe the firm a lot. As such, it is perceptible that a health strategy is a potentially effective way of attaining a competitive advantage.

Schwenker and Wulf (2013) have argued that increased involvement in certain CSR strategies result in the enhancement of organizational performance and competitive advantage (CA). Firms have also undertaken to increase their assistance to the health sector and the people in need of certain medical attention but lack proper resources and funds to realize such needs (Kariuki & Rotich, 2013). Hamori (2013) points out that sports strategy in CSR serves to establish a good corporation reputation, which in turn guarantees high performance by the employees. This give the firm a competitive advantage relative to its key competitors thereby allowing the firm to retain its exceed its business performance (Harvard Business Review, 2011).
According to Westover (2010) CSR influences the rates of employee retention or employee turnover rates. Turnover is process in which employees leave the organization and have to be replaced. Turnover is related to employee motivation. Excessive turnover can be a very costly problem, one with a major impact on productivity. But cost is not the only reason turnover is important. Lengthy training times, interrupted schedules, additional overtime, mistakes and not having knowledgeable employees in place are some of the frustrations associated with excessive turnover (Westover, 2010). It has been observed that a health strategy facilitates employee motivation in fulfilling their tasks to the firm and therefore facilitate organizational performance.

According to Waweru and Kalani (2009) observe that the local commercial banks have also used CSR as an effective competitive tool with respect to customer retention. In this regard, customers have found it easier and logical to conduct business with firms that they perceive as having concern for the socio-economic issues that they face. As such, the banks have engaged in CSR not only because of the legal demands but because of more so because of the potential of the process to help them attain a competitive advantage (Okiro & Ndung’u, 2013). 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 is one of the greatest benefits of promoting social responsibility in the workplace.

CSR for that reason is not just a benevolent gesture by corporations intending to look good to the community to enhance their profits Brunsel (2009). It is a precondition for good governance and corporate leadership as well as unrelenting profitability and operation. According to Brunsel (2009), CSR is in fact a business competitive marketing strategy that guarantees high organizational and product awareness thereby branding the firm as a corporation that cares about its consumers, the society it operates within as well as other stakeholders.

2.4 The Influence of Sports Strategy in the Performance

2.4.1 Creation of Value
CSR presents an opportunity to create shared value and a meaningful benefit for society that is also valuable to the business (Porter and Kraer, 2006). The mutual dependence of corporations and society implies that both business decisions and social policies must follow the principle of
shared value. To put these broad principles into practice, a company must integrate a social perspective into the core framework it uses to understand competition. Porter (2011) observes that businesses recognize the imperative for the private sector to ensure long-term markets for their services and products hence presents the business community the right vehicle for promoting its commercial interests, while at the same time giving back to the community. He confirms that CSR is a rapidly growing field, and corporations, organizations, stakeholders, and advocates are engaging in CSR activities in increasing numbers. Porter concludes that there is tremendous variety and innovation in CSR activities, and new approaches and alliances are continually evolving but each CSR adherent’s approach is guided by its own mission, vision, or position in the marketplace hence the general consensus is that CSR adds strategic business value and enables companies to integrate with society and maintain their integrity while pursuing profits.

Porter (2011) recommends a new approach to CSR that he terms Creating Shared Value (CSV). The shared value model is based on the idea that corporate success and social welfare are interdependent. He suggests that a business needs a healthy, educated workforce, sustainable resources and adept government to compete effectively. He also holds that for society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues, and opportunities for philanthropy.

Research has confirmed leadership’s pivotal role in initiating and developing CSR programs and initiatives within and across organizations. Leaders in world business are the first true planetary citizens, they have worldwide capability and responsibility, and their decisions affect economies as well as societies. Leadership styles and leadership capabilities are prevalent among successful organization. Leaders of socially responsible organizations have been associated with the charismatic leadership style; the connection between top managers and firm outcomes depends to a large extent on the managers’ charismatic leadership under conditions of perceived environmental uncertainty. Companies face challenges and limitations as they implement CSR. These usually relate either to political issues or to organizational-level concerns and are often embedded in culture. The complexity of operating in a global society places new demands on organizations and their leadership (Johnson 2011).

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 the 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).

2.4.2 Managing and Embracing Social Values

CRS offers a formidable means of bridging the gap between the companies operations and the social values that are up-held by the society. In this, it was 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 & Aras, 2008).

2.4.3 Increasing Market Share

Market share loosely defined refers to the proportion of the population that the company has as its customers. Several factors influence the company’s market share including company’s competitive advantage in terms of services and products that it offers as well as organizational performance and corporate reputation (Webber, 2008). Research has established that CSR enables firms to increase its market shares especially in the instance of a well-managed CSR strategy.

Palmer (2012) argues that a sports-centered CSR strategy allows the corporation to access potential market that it would otherwise not reached. Through sporting activities, sponsored by the corporation, especially in the informal settlements and slum areas, the corporation is able to access such populations and create awareness of its products (Carroll & Shabana, 2010).

Research has established that firms such as Nike, Addidas, Fly Emirates and Qatar Airways employ sports strategy as a way of attaining greater market shares (Luo & Bhattacharya, 2012). Hence, firms employ sports strategy both as a marketing technique and as a way of attaining greater market share especially by engaging in sports sponsorship in hitherto unexploited markets such as in the developing world. However, other empirical studies have established that CSR only facilitates increase in market share if its products and services are affordable to the financially challenged groups. Otherwise, CSR has no effect on market share and ultimately on organizational performance. Sporting events like 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).

2.4.4 Creating a Good Reputational Image

According to McGuire, et al, (2008), possession or espousal of a positive corporate image has been determined to be positively associated with growth. In fact, studies have established that modern corporations that engage in sports CSR strategies often experience increased financial performance and increased market share Schwenker&Wulf (2013). The sportsmen themselves and their families often purchase the firm’s products and services as they feel more attached to it (Crowth&Aras, 2008). Developing programs gives 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. Corporations like that equity bank 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 & Robinson, 2011).
CSR strategies can create a value in the minds of both external and internal stakeholders Panayiotou (2009). This positive image can be conceived as reputational capital which can generally imply that the stakeholders perceive the firm in a positive light because they feel connected to the firm in one way or another. According to Peloza (2015) conducted a study among selected firms and while focusing on sports strategy alone found CSR influenced customers purchase intentions and determined whether a customer was willing to purchase or not purchase the firm’s products. According to Schwenker and Wulf (2013) CSR influenced not only the corporations reputation but allowed the corporation to retain employees especially those that took part in such strategies especially sports.

According to Klein and Dawar (2004), Business corporations do utilize corporate social responsibility (CSR) to enhance their image among a diversity of stakeholders. The CSR activities are used to establish a positive or reputational image among the minds of the customers of the advantages of the corporation. As such, CRS acts as an effective marketing tool by which corporations create legitimacy for their existence and communicate the business products and services to potential clients (Caroll & Shabana 2005). 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.

CSR does not hold important implications for the shareholders of the firm but to the stakeholders as well Crowth& Aras (2008). The stakeholders are the individuals that can effect and be affected by the firms operations and can be employees, financiers and customers (Revert, 2009). These groups of people contribute to the corporation’s wealth capacity and are therefore integral component of performance. Indeed, studies have found that because the issue of the sports is gaining traction among many people and societies who are also the stakeholders in firms, corporation’s engagement and teamwork in the promotion of sports and the sponsorship of young sportsmen especially in informal settlements is fundamental in boosting their corporate image (Qu, 2010).
2.5 Chapter Summary

Chapter two has reviewed existing literature relating to the influence of various aspects of CRS strategies on organizational performance. The chapter has determined that the various CSR strategies including sports, health, environment and education has some impact on the performance of a given corporation that partakes in such activities. It has been noted however, that scholars are divided especially with respect to the nature of the relationships among the various CSR strategies on organizational performance. The next chapter presents the research design or the methodology which the researcher uses to conduct the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter has described the research methodology, research design, the population and the sampling technique or design. The chapter also highlighted the data collection and analysis procedures used in the study.

3.2 Research Design

Methodology refers to the principles, procedures and practices that govern the research (Mugenda & Mugenda, 2005). According to Mugenda and Mugenda (2005) research design specifies the methods and procedures for collecting and analyzing the needed information. It indicates a framework or blueprint for the research as well as the research methods chosen to determine the information needed. It defines the sampling method, sample size, measurement and data analysis processes. In this study, a descriptive research design was utilized to carry out the research (Schindler & Cooper, 2003). A descriptive design is crucial in investigating the influence of CSR initiatives on organizational performance of commercial banks. This is principally because a descriptive study permitted a vivid examination of both the problem under investigation.

3.3 Population and Sampling Design

3.3.1 Population

A Population can be defined as the set of individuals, objects, or data from where a statistical sample can be drawn (Saunders, et al., 2009). Population is the entire group of individuals, events or objects having a common observable characteristic (Copper & Schindler, 2000). Cooper and Schindler (2003) further add that a population is the total sum of collected units from which the researcher draws conclusions of the study. The population for the study incorporates all the individuals currently working with the firm within the various branches located within Nairobi’s Central Business District (CBD). According to Equity Bank (2016) the population is about 1,300 individuals. These individuals are deemed to possess the necessary information concerning the various strategies adopted by the bank, which are fundamental for the current study.
3.3.2 Sampling Design

A research sampling design is that part of the research plan that indicates how cases are selected for observation. The design therefore maps out the procedure followed to draw the study’s sample. According to Cooper and Schindler (2011), a good sample should be a representative of the population. This study used sampling for compelling reasons of lower cost, greater accuracy of results, greater speed of data collection, and availability of population elements.

3.3.2.1 Sampling Frame

A sampling frame is the list of individuals or events, source material or device from which a sample is drawn (Mugenda & Mugenda, 2005). It comprises a list of all those within a population who can be sampled, and may include individuals, households, organizations or institutions (Saunders et al., 2009). The list of the staff members were obtained from Equity Bank Human Resources database.

3.3.2.2 Sampling Technique

Sampling technique explains that this method was deemed relevant where the researcher wants to investigate whether the characteristics of a certain phenomenon cut across the units of observation with maximum variation (Mugenda & Mugenda, 2005). The sampling technique used was simple random sampling to collect more information from the survey. The methods used in drawing samples from a population was driven by the objectives of a given research activity. The sampling process was regulated by the parameters in the population in line with specific objectives of the study (Cooper & Schindler, 2011). The study assumed a simple random sampling approach to give everyone an equal chance of participating in the study since it is an opinionated survey.

3.3.2.3 Sample Size

A sample size is typically one that bears some proportional relationship 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 et.al, 2001). Ligthelm and Van Wyk (2005) describe the sample size as a smaller set of the larger population. With a
population of 1,300 at 90% confidence level and a 10% (+10/-10) margin of error, the sample size is 110 respondents. The sample size was sufficient and representative of the entire population. The formula is as follows:

\[ n = \frac{N}{1 + N(e)^2} \]

Where \( n \) is the sample size, \( N \) is the population size and \( e \) is the margin of error.

\[ n = \frac{1,300}{1 + 1,300 (0.10)^2} \]

\[ n = 110 \]

The sample size distribution was as presented on Table 3.2. Besides, the sample size of 110 was included in the study.

Table 3.1: Sample Size

<table>
<thead>
<tr>
<th>Type</th>
<th>Population</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>1000</td>
<td>8.46</td>
<td>85</td>
</tr>
<tr>
<td>Manager</td>
<td>300</td>
<td>8.46</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>1,300</td>
<td>8.46</td>
<td>110</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

Data collection is defined as a procedure that eliminates editing and coding, reduces errors, saves time and produces all the required statistics (Kottler & Lane, 2009). The data collection method adopted in the study was primary data collection method. Questionnaires refer to collection of information about the population (Mugenda & Mugenda, 2003). In this study, structured questionnaires were used to collect the required data from the respondents. Structured questionnaires are an inexpensive way to gather data from respondents who might have tight schedules. The steps the study took to
develop the structured questionnaires include defining the objectives of the survey; determining the sampling group; constructing the instrument and administering the instrument to respondents.

The structured questionnaires detailed five key components, namely: the background information; the influence of education strategy on the performance of Equity Bank; How health strategy has influenced Equity Bank’s organizational performance; ways in which Equity Bank’s environmental strategy has influenced the firm’s corporate performance; and the influence of Equity Bank’s sports strategy in the performance of the bank. A likert scale structured questionnaires made it possible to collect views and opinions that can be analyzed using descriptive statistics.

3.5 Research Procedures
The researcher provides a complete account of the research process including pilot testing, scheduling of the subjects or participants distribution and collection of the data collection instruments, the questionnaires (Saunders et al., 2009). The researcher first developed the questionnaire and distributed it to 5% of the respondents in a pilot test to ascertain the instruments suitability and eliminate any typological errors as well as other problems that may be inherent in the tool. The researcher made sure that the questionnaire were short as possible, precise and to the point. The purpose of this is to avert certain common challenges including interviewee fatigue and the subsequent refusals as well as collecting redundant data.

The results of the pilot phase were used to improve the questionnaire and assess the feasibility of the study. After the pilot test and the assessment of the feasibility of the study and the suitability of the instrument, the research process then proceeds to conduct the study. Screening forms were randomly distributed to determine eligible respondents for the survey. The data was collected within a period not exceeding three weeks. In the course of the survey, the researcher randomly approached and administered the questionnaires to potential predetermined respondents within the selected Equity Bank branches.
3.6 Data Analysis Methods
Data analysis is the process of editing and reducing accumulated data to a manageable size, developing summaries, seeking for patterns using statistical methods. All completed research materials were assembled and information organized (Cooper & Schindler, 2003). The researcher used descriptive methods such as mean, mode, median, percentages, tables and frequency distribution to compute data analysis. To ensure easy analysis, the questionnaire was coded according to each variable of the study. This study used descriptive statistics. According to McDanile and Gates (2001), descriptive analysis involves a process of transforming a mass of raw data into tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data. In this study, the descriptive statistics such as percentages and frequency distribution were used to analyze the demographic profile of the participants. Correlation analysis was used to establish the relationship between CSR and performance.

3.7 Chapter Summary
Chapter three presents on the research methodology applied in the study. The chapter discussed about the research design, the population, the sampling design and the data collection methods for the study. The chapter has further highlighted the researcher’s research procedures for the study as well as the data presentation and analysis methods. The next chapter is on the results and findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results and findings of the study on the effect of corporate social responsibility strategy on performance: A case of Equity Bank. Data collected from the employees of the bank in Nairobi’s branches is analyzed and interpretations. The chapter was organized in four subsections. The response rate is reflected in a table for easy clarification and understanding. The research was guided by the following questions: What is the influence of education strategy on the performance of Equity Bank? How does health strategy influence performance of Equity Bank? What is the influence of sports strategy on performance of Equity Bank?

4.1.1 Response Rate

The response rate was a strong representation of the entire population to answer the research questions appropriately. One hundred and ten questionnaires were distributed and 98 questionnaires were collected which indicated a response rate of 98%. The information was collected using a five-point Likert scale questionnaire and the data analyzed using means, standard deviation and coefficient of variation. A mean value of between 3 to 4; represented slightly agree, more than 5 ‘quite agree’, 3 ‘neutral’, 2 ‘slightly disagree’ and lastly less than 1 ‘quite disagree’.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Target Population</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>100</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Managers</td>
<td>10</td>
<td>8</td>
<td>80</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>98</td>
<td>89</td>
</tr>
</tbody>
</table>

4.2 General Information

This section presents on the general information of the respondents by looking at the gender of the respondents, age of the respondents, highest level of education attained, social responsibilities practices, type of corporate social responsibility activity and participation in the corporate social responsibility activities.
4.2.1 Gender of the Respondents
The researcher sought to find out the gender of the participants in the study. The findings in Figure 4.1 shows that 62% of the respondents were female and the rest 38% were male. Females represented a majority of respondents in the survey. Because female were hardworking, consensual, they spend more time taking care of their children, unbiased, flexible at their workplace, focus on quality of life and are relationship-oriented. Thus, this indicates females were more ethical upright than males.

![Gender of the Respondents](image)

**Figure 4.1: Gender of the Respondents**

4.2.2 Age of the Respondents
The researcher sought to determine the age of the participants in the study. The findings in Figure 4.2 indicated that 26% of the respondents were aged between 20 to 30 years, 66% aged between 31 to 40 years and 8% were 41 years and above. The majority of the respondents were above 31-40 years of age, because they were expressive, highly energetic, opportunistic, conservative, independent, rigid and attend many social conventions through various networks. This implies that the respondents had a high level of awareness of and positive attitude towards CSR compared to the respondents less than 30 years.
4.2.3 Highest Level of Education Attained
The researcher sought to determine the highest level of education attained of the participants in the study. The findings in Figure 4.3 indicated that majority (49%) of the respondents had degrees, this was followed by 23% having diplomas, 22% had masters and 6% had certificate. The majority of the respondents were relatively educated with the highest holding degree programs because of being more inclined to open-ended learning innovative, focus on advancement in technological changes, adapt to environmental changes and be able to make decisions in the workplace. Experience has shown that CSR solutions are based on education through the transfer of skills and responsibilities on community development.
Figure 4.3: Highest Level of Education Attained

4.3 Social Responsibilities Practices

The table above shows findings on which specific corporate social responsibility the employees of Equity Bank engaged in. The study sought to establish the corporate social responsibilities that the respondents participated in frequently. It was realized that 63% participated in Education CSR activities accounting for a larger percentage of the participants, 24% participated in health programs and 13% in sports programs. Most of the participants may have found the education program relevant to their practice as Equity bank employees, because of one being future oriented, goal oriented, opportunistic and hardworking as compared to health and sports CSR activities. Findings are reflected in the Figure 4.4.

Figure 4.4: Social Responsibilities Practices
### 4.4.1 Descriptive of Education CSR Strategy

Table 4.2: Descriptive of Education CSR Strategy: Number Mean and S.D

<table>
<thead>
<tr>
<th>Education CSR Strategy</th>
<th>N</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company educates needy students to create a sense of purpose.</td>
<td>97</td>
<td>4.43</td>
<td>0.623</td>
</tr>
<tr>
<td>The company education initiative leads to unwavering customer support.</td>
<td>98</td>
<td>4.31</td>
<td>0.592</td>
</tr>
<tr>
<td>The company education initiative establishes a public presence.</td>
<td>97</td>
<td>4.29</td>
<td>0.696</td>
</tr>
<tr>
<td>The company endeavors to increases the future potential of the children education.</td>
<td>97</td>
<td>4.23</td>
<td>0.716</td>
</tr>
<tr>
<td>Education empowers families who in turn remain loyal to the firm.</td>
<td>98</td>
<td>4.26</td>
<td>0.727</td>
</tr>
<tr>
<td>CSR education leads to enhanced employee gratification.</td>
<td>98</td>
<td>4.27</td>
<td>0.632</td>
</tr>
<tr>
<td>CSR education leads to positive organization image.</td>
<td>97</td>
<td>4.40</td>
<td>0.615</td>
</tr>
<tr>
<td>The company balances the need to adding shareholders value and good corporate citizens.</td>
<td>98</td>
<td>4.30</td>
<td>0.790</td>
</tr>
<tr>
<td>The company enhances growth through partnership with master- card.</td>
<td>98</td>
<td>4.25</td>
<td>0.648</td>
</tr>
<tr>
<td>CSR leads to good relations with the key stakeholders especially the customers.</td>
<td>98</td>
<td>4.28</td>
<td>0.674</td>
</tr>
</tbody>
</table>

The study aimed to investigate the influence of education strategy on the performance of the organization. The study established that most of the respondents agreed that the company education initiative leads to unwavering customer support with a mean of 4.43. Second a number of the respondents agreed that CSR education leads to positive organization image with a mean of 4.31. Thirdly, a number of the respondents agreed that the company educates needy students to create a sense of purpose with a mean of 4.29. Fourth, a proportion of the respondents agreed that CSR education leads to enhanced employee gratification with a mean of 4.23 and the CSR leads to good relations with the key stakeholders especially the customers with a mean of 4.26. On the other hand, a few respondents agreed that education empowers families who in turn remain loyal to the firm with a mean of 4.27 and a small proportion of the respondents agreed that the company balances the need to adding shareholders value with a mean of 4.40 and good corporate citizens with a mean of 4.30.
Standard deviation was used to measure the degree to which individual observations in a dataset deviate from the mean value. The coefficient of variation indicated the average deviation from the mean across all observations. A smaller value of the coefficient indicated a general consensus while a large value indicated the lack of consensus on the statement. The study established that most of the respondents agreed that the company balances the need to adding shareholders value and good corporate citizens. Second a number of the respondents agreed that education empowers families who in turn remain loyal to the firm. Thirdly, a number of the respondents agreed that the company endeavors to increases the future potential of the children education. Fourth, a proportion of the respondents agreed that the company education initiative establishes a public presence and the CSR leads to good relations with the key stakeholders especially the customers. On the other hand, a few respondents agreed that CSR education leads to positive organization image and a small proportion of the respondents agreed that the company education initiative leads to unwavering customer support.

4.3.1 Correlation between Education Strategy and Organization Performance

Table 4.3: Correlation between Education Strategy and Organization Performance

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
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**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).
Key Indicators:
1= The company educates needy students to create a sense of purpose.
2= The company education initiative leads to unwavering customer support.
3= The company education initiative establishes a public presence
4= The company endeavors to increases the future potential of the children education
5= Education empowers families who in turn remain loyal to the firm.
6= CSR education leads to enhanced employee gratification
7= CSR education leads to positive organization image.
8= The company balances the need to adding shareholders value and good corporate citizens.
9= The company enhances growth through partnership with Master-Card.
10= CSR leads to good relations with the key stakeholders especially the customers.
11=Organization Performance

This section intended to measure the correlation between education strategy and the organization performance. The findings suggested that there was a significant correlation between the company endeavoring to increase the future potential of the children education and empowerment of families who in turn remain loyal to the firm at (r=0.414, p>0.05). There was also a significant correlation between the company endeavoring to increase the future potential of the children education and good relations with the key stakeholders especially the customers at (r=.430, p>0.05). The relationship was extended to enhanced organization performance at (r=.451, p>0.05).

There was significant correlation between the education empowering families who in turn remain loyal to the firm and good relations with the key stakeholders especially the customers at (r=0.319, p>0.05). The relationship was extended to enhanced organization performance at (r=.548, p>0.05). There was a significant correlation of the CSR education leading to enhanced employee gratification and enhanced organization performance at (r=0.297, p>0.05). There was also a significant relationship between CSR leading to good relations with the key stakeholders especially the customers and improved performance of the organization at (r=0.497, p>0.05). The findings are indicated in Table 4.4.
4.4 Descriptive of Health CSR Strategy in Organization Performance

Table 4.4: Descriptive of CSR Health

<table>
<thead>
<tr>
<th>Health CSR Strategy</th>
<th>N</th>
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<td>CSR Health Strategy addresses certain social needs.</td>
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<tr>
<td>CSR Health Strategy leads to perceived social equity.</td>
<td>98</td>
<td>4.13</td>
<td>0.732</td>
</tr>
<tr>
<td>A health strategy focusing alleviates social problems.</td>
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<td>4.19</td>
<td>0.600</td>
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<tr>
<td>CSR Health Strategy creates a sense of satisfaction among employees.</td>
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<tr>
<td>CSR Health Strategy improves employee productivity.</td>
<td>97</td>
<td>4.15</td>
<td>0.565</td>
</tr>
<tr>
<td>CSR serves to establish a good corporation reputation.</td>
<td>97</td>
<td>4.07</td>
<td>0.569</td>
</tr>
<tr>
<td>CSR Health Strategy gives people a sense of pride in the organization.</td>
<td>96</td>
<td>4.14</td>
<td>0.664</td>
</tr>
<tr>
<td>CSR Health Strategy is a source of inspiration and team work.</td>
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<tr>
<td>CSR Health Strategy attracts customers through social events.</td>
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<td>0.642</td>
</tr>
<tr>
<td>CSR Health Strategy builds a positive workplace environment.</td>
<td>93</td>
<td>4.00</td>
<td>0.702</td>
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</table>

The study aimed to investigate the influence of health strategy on the performance of the organization. The information was collected using a five-point Likert scale questionnaire and the data analyzed using means, standard deviation and coefficient of variation. A mean value of between 3 to 4 represented slightly agree, more than 5 ‘quite agree’, 3 ‘neutral’, 2 ‘slightly disagree’ and lastly less than 1 ‘quite disagree’. The study established that most of the respondents agreed that CSR Health Strategy addresses certain social needs. Second, a number of the respondents agreed that CSR Health Strategy improves employee productivity. Third, a number of the respondents agreed that the CSR serves to establish a good corporation reputation and a proportion of the respondents agreed that a health strategy focusing alleviates social problems. On the other hand, a few respondents agreed that CSR Health Strategy is a source of inspiration and team work; fewer respondents agreed that the CSR Health Strategy builds a positive workplace environment. A small proportion of the respondents agreed that CSR Health Strategy leads to perceived social equity.

Standard deviation was used to measure of the degree to which individual observations in a dataset deviate from the mean value. The coefficient of variation indicated the average deviation from the mean across all observations. A smaller value of the coefficient indicated a general consensus while a large value indicated the lack of consensus on the
statement. The study established that most of the respondents agreed that the CSR Health Strategy leads to perceived social equity. Second a number of the respondents agreed that CSR Health Strategy is a source of inspiration and team work. Thirdly, a number of the respondents agreed that CSR Health Strategy creates a sense of satisfaction among employees. Fourth, a proportion of the respondents agreed that CSR Health Strategy builds a positive workplace environment and CSR Health Strategy gives people a sense of pride in the organization. On the other hand, a few respondents agreed CSR Health Strategy improves employee productivity and a small proportion of the respondents agreed that CSR Health Strategy addresses certain social needs. The findings are indicated in Table 4.4.

4.4.1 Correlation between Health Strategy and Organization Performance

**Table 4.5: Correlation between Health Strategy and Organization Performance**

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</table>

**Correlation is significant at the 0.01 level (2-tailed).**

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

**Key Indicators:**

1= CSR Health Strategy addresses certain social needs.
2= CSR Health Strategy leads to perceived social equity.
3= A health strategy focusing alleviates social problems.
4= CSR Health Strategy creates a sense of satisfaction among employees.
5= CSR Health Strategy improves employee productivity.
6. CSR serves to establish a good corporation reputation.
7. CSR Health Strategy gives people a sense of pride in the organization
8. CSR Health Strategy is a source of inspiration and team work.
9. CSR Health Strategy builds a positive workplace environment
10. CSR unit has clear programs that enhance the profits of the organization.
11. Organization Performance

This section intended to measure the correlation between health strategy and the organization performance. The findings suggested that there was a significant correlation between CSR Health Strategy addressing certain social needs and the strategy giving people a sense of pride in the organization at \((r=0.379, p>0.05)\). The relationship was extended to CSR Health Strategy being a source of inspiration and team work at \((r=0.358, p>0.05)\) and the CSR unit having clear programs that enhance the profits of the organization at \((r=0.303, p>0.01)\).

There was also a significant relationship between CSR leading to perceived social equity and alleviating social problems at \((r=0.359, p>0.05)\). The relationship was also extended to CSR giving people a sense of pride in the organization at \((r=0.488, p>0.05)\). There was also a significant relationship between CSR focus on alleviating social problems and creating a sense of satisfaction among employees at \((r=0.388, p>0.05)\) and the relationship was extended to CSR establishing a good corporation reputation at \((r=0.481, p>0.05)\) as well as enhanced organization performance at \((r=0.496, p>0.05)\).

There was a significant relationship between CSR creating a sense of satisfaction among employees and being a source of inspiration and team work at \((r=0.352, p>0.05)\). The relationship was extended to improved organization performance at \((r=0.3487, p>0.05)\). In addition, there was a strong relationship between CSR Strategy improving employee productivity and establishing good corporate reputation at \((r=0.228, p>0.05)\). The relationship was extended to CSR Health Strategy being a source of inspiration and team work at \((r=0.277, p>0.01)\). There was also a strong correlation between CSR health strategy building a positive workplace environment and enhanced organization performance at \((r=0.498, p>0.05)\). The findings are indicated in Table 4.5.
4.5 Descriptive of Sports CSR Strategy

Table 4.6: Descriptive Statistics on the Sports CSR Strategy

<table>
<thead>
<tr>
<th>The Influence of Sports Strategy in the Performance</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
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<td>CSR sports present an opportunity to create shared value and a meaningful benefit for society.</td>
<td>96</td>
<td>3.97</td>
<td>0.696</td>
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<tr>
<td>CSR in sports promotes accountability by the stakeholders.</td>
<td>98</td>
<td>4.28</td>
<td>0.555</td>
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<tr>
<td>CSR sports strategy allows the corporation to access potential market that it would otherwise not reached.</td>
<td>97</td>
<td>4.10</td>
<td>0.881</td>
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<tr>
<td>CSR sports strategy empowers financially challenged groups.</td>
<td>98</td>
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<td>0.760</td>
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<td>CSR sports strategy presents a perfect opportunity to show case their potential.</td>
<td>98</td>
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<td>0.821</td>
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<td>CSR sports strategy influence customers purchase intentions.</td>
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<td>0.773</td>
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<tr>
<td>CSR sports strategy enhance corporate image among a diversity of stakeholders.</td>
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<td>4.08</td>
<td>0.758</td>
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<tr>
<td>CSR sports strategy boost corporate image.</td>
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<td>0.544</td>
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<tr>
<td>CSR sports strategy builds a sense of community and teamwork.</td>
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<tr>
<td>CSR sports strategy builds a good rapport with the existing and potential banking clientele.</td>
<td>96</td>
<td>4.02</td>
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</table>

The study aimed to investigate the influence of sports strategy on the performance of the organization. Standard deviation was used to measure of the degree to which individual observations in a dataset deviate from the mean value. The coefficient of variation indicated the average deviation from the mean across all observations. A smaller value of the coefficient indicated a general consensus while a large value indicated the lack of consensus on the statement. CSR sports present an opportunity to create shared value and a meaningful benefit for society at a mean of 3.97. CSR in sports promotes accountability by the stakeholders at a mean of 4.28. CSR sports strategy allows the corporation to access potential market that it would otherwise not reached at a mean of 4.10. CSR sports strategy presents a perfect opportunity to show case their potential at a mean of 4.16, meaning corporations like equity bank actively promote their social responsibility activities taking steps to publicize these efforts through the media and the people who are not easily reached. 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.
Standard deviation was used to measure of the degree to which individual observations in a dataset deviate from the mean value. The coefficient of variation indicated the average deviation from the mean across all observations. A smaller value of the coefficient indicated a general consensus while a large value indicated the lack of consensus on the statement. The study established that most of the respondents agreed that the CSR sports strategy allows the corporation to access potential market that it would otherwise not reached. Second a number of the respondents agreed that CSR sports strategy presents a perfect opportunity to show case their potential. Thirdly, a number of the respondents agreed that CSR sports strategy influence customers purchase intentions. Fourth, a proportion of the respondents agreed that CSR sports strategy empowers financially challenged groups and CSR sports strategy enhance corporate image among a diversity of stakeholders. On the other hand, a few respondents agreed CSR in sports promotes accountability by the stakeholders and a small proportion of the respondents agreed that CSR sports strategy boost corporate image. The findings are indicated in Table 4.6.

4.5.1 Correlation between Sports Strategy and Organization Performance

Table 4.7: Correlation between Sports Strategy and Organization Performance

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</table>

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

** Correlation is significant at the 0.01 level (2-tailed).

Key Indicators:
1= CSR sports presents an opportunity to create shared value and a meaningful benefit for society.
2= CSR in sports promotes accountability by the stakeholders.
3= CSR sports strategy allows the corporation to access potential market that it would otherwise not reached.
4= CSR sports strategy empowers financially challenged groups.
5= CSR sports strategy presents a perfect opportunity to show case their potential
6= CSR sports strategy influence customers purchase intentions
7= CSR sports strategy enhance corporate image among a diversity of stakeholders.
8= CSR sports strategy boost corporate image
9= CSR sports strategy builds a good rapport with the existing and potential banking clientele.
10=CSR sports strategy builds a sense of community and teamwork.
11= Organization Performance

This section intended to measure the correlation between sports strategy and the organization performance. The findings suggested that there was a significant correlation between the CSR sports presenting an opportunity to create shared value and a meaningful benefit for society and the strategy influence customers purchase intentions at (r=0.333, p>0.05). The relationship was extended to the strategy building a sense of community and teamwork at (r=0.276, p>0.05).

There was also a significant relationship between sports promoting accountability by the stakeholders and allowing the corporation to access potential market that it would otherwise not reached at (r=0.386, p>0.05). The relationship was extended to CSR sports strategy empowering financially challenged groups at (r=0.595, p>0.05). In addition, there was a significant relationship between the strategy empowering financially challenged groups and sports strategy influencing customers purchase intentions at (r=0.518, p>0.05).

There was also a significant relationship between CSR sports strategy presenting a perfect opportunity to show case their potential and boosting corporate image at (r=0.491, p>0.01). In addition, there was a significant relationship between sports strategy influence
customers' purchase intentions and enhanced corporate image among a diversity of stakeholders at \((r=0.396, p>0.05)\). There was also a significant relation between corporate image and building a sense of community and teamwork at \((r=0.412, p>0.05)\). Finally, there was a significant relationship between CSR sports strategy building a good rapport with the existing and potential banking clientele and improved organization performance at \((r=0.423, p>0.05)\). The findings are indicated in table 4.7.

4.6 Chapter Summary

This chapter presented the results and findings on the effect of corporate social responsibility on the performance of the bank; a case of equity bank. This chapter provided an analysis of the respondents' demographic information as well as the analysis for each research objectives using mean standard deviation and correlation. To establish the extent to which the organization performance have an effect on the education corporate social responsibilities strategies, the findings indicated a clear performance management can generate positive influence on the organizational performance. To establish the extent to which the organization performance have an effect on the health corporate social responsibilities strategies the findings indicated that the Health Strategy gives people a sense of pride in the organization, engenders teamwork and is a source of inspiration and connectedness. Building a positive workplace environment is one of the greatest benefits of promoting social responsibility in the workplace is the positive environment for employees. To establish the extent to which sports corporate social responsibilities strategies have on the organization performance, the findings established that they create a sense of satisfaction among employees and creates value in the minds of both external and internal shareholders. The next chapter will provide a discussion on the findings as compared to the findings of previous studies in the literature review. It will also give the conclusions drawn from the research objectives as well as recommendations and for further studies.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
In this section, the researcher provides a discussion on the findings of the research as compared to the findings in the literature review, the summary of the study and recommendations for further improvement on identifying the measures to be taken on the influence of CSR initiatives on organizational performance of Equity Bank in Kenya. The research is concluded on the basis of the conclusions drawn from the research objectives.

5.2 Summary
The purpose of the study was to find out the influence of CSR initiatives on organizational performance of Equity Bank in Kenya. The study was guided by the following specific objectives: To determine the influence of education strategy on the performance of Equity Bank, to examine the influence of health strategy on the performance of Equity Bank and to identify the influence of sports strategy on the performance of Equity Bank.

This study adopted a descriptive research design. According to Equity Bank (2016) the population is about 1,300 individuals. These individuals are deemed to possess the necessary information concerning the various strategies adopted by the bank, which are fundamental for the current study. The list of the staff members were obtained from Equity Bank Human Resources database. Random sampling technique was used to collect more information from the survey. The sample size of 110 was included in the study. The data collection method adopted in the study was primary data collection method. The researcher used descriptive methods such as mean, mode, median, percentages, tables and frequency distribution to compute data analysis. To ensure easy analysis, the questionnaire was coded according to each variable of the study. This study used descriptive statistics. Correlation analysis was used to establish the relationship between CSR and organization performance.

The findings on the influence of Education CSR Strategy in the organization performance revealed that the education program results in lifetime benefit in the education for needy
students. Engaging in community-empowering initiatives such as education, the company establishes or pursues a long-term growth strategy for the community. Educated and empowered students today become the firm’s future customers. CSR education leads to positive organization image. Undertaking corporate social responsibility provides a clear perspective to the insiders and outsiders that the company strives to become a good corporate citizen. Through CSR the company enjoys unwavering customer support. Education empowers families who in turn remain loyal to the firm. This leads to enhanced market share, sales and profitability for the firm.

The findings on the influence of health CSR Strategy in the organization performance revealed that the program addresses certain social needs and improves the welfare of socially-excluded population which leads to empowerment and reduced inequality to meet their basic human needs. Health strategy focuses on alleviating social problems and allows employees to be part of a solution to a greater problem above the normal issues of profit maximization. Health Strategy gives people a sense of pride in the organization, engenders teamwork and is a source of inspiration and connectedness. Building a positive workplace environment is one of the greatest benefits of promoting social responsibility in the workplace is the positive environment for employees.

The findings on the influence of sports CSR Strategy in the organization performance revealed that companies have rationalized investments in sports strategy enhance brand reputation. CSR sports strategy creates a sense of satisfaction among employees. CSR Sports Strategy builds a positive workplace environment. CSR in sports promotes accountability by the stakeholders. CSR strategies can create a value in the minds of both external and internal stakeholders. CSR sports strategy boost corporate image. This positive image can be conceived as reputational capital which can generally imply that the stakeholders perceive the firm in a positive light because they feel connected to the firm in one way or another. CSR sports strategy empowers financially challenged groups.

5.3 Discussion

5.3.1 Education CSR Strategy

Most of the respondents agreed that the company educates needy students to create a sense of purpose. CSR education strategies results in lifetime benefit in the education for
needy students. A good deed performed by the firms such as taking needy children to school creates a feeling or sense of purpose for the employees. Similarly, Lichtenstein et al. (2010) argues that by engaging in community-empowering initiatives such as education, the company establishes or pursues a long-term growth strategy for the community. Educated and empowered students today become the firm’s future customers. The beneficiaries of such programs are developing a sense that they owe the corporation and a lot and as such become unwavering customers of the firm. Lichtenstein et al., (2010) adds that it is perceptible that CSR is an important way in which firms market themselves by establishing public presence.

A large number of the respondents agreed that CSR education leads to positive organization image. The establishment of a positive reputation is one of the indicators of a firm’s performance. On the other hand, McWilliams and Siegel (2011) warns that bad performing firms seldom have a positive image while firms that have a positive image are also those that perform well. However, the establishment of a positive reputation can also be pursued as a strategy for growth by a firm. It has been established that generally through CSR strategies, firms can establish and maintain positive image for themselves. At the same time, the company education initiative establishes a public presence.

A proportion of the respondents agreed that the company balances the need to adding shareholders value and good corporate citizens. Undertaking corporate social responsibility provides a clear perspective to the insiders and outsiders that the company strives to become a good corporate citizen. Using the stakeholders approach the organization is subordinated to the greater good of the society. Essentially, Pierce and Robinson (2011) explain that a company should balance the need to carry out actions that are profitable to shareholders whilst being good corporate citizens. Also, a number of the respondents agreed that through CSR the company enjoys unwavering customer support. Management therefore should consider how their actions and strategies would affect the well-being of employees, local communities, the environment and society.

On the other hand, a few respondents agreed that the education empowers families who in turn remain loyal to the firm. On the contrary, Palmer (2012) insists that providing education to bright needy students or children from humble backgrounds increases the
future potential of the children not only to become loyal customers of the firm but to empower their families who in turn remain loyal to the firm. Both the beneficiaries and their relations attribute their economic status and prosperity to the firm. A small proportion of the respondents agreed that the company endeavors to increases the future potential of the children education. Similarly, Webber (2008) agrees that this further leads to increase in market share, sales and profitability for the firm. In addition, Luo and Battaharya (2012) suggest that the enhancement of the objectives of community groups is also an imperative aspect of CSR programs.

5.3.2 Health CSR Strategy

The results established that most of the respondents agreed that CSR Health Strategy addresses certain social needs. Similarly, Qu (2010) argue that this has helped the community address certain social needs that such as chronic and communicable diseases has caused a lot of anxiety and suffering among people all over the world and addressing these health issues is of fundamental importance not only to the national governments but to every able person or entity such as corporations. Palmer (2012) adds that HIV/AIDS, Cancer, Tuberculosis (TB) and Malaria among other diseases are of great worry to the all stakeholders in the society. Qu (2010) explicitly explains that improving the health and welfare of socially-excluded populations leads to empowerment and reduced inequality to meet their basic human needs.

A number of the respondents agreed that a health strategy focus on alleviating social problems. Similarly, Johnson (2011) argues that a health strategy alleviates social problems and the firm allows employees to be part of a solution to a greater problem above the normal issues of profit maximization. Similarly, Palmer (2012) confirms that equity occurs among the few companies that have extended health initiatives across their entire value chains to include suppliers, local communities and the general public. This leads to the realization of the full potential in population health beyond the core base of the company employees, and to some extent include the general public.

A number of the respondents agreed that the CSR Health Strategy improves employee productivity. Similarly, Kiko (2008) explains that it is the inspiration that employees have to perform a task to the best of their ability because they feel that their effort’s not
only helps the firm to grow and realize increased profits but that the tasks that they perform helps address a certain social need. Health is one of the things that most people, universally value, as key in their lives. The sense of pride leads to motivated employees who are more likely to perform well. Employers and employees also benefit through improved morale, reduced absenteeism, increased retention and improved productivity.

A proportion of the respondents agreed that the CSR health strategy gives people a sense of pride in the organization. Many employees get fulfillment and take pride in a company that engages in charity. These programs give people a sense of pride in the organization, engender teamwork and are a source of inspiration and connectedness. Also, Johnson (2011) explains that building a positive workplace environment is one of the greatest benefits of promoting social responsibility in the workplace is the positive environment for 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 that brings everyone together and leads to happier, more productive employees.

The effect of the health strategy has proved to be more powerful than the financial contribution. Similarly, Westover (2010) argue that CSR give the staff a sense of purpose with the knowledge that the company’s revenue fund good things that truly help people. The sense of pride comes in by making other peoples’ lives better through the company’s success. The employees want a sense of pride and fulfillment from their work, a purpose and importantly a company’s whose values match their own.

5.3.3 Sports CSR Strategy

Companies have rationalized investments in sports strategy enhance brand reputation. A few respondents agreed that the CSR serves to establish a good corporation reputation. Similarly, McWilliams et al. (2009) suggest that several organizations have corporate identities such as brand names that have become pivotal in their competitiveness and success. As consumers become more concerned with where products come from, employees now want more from their employer than a paycheck. However, fewer respondents agreed that the CSR Health Strategy creates a sense of satisfaction among employees.
A small proportion of the respondents agreed that CSR Health Strategy builds a positive workplace environment. Similarly, Crowth and Aras (2008) explain that the organizational CSR consists of the attitudes, values and beliefs that are demonstrated in the workplace on a daily basis that affect the mental and physical well-being of employees. Personal health resources are the resources, opportunities and flexibility the organization provides to support employees’ efforts to improve or maintain their personal health practices or have a positive work environment. Porter and Kraer (2006) add that many employers recognize that they have a direct interest in creating a positive work environment that helps employees to make healthy choices through corporate social responsibility.

Most of the respondents agreed that CSR in sports promotes accountability by the stakeholders. CSR strategies can create a value in the minds of both external and internal stakeholders. Similarly, Panayiotou (2009) suggests that that 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). Klein and Dawar (2004) add that business corporations do utilize corporate social responsibility (CSR) to enhance their image among a diversity of stakeholders. The CSR activities are used to establish a positive or reputational image among the minds of the stakeholders of the advantages of the corporation.

A proportion of the respondents agreed that CSR sports strategy boost corporate image. This positive image can be conceived as reputational capital which can generally imply that the stakeholders perceive the firm in a positive light because they feel connected to the firm in one way or another. Similarly, Schwenker and Wulf (2013) suggest that modern corporations that engage in sports CSR strategies often experience increased financial performance and increased market share. The sportsmen themselves and their families often purchase the firm’s products and services, as they feel more attached to it (Crowth & Aras, 2008). On the other hand, Schwenker and Wulf (2013) adds that CSR influenced not only the corporations reputation but allowed the corporation to retain employees especially those that took part in such strategies especially sports.
A significant proportion of the respondents agreed that CSR sports strategy empowers financially challenged groups. Economic responsibilities are at the apex of an organization’s CSR concerns. CSR transforms the business environment for economic accountability, which form the basis of business’ success (McWilliams et al., 2009). According to Klein and Dawar (2004), business corporations do utilize corporate social responsibility (CSR) to establish a positive or reputational image among the minds of the customers of the advantages of the corporation. As such, CRS acts as an effective marketing tool by which corporations create legitimacy for their existence and communicate the business products and services to potential clients (Caroll & Shabana, 2005).

A significant proportion of the respondents agreed that the CSR sports strategy presents a perfect opportunity for sports personnel to show case their potential. 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 show case their potential and move on to participate in International meets (Clark, 2007). Similarly, Palmer (2012) argues that a sports-centered CSR strategy allows the corporation to access potential market that it would otherwise not reached. Through sporting activities, sponsored by the corporation, especially in the informal settlements and slum areas, the corporation is able to access such populations and create awareness of its products (Carroll & Shabana, 2010).

CSR sports strategy allows the corporation to access potential market that it would otherwise not reached. Clark (2007) argues that CSR facilitate increase in market share. Similarly, Peloza (2015) conducted a study among selected firms and while focusing on sports strategy alone found CSR influenced customers purchase intentions and determined whether a customer was willing to purchase or not purchase the firm’s products. According to Schwenker and Wulf (2013) CSR influenced not only the corporations reputation but allowed the corporation to retain employees especially those that took part in such strategies especially sports.
A small proportion of the respondents agreed that CSR sports strategy builds a good rapport with the existing and potential banking clientele. In developing countries CSR is a potent tool for shaping consumer perception and building a company’s image. Corporations like that equity bank actively promote their social responsibility activities taking steps to publicize these efforts through the media. Similarly, Pierce and Robinson (2011) argue that 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 (Porter & Kraer, 2006).

A small proportion of the respondents agreed that CSR sports present an opportunity to create shared value and a meaningful benefit for society. Similarly, Porter and Kraer (2006) argue that CSR presents an opportunity to create shared value and a meaningful benefit for society that is also valuable to the business. The mutual dependence of corporations and society implies that both business decisions and social policies must follow the principle of shared value. To put these broad principles into practice, a company must integrate a social perspective into the core framework it uses to understand competition. As such, CRS acts as an effective marketing tool by which corporations create legitimacy for their existence and communicate the business products and services to potential clients (Caroll & Shabana, 2005).

5.4 Conclusion

5.4.1 Education CSR Strategy

CSR education strategies results in lifetime benefit in the education for needy students. Engaging in community-empowering initiatives such as education, the company establishes or pursues a long-term growth strategy for the community. Educated and empowered students today become the firm’s future customers. CSR education leads to positive organization image. The company education initiative establishes a public presence. Undertaking corporate social responsibility provides a clear perspective to the insiders and outsiders that the company strives to become a good corporate citizen. Through CSR the company enjoys unwavering customer support. Education empowers
families who in turn remain loyal to the firm. This leads to enhanced market share, sales and profitability for the firm.

5.4.2 Health CSR Strategy
CSR Health Strategy addresses certain social needs and improves the welfare of socially-excluded population leads to empowerment and reduced inequality to meet their basic human needs. Health strategy focuses on alleviating social problems and allows employees to be part of a solution to a greater problem above the normal issues of profit maximization. Health Strategy gives people a sense of pride in the organization, engenders teamwork and is a source of inspiration and connectedness. Building a positive workplace environment is one of the greatest benefits of promoting social responsibility in the workplace is the positive environment for employees.

5.4.3 Sports CSR Strategy
Companies have rationalized investments in sports strategy enhance brand reputation. CSR Health Strategy creates a sense of satisfaction among employees. CSR Health Strategy builds a positive workplace environment. CSR in sports promotes accountability by the stakeholders. CSR strategies can create a value in the minds of both external and internal stakeholders. CSR requires accountability by all leaders, individuals, organizations, stakeholders, customers, and community members, and yet accountability is complex. Business corporations do utilize corporate social responsibility (CSR) to enhance their image among a diversity of stakeholders. CSR sports strategy boost corporate image. This positive image can be conceived as reputational capital which can generally imply that the stakeholders perceive the firm in a positive light because they feel connected to the firm in one way or another. CSR sports strategy empowers financially challenged groups.

5.5 Recommendations
5.5.1 Recommendation for Improvement
5.5.1.1 Education CSR Strategy
The study recommends that equity should educate needy students to create a sense of purpose. This is because providing education to bright needy students or children from
humble backgrounds increases the future potential of the children. The programs enable the company to pursue a long-term growth strategy for the community. It also establishes a positive reputation as one of the indicators of a firm’s performance. The company education initiative should establish a public presence while being good corporate citizens.

5.5.1.2 Health CSR Strategy
The study recommends that the CSR Health Strategy should address certain social needs that are essential for everyone. A health strategy should be able to alleviate social problems and allow employees to be part of a solution to a greater problem above the normal issues of profit maximization. CSR Health Strategy should inspire the employees to improve their productivity, morale, reduced absenteeism, increased retention and improved productivity. This can build a sense of community and teamwork that brings everyone together and leads to happier, more productive employees.

5.5.1.3 Sports CSR Strategy
The study recommends that the investments in sports strategy should enhance brand reputation of the company. CSR Health Strategy should create a sense of satisfaction among employees. CSR in sports should promote accountability to the stakeholders and create value in the minds of both external and internal stakeholders. CSR should create accountability among the company leaders, individuals, organizations, stakeholders, customers and community members. CSR should be used as an effective marketing tool by which corporations create legitimacy for their existence and communicate the business products and services to potential clients.
REFERENCES


Ebrahimi, B.P., (2011). Further evidence of corporate social responsibility and firm performance linkage, 14th international business research conference, April 2011, Dubai, UAE.


APPENDICES

APPENDIX I: INTRODUCTORY LETTER

Dear Sir/ Madam,

RE: RESEARCH STUDY

I am pleased to inform you that I am a student at United States International University pursuing a degree of Masters in Business Administration (M.B.A). I am conducting research on the impact of corporate social responsibility strategy on the performance commercial banks in Kenya: a case study of Equity bank of Kenya.

Please note that any information you give will be treated with confidentiality and at no instance will it be used for any other purpose other than for this project. Your assistance will be highly appreciated. I look forward to your prompt response.

Yours faithfully,

Bernice Wachuka Karimi
APPENDIX II: QUESTIONNAIRE

Section A: DEMOGRAPHIC PROFILE

Please answer the following demographical questions below

1. Gender
   I. Male [ ]
   II. Female [ ]

2. Age
   I. 20-30 years [ ]
   II. 31-40 years [ ]
   III. 41 and above years [ ]

3. What is the highest level of education you have received?
   Certificate [ ] Diploma [ ] Degree [ ] Masters [ ]

Section B: SOCIAL RESPONSIBILITIES PRACTICES

Please fill in the questionnaire and tick one which best applies to you.

4. What is your corporate social responsibility activity?
   I. Education Programs [ ]
   II. Health Programs [ ]
   III. Sports Programs [ ]
   IV. Others [ ]

5. How often do you participate in the corporate social responsibility activities?
   I. Monthly [ ]
   II. Annually [ ]
   III. Twice a year [ ]
## SECTION C: EDUCATION CSR STRATEGY

For each of the following statements indicate your level of agreement

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<tr>
<th>Statements</th>
<th>Quite Agree</th>
<th>Quite Disagree</th>
<th>Slightly Agree</th>
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<td>6. The company educates needy students to create a sense of purpose.</td>
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<td>10. Education empowers families who in turn remain loyal to the firm.</td>
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<td>11. CSR education leads to enhanced employee gratification.</td>
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<td>12. CSR education leads to positive organization image.</td>
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<td>13. The company enhances growth though Master- Card.</td>
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<td>15. CSR leads to good relations with the key stakeholders especially the customers.</td>
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**SECTION D: HEALTH CSR STRATEGY**

For each of the following statements indicate your level of agreement

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<td>16. CSR Health Strategy addresses certain social needs.</td>
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<td>17. CSR Health Strategy leads to perceived social equity.</td>
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<td>18. A health strategy focusing alleviates social problems.</td>
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<td>19. CSR Health Strategy creates a sense of satisfaction among employees.</td>
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<td>20. CSR Health Strategy improves employee productivity.</td>
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<td>21. CSR serves to establish a good corporation reputation.</td>
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<td>22. CSR Health Strategy gives people a sense of pride in the organization.</td>
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<td>23. CSR Health Strategy is a source of inspiration and team work.</td>
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<td>24. CSR Health Strategy builds a positive workplace environment.</td>
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<td>25. CSR Health Strategy attracts customers through social events.</td>
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### SECTION E: SPORTS CSR STRATEGY

For each of the following statements indicate your level of agreement

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<td>26. CSR sports present an opportunity to create shared value and a meaningful benefit for society.</td>
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<td>27. CSR in sports promotes accountability by the stakeholders.</td>
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<td>28. CSR sports strategy allows the corporation to access potential market that it would otherwise not reached.</td>
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<td>29. CSR sports strategy empowers financially challenged groups.</td>
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<td>30. CSR sports strategy presents a perfect opportunity to show case their potential.</td>
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<td>31. CSR sports strategy influence customers purchase intentions.</td>
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<td>32. CSR sports strategy enhance corporate image among a diversity of stakeholders.</td>
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<td>33. CSR sports strategy boost corporate image.</td>
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<td>34. CSR sports strategy builds a sense of community and teamwork.</td>
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<td>35. CSR sports strategy builds a good rapport with the existing and potential banking clientele.</td>
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### SECTION F: ORGANIZATIONAL PERFORMANCE

For each of the following statements indicate your level of agreement

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<td>34. CSR plays an important role in the organization's strategy in creating stakeholder value.</td>
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<td>35. CSR unit has clear programs that enhance the profits of the organization.</td>
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<td>36. CSR has led to growth of customers in the company.</td>
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<td>37. CSR improves market share in the organization.</td>
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<td>38. CSR leads to good corporate citizenship.</td>
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<td>39. CSR creates a positive organization image.</td>
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<td>40. CSR influences employee retention.</td>
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<td>41. CSR leads to employee satisfaction.</td>
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**THANK YOU**