Effects of Social Responsibility Initiatives on Performance of Safaricom Kenya Limited

Yvonne Mwanancha
MBA Student Alumni, United States International University-Africa, Kenya
Dr. Caren Ouma
Assistant Professor, Department of Management, Chandaria School of Business, United States International University_Africa, Nairobi, Kenya

Abstract:
The aim of the study was to find out the effect of CSR initiatives on Safaricom. The research questions that were addressed in this study were: what is the effect of CSR initiatives on sales? What is the effect of CSR initiatives on market share? What is the effect of CSR initiatives on brand? A survey to investigate and come up with the answers to the research question was conducted at Safaricom limited using descriptive design. A sample of 75 respondents was used to conduct the survey at Safaricom limited where structured questionnaires were issued to the selected sample using stratified sampling technique. The data was entered and analysed using SPSS statistical tool to generate correlation figures as well as frequencies and percentages. The information was further presented using figures and tables and related with the literature review.

The study investigated the Effect of CSR in Sales, from the study, it was established that there is the effect of CSR initiatives on the sales of Safaricom Limited. It was found out that as a result of CSR initiatives, there has been an increase in the levels of sales, increase in capital employed, increase in profitability as a result of an increase in sales and increase in return on investment. In addition, the research found a relationship between CSR initiatives and Sales increase. As such, it can be said that CSR initiatives have an effect on Sales at Safaricom. It was recommended that Safaricom limited should continue implementing the CSR initiatives as they were found to have more benefits. Such continued implementation would ensure that the company continues to enjoy the benefit of good brand reputation, increased sales revenues and larger size of market share. Nonetheless, even as the sales levels increases, Safaricom must ensure that the product quality is high so as to meet the customer needs efficiently even as the sales values increases as a result of CSR initiatives. Future researchers can investigate the impacts of CSR initiatives on competitive advantage. In this case, the study would look at how CSR initiatives have helped the company under investigation achieve a competitive edge over its competitors through the increase of sales.

Again, the study investigated the Effect of CSR Initiatives on Market Share. The study established that there is the effect of CSR initiatives on the market share of Safaricom Limited. It was found out that as a result of CSR initiatives, there has been an increase in the market share, increase in return on investment as a result of increase in market share, increases in customer preference for Safaricom products compared to the competitors and enjoy economies of scale as a result of a bigger market share than competitors. In addition, the research found a relationship between CSR initiatives and market share increase. As such, it can be said that CSR initiatives have an effect on market share at Safaricom. It was recommended that Safaricom limited should continue implementing the CSR initiatives as they were found to have more benefits. Such continued implementation would ensure that the company continues to enjoy the benefit of good brand reputation, increased sales revenues and larger size of market share. In addition, Safaricom limited should identify the aspects of market share which CSR affects, i.e. the market value or volume so that they are able to know what products to offer to these markets that have increased as a result of CSR initiatives. In future, researchers can focus on investigating the specific aspects of CSR initiatives and how they influence the specific aspects of market share, i.e. the market volume and market value and how each aspect interrelate.

Finally, the research investigated the Effect of CSR Initiatives on Brand. The study found out that there is the effect of CSR initiatives on the on Safaricom Limited brand. It was found out that as a result of CSR initiatives, the brand has become more reputable, brand growth has brought about increase in financial performance, earning customer loyalty and create a brand reputation in an honest and reliable manner. In addition, the research found a relationship between CSR initiatives and market share increase. As such, it can be said that CSR initiatives have an effect on Safaricom Limited Brand. It was recommended that Safaricom limited should continue implementing the CSR initiatives as they were found to have more benefits. Such continued implementation would ensure that the company continues to enjoy the benefit of good brand reputation, increased sales revenues and larger size of market share. In addition, Safaricom in future would need to consult the recipients of CSR initiatives so as to enhance their services to them. This is because it is easy for competitors to copy the initiatives and render the same services which would make the CSR initiatives by Safaricom a routine. However, if they do market research, they would offer services that the recipients want at that specific moment making it hard for the competitors to copy. This way, they can continually gain a competitive edge through brand reputation. In future, researchers can look at CSR initiatives relating to customers and corporate governance through CSR reporting and its impact on the organisational brand. The study can either be conducted at Safaricom limited or another company practising CSR initiatives.
1. Introduction

1.1. Study Background

The concept of strategic Corporate Social Responsibility (CSR) has been captioned under various names such as philanthropy, corporate citizenship, corporate responsibility, strategic philanthropy and other monikers. Each name carries a specific aspect of the business role to the society (Motwani, 2012). The perspective of the role of business in the society can be seen in its definition where Cheers (2012) defines CSR as an ethical theory that an entity has an obligation or responsibility to act in a way that brings benefit to the society. Cheers (2012) indicates that CSR initiatives can be applied in the context of legal, ethical, economic and discretionary expectation that the society has of organizations at a given point in time. Thus, companies in the regional, global and local context engage in CSR activities through community, environment, employee and economic CSR.

Michael and Rivkin (2012) indicates that at the last count, there were more than 3,500 companies globally who were part of the Global Reporting Initiatives, and had issued more than 8,000 social and environmental initiative reports. The number was less than 1400 in 2014 compared to the present number which is in excess of 3,500 companies. The Economist online survey conducted in 2015 by Amadaloss and Manohar (2013) involving 1,192 global executives established that 55% of the executives reported that they highly prioritized corporate responsibility. The number was expected to increase by 2020 by 70%, an indication of the rapid growth in the number of companies globally that have increased their commitment to the CSR practices and much more continue to enter the fray.

According to Porter et al. (2012), many of these companies do not have either lofty “shared values” conception or strategic approach to CSR. Instead, they engage in an ad-hoc version of CSR that evolve through different paths for various reasons. For instance, Porter et al. (2012) argued that an organization could not underestimate the employees’ philanthropic motivation as a driver to CSR. Globally, individual employees who are already engaged in their local communities will often carry pet causes to work, where little volunteer activity here, small donation there create a momentum of its own that often take the shape of formalization of support from the organization. These initiatives have been credited as the major contributor to the performance of organisations in terms of profitability, increased sales and market share.

Leaders globally are aware of the importance of good will and the permission from the society to undertake their operations within the communities where their business is conducted (Chandler &Werther, 2013). Nonetheless, in most cases, the global outlook of CSR has been seen to be catalyzed by the non-governmental organizations and Civil Society Organizations (CSOs) who possess the compelling force that pushes the corporations to attend to the environmental and social impacts of their business operations. No doubt that some CSR Motivators are reactive in response to the concerns of the society. However, Cheers (2012) indicates that once the initiatives are launched, the company is able to support the interests of the society and from this, they gain in terms of their enhanced performance especially increased sales, profitability and market share.

However, Arevallo and Arivind (2014) compared the private own companies and the public enterprise’s engagement in the CSR activities globally. The study involving prominent business executives established that the private companies had greater freedom to allocate their charitable dollars in line with philanthropic inclinations regardless of how well or poorly the initiatives aligned with the strategic purpose of the business. This statement is supported by the study of Marcia, Otgontsetseg, and Hassan (2013) investigating whether US commercial banks in aggregate were taking substantive steps at being socially responsible if their socially responsible activities had changed since the financial crisis, and whether they were being rewarded for their actions. The study used publicly available data on CSR to analyze CSR strengths and CSR concerns. It found out that the largest banks consistently had higher CSR strengths and CSR concerns during the sample period. Further, this group found a steep increase in CSR strengths and a steep drop in CSR concerns as the worst of the financial crisis passed. The study also found that more profitable banks, banks with higher capital ratios, and banks that charged lower fees on deposits had significantly higher CSR strengths. Thus, the study by Marcia et al. (2013) concluded that CSR initiatives have an important role in improving the financial performance with regard to profitability and increase in sale revenues.

Coca Cola Company has engaged in different initiatives globally. The context of CSR initiatives in the company includes water stewardship, community engagement, CSR policies and environmental management. The company community engagement includes giving communities access to safe drinking water, education, access to health and sanitation as well as empowerment of the community by sponsoring the vocational training of the youth in India (Coca Cola, 2016). Coca Cola recognizes that the need of the hour is minimizing the gap between demand and supply for quality healthcare as an integral part of its long-term community engagement strategy. With this in mind, Coca Cola in partnership with ‘Rashtriya Gramin Nidhi Vikas’ (a Guwahati-based NGO) decided to establish “Aarogya Health Clinic” in Brynhit, Meghalaya. A Need Assessment survey of 03 villages (Nongthymmai, Bourbin and Rangskokana) surrounding Coca Cola plant indicated that the inhabitants of these villages lacked access to quality primary health care system and the local primary healthcare centre (PHC) has been unable to provide adequate services primarily because of lack of proper resources. ‘Aarogya’ Health Clinic is a step towards bridging this gap, which acts as primary health care center, for the local population. The clinic was dedicated to the local community in March 2011 (Coca Cola, 2016). The clinic is operational for 4 days a week, and all visiting patients are issued “Aarogya Health Card” and free basic medicines. The clinic has been greatly benefited by the local community. On an average 200 patients visit the clinic every month. These initiatives have contributed greatly to the increase in sales and market share of the company as was noted by Coca Cola (2016).

Shell is among the companies that have engaged in CSR Initiatives. According to Shell Global (2016) sustainability report, the company engaged in different CSR activities. These initiatives are implemented to ensure a sustainable environment, support to the community, and safety of employees, sustainable reporting and business transparency. The CSR report indicates that the company engage community support projects such as helping increase energy access in the developing countries in Africa. Such project is the
Community lighting project, power generation projects and small-scale grid infrastructure projects. In Nigeria specifically, Shell has collaborated with Nigeria LNG Limited to launch the Bonny Utility Company that has provided modern, safe and reliable energy to the less fortunate community members (Shell Global, 2016). A similar project has also been initiated in the Philippines through the Philippines Shell Foundation and Shell Philippines exploration to help the Batak people install hybrid energy systems. Other initiatives of the company include collaborating with the NGOs to support the health and well-being of the local communities. Such initiatives include the long-term partnership with the Philippine Movement Against Malaria (MAM) amid eradication of malaria in the Philippines by 2020. By 2011, the country reported 82% reduction in a total number of malaria cases and 98% reduction of death compared to the baseline of 2003. These CSR initiatives have greatly increased awareness about the company, a strategy that has been used to increase the sale volumes and market share in the African markets.

In Kenya, the situation is not different. Companies have engaged in different CSR initiatives with the motive of enhancing their performance in terms of increased market share, revenues, and employee performance. More companies have engaged in CSR activities especially in the banking industry, retail industry, and communication industry. For instance, Family Bank has been engaged in the different community and environment CSR activities. As a responsible corporate citizen, Family Bank prides itself by contributing towards a positive transformation of life in the areas of the environmental, social and economic well-being of the society in which it operates. Indeed, Family Bank’s CSR Policy underpins the whole essence of its existenceto positively transform life as stated by Family Bank (2017). For instance, the bank is currently sponsoring 280 students in secondary schools through the Family Bank Education Scholarship Fund. Family Bank also supports education initiatives with an aim to build and enhance capacity. Also, the Bank runs initiative of the University Talent Development (UTD) Program. This program targets and benefits the best boy and girl in the Kenya Certificate of Secondary Education (KCSE) (Family Bank, 2017a). In December 2013, Family Bank donated Ksh. 250,000 to Kenyatta National Hospital children’s cancer ward as part of the banks Christmas CSR. The bank has in the past partnered with Kenya Orient in an event aimed at sensitizing Kenyans on how to maintain healthy kidneys.

On the other hand, Safaricom has not been left out in ensuring that they give back to the society in an effort to improve their living standards and ensuring a sustainable environment. Safaricom Ltd prides itself as Kenya’s most profitable firm. The company came into being in 2000. Safaricom’s customer base is at 25.2 million with 96% on prepaid services. Safaricom provides customers with a range of integrated telecommunication services, including mobile and fixed voice, SMS, data, the internet, and M-PESA. This range of services is provided to both individual and corporate/enterprise customers. Over 94% of our customers are registered M-PESA users. Safaricom’s network is on 2G, 3G, 4G and WiMAX technology. As at March 2016, it covered 95% of the population on 2G and 78% on 3G (Safaricom, 2016). Achieved 467 4G sites across 20 Counties offering high-speed internet. Rolled out 3,236km of own fibre in the major metro areas to date. M-PESA runs on the upgraded, stable and robust (G2) system with over 23 million registered users. The firm continues to leverage its distribution network which has a wider reach. This enables them to be accessible to their loyal and growing customer base. Most of Safaricomics’ revenue comes from service revenues: Voice, M-PESA, Mobile Data, Messaging, Fixed Data and another service (Emergency top up fees) revenue. The company also get other income from the sale of devices and lease of infrastructure.

Some of the CSR initiatives that Safaricom has engaged in. According to the Safaricom (2016a), some of the initiatives include economic empowerment, disaster relief, education, art and culture, education, health, environmental conservation, and employment as well as sports and water. Since its founding, the company has invested in Ksh 1.8 billion towards sponsorship of the listed programs and other humanitarian programs. In terms of economic empowerment, the company has partnered with different charitable institutions to support different community-based programs with the objectives of supporting economically the less privileged. According to Safaricom Foundation (2014), the company CSR strategy indicated 15 economic empowerment projects as part of the corporate responsibility strategy 2014-2017. Some of the major projects include Northern Rangelands Trust, a community-led initiative aimed at wildlife conservation and community development in Northern Kenya (Safaricom Foundation, 2014). Another economic empowerment program is the Bethsaida Children’s’ Home project in Nakuru aimed at providing rehabilitation, rescue and reintegration survive to young street boys aged 6-14 years by transforming their lives through small scale income generating projects.

In addition, Safaricom has heavily invested in education CSR initiatives. For instance, Safaricom established African Braille Centre to support children impaired visually with Integrated Education programs and special schools. The company provides educational materials, equipment, and devices and provide learning and teaching materials that enable the children with visual impairment to write Braille. Again, Safaricom Foundation (2014) notes that the company has supported Salvation Army Joytown Secondary School by providing wheelchairs and educational materials to the people with walking disabilities. Similarly, the company has a gender violence recovery centre that supports people who have been exposed to gender violence to recover, especially women.

Among many other programs, Safaricom like other companies has made efforts to support the environmental sustainability goals. For instance, the company supports 11 environmental conservation projects totalling to Shs 15 million (Safaricom, 2016a). High proportions of this money have gone to waste management by purchasing e-waste grinders for schools in Kenya/ which is a growing challenge. The e-waste systems are already complete and are expected to increase their recycling and grinding capacity.

Also, Safaricom through its Foundation has supported health initiatives in an effort to ensure accessible and affordable health care among the less privileged societies. At the moment, the company has invested Ksh 38 million towards funding 25 health projects. This money has been utilized in the construction of medical camps, purchasing and construction of equipment for health facilities. Further, Safaricom Foundation has partnered with Action Aid International-Kenya and the Red Cross Society to help implement large-scale water projects in the communities having water problems. Such communities are the ones living in Arid and Semi-arid areas of Kenya such as Gachoka, Katalwa, Makueni and Garbutalla. The company has funded a total of 8 projects with Ksh 24 million. These are just but a few projects that Safaricom supports through CSR initiatives.
CSR activities at Safaricom have proven to be beneficial to Safaricom in a number of ways. First, through these initiatives, the company has been able to acquire the largest market share of 70% of the Kenyan telecommunication industry as noted by (Phillip & Gully, 2013). Similarly, the increase in customer base has brought about increased sales volumes for prepaid and post-pay services contributing to the increased profitability. However, at some point, an organization needs to inquire how their CSR initiatives have strategically placed them in a position that allows them to enhance their performance through goal achievement. Therefore, the need to answer the question: “what are the necessary strategic CSR initiatives?” “How has CRS worked towards performance improvement in terms of profitability, increased sales, market share and the brand of the company?

1.2. Problem Statement
As stated by Haltzhausen and Zerfass (2015), the advocates of the civil society have questioned the fundamental motivations for CSR initiatives, asserting that the programs to fund environmental and social programs are nothing more than public relations and ways to boost company’s brand reputation. The motivation questions the legitimate intention of the companies to do anything apart from supporting their profitability agenda. However, Odowu et al. (2017) indicate that CSR is a two-way relationship where the company gives to the society to get something in return. This relationship is referred to the author as give and give relationship where a company supports the challenged community for their continued growth. The role of CSR in a capitalist society is having a responsible business that creates financial returns to the shareholders and the larger society through their humanitarian actions reflected from their environmental and social initiatives.

However, studies that have been done such as the one by Idowu et al. (2015) indicated that the company’s values reside entirely on the ability to generate shareholders wealth and environment and social initiatives do not simultaneously create profit for the company, therefore, is a waste of resource. Nonetheless, according to other empirical studies, the statement was found to be unjustified. Indeed, Idowu, Vertigen, and Burlea (2017) quote in his study examples of companies which have accomplished performance goals through strategic CSR initiatives. Nestlé development of Pakistan, China, and India was seen as one of the CSR strategies that saw the company increase its market share and enhance its performance in the three countries.

Different companies have engaged in CSR initiatives, for instance, Supermarkets such as Naivas in Kisumu have engaged in CSR initiatives such as supporting the local communities by offering job opportunities and vocational training programs as well as supporting the destitute children in children’s homes in Kisumu areas. According to Ong’olo (2012) who investigated the impacts of these initiatives on company performance, it was evident that the CSR initiatives increased the levels of sales revenues and profitability of the company. In addition, the researcher also realized that there was a positive correlation coefficient between market share index and CSR (Ong’olo, 2012).

In the banking industry, banks have also engaged in CSR initiatives, some of these initiatives include the Equity Bank Wings to fly initiatives intended to support the less fortunate children to access quality education (Okiro, Omorok&Kinya, 2013). The company also offers job opportunities to less fortunate well performing secondary school students before sponsoring their university education. As a result, the company has increased its market share, i.e. the customer base which the research by Okiro et al. (2013) indicated was as a result of CSR initiatives. There was a general agreement that CSR was essential for the success of the firm. Since commercial institutions work to generate profits by offering the best services to customers, they would provide proper care to retain its customers. The researchers found out that investment in CSR activities had a positive effect on the banks’ sustained growth. The findings indicate that there was a weak positive relationship between the variables and that only 11% of bank-sustained growth could be explained by investing in CSR activities.

However, despite its appeal, the fundamental problem exists between shared values ideas between those of the company and the society and communities that an organization should be responsible to. There exist a tension between business goals and environmental/social goals, bringing about the problem of the study on whether by achieving the environmental and social goals through strategic CSR the organizational performance goals are achieved (Mermod & Idowu, 2013). Thus, there is need to conduct a study to investigate if substantive public value creation through CSR has any payoff that is both distant and uncertain. To investigate this, a choice of Safaricom has been taken. The choice of this company is because there is no study according to the researcher’s knowledge that has been conducted in Kenya relating to CSR initiatives in the telecommunication industry, especially Safaricom Limited. Also, considering the increased growth in market share and revenues, the researcher would like to know if this growth has been as a result of strategic CSR initiatives.

1.3. Study Purpose
The purpose of the study is to determine the effect of corporate social responsibility initiatives on the performance of Safaricom Kenya Limited.

1.4. Research Questions
The study seeks to answer the following research questions
1.4.1 What is the effect of corporate social responsibility on the sales of Safaricom Limited?
1.4.2 What is the effect of corporate social responsibility on the market share of Safaricom Limited?
1.4.3 What is the effect of Corporate Social Responsibility on Safaricom Ltd brand?

1.5. Significance of the Study
This study is significant, to Safaricom Limited, other players in the industry, and scholars.

1.5.1. Safaricom Limited
The study may be useful to Safaricom Managers and the strategic decision makers in the business. The study will shed light on the appropriate impacts of strategic CSR initiatives on the performance of the company. Specifically, the research will show how various aspects of strategic CSR improves the financial performance of the company, as well as increased employees’ productivity. Therefore, the study gives the management of Safaricom limited a foundation to make better and clean strategic CSR decisions in future by efficiently linking the performance goals with the strategic CSR goals.

1.5.2. Other Companies
The argument that CSR is a waste of time and finance cuts across the board, therefore, interested parties such as the telecommunication industry as well as other industries may benefit from the information acquired in this study to understand the impacts of strategic CSR on performance. In addition, the competitors would benefit from this information to know how Safaricom has been able to enhance its competitiveness through CSR and borrow a leaf from the same to enhance theirs too. Therefore, companies in the telecommunication industry may like to know how well the performance goals can be linked to the CSR goals for positive results.

1.5.3. The Government
Again, the government will benefit from this report as will identify the CSR initiatives that the company has engaged in and evaluate the economic value of the CSR initiatives in the country with regards to poverty eradication, promotion of better health care and promotion of education to the less fortunate communities. In addition, the report will help them identify how Safaricom has fared in ensuring sustainability in conducting its business, which is a legal requirement.

1.5.4. Customers
With the increase concerns of customer exploitation, customers are now concerned about ethical consumption. Customers would like to know how the company has fared in ensuring that it supports the well-being of the local communities as well as ensuring that they operate in a sustainable way. Thus, by conducting this research, the customers will be enlightened about the initiatives of the company which is important in their choice for ethical buying.

1.5.5. Scholars
Finally, the study will contribute to the existing literature in the field of strategic management and responsible business operations. In this case, the study will serve as source reference of how strategic management in the organization can be linked to the CSR for organizational performance. Scholars may use this study as a foundation for their research or explore the gaps that have been left by this study.

1.6. Scope of the Study
The study aim is to investigate the effect of strategic CSR on organizational performance. As identified, from the problem statement, studies have not conducted to investigate CSR activities and their impacts on performance. In the telecommunication industry, the major companies include Airtel, Orange and Safaricom. To select the most appropriate company, the researcher identified the largest company among the three and one that has engaged in most of CSR initiatives. On this basis, the largest company and one that engages in the largest number of CSR initiatives is Safaricom (Safaricom, 2014). Thus, the study focuses on the relationship between strategic CSR and performance at Safaricom Limited. Safaricom Company has branches all over the country. At the moment Safaricom has 64 outlets across the country with the highest number being located at Nairobi, i.e. 26 outlets (Safaricom, 206a). The study will be conducted at the company headquarters in Westlands, Nairobi-Kenya considering that this is where all the initiatives are planned and have the largest number of employees, i.e. 597 employees. The results of the study are therefore limited to the selected organization. All the employees and departments within the head office in Westlands were selected as the study population. The research will be carried out from March 2017 to May 2017.

1.7. Definition of Terms

1.7.1. Corporate Social Responsibility
CSR is defined as a transparent business practice based on ethical values, legal requirements compliance and respect for the community, people and the environment within which the business operates (Arora &Richa, 2013).

1.7.2. Strategic Corporate Responsibility
Strategic corporate responsibility is the integration of the CSR initiatives to the core business process and the stakeholder’s management to achieve the ultimate goal of achieving corporate value and social value (Phillip & Gully, 2014).

1.7.3. Organizational Performance
Organizational performance is viewed as the ability of an organization to achieve its performance objectives efficiently and effectively, based on the existing or imposed constraints on limited resources (Shin, 2014). In the study, the organisational performance has been measured in terms of market share, sales, and the brand value.
1.7.4. Employee’s Productivity

Commonly referred to as workforce productivity, it is the output of employees at a given period of time assessed through the evaluation of the efficiency of the workers or a group of workers (Vertigans & Idowu, 2016).

1.7.5. Financial Performance

Financial performance is defined as the subjective measure of how well a firm can use its assets a key mode of generating revenues for the business and measured in terms of growing sales levels, revenues, and profitability (Wolf, Issa & Thiel, 2015).

1.8. Chapter Summary

Chapter one provided a broad background to the study on corporate social responsibility and the link to the performance of an organization. Additionally, the problems, purpose, significance and the scope were examined as well as the questions that the research intends to answer. The next chapter, i.e. chapter two will discuss the literature review relating to the study, while chapter three will provide the research methods to be adopted for the study. In chapter four, the study findings will be presented while chapter five will provide the summary, discussions and the study recommendations. Successful completion of chapter one presents an opportunity to provide a review of related literature to the study in the following chapter, i.e. chapter two.

2. Literature Review

2.1. Introduction

The second chapter of the study presents the literature review relative to the research questions of the study. It looks deeply at all the available literature on strategic corporate social responsibility and its effect on the performance of the organization, in terms of financial performance, employees’ performance and the brand performance. In addition, it analyses how an organization can align the strategic CSR with the strategic goals of an organization to realize positive effects. It utilizes the theoretical literature, empirical literature and the general literature available on this issue. It compares this available literature by reviewing them from various books, journals, press releases, research work and organizational reports on this issue. This is divided mainly into four sections which represent each research question specifically financial performance, employees’ performance, brand performance and alignment of the CSR with the strategic goals of the organization for positive effects.

2.2. Corporate Social Responsibility

Moratis (2011) defines CSR as an ethical theory that an entity has an obligation or responsibility to act in a way that brings benefit to the society. Another definition of corporate social responsibility given by Lee and Kotler (2013) is “a transparent business practice based on ethical values, legal requirements compliance and respect for the community, people and the environment within which the business operates.” Also, Cheers (2012) define CSR as legal, ethical, economic and discretionary expectation that the society has of organizations at a given point in time. However, Schwartz (2011) define CSR as achieving business success in a way that respects the people, and the communityhonours the ethical values as well as the natural environment within and outside the organization. The definition adopted for the purpose of this study is the one given by Cheers (2012) which define CSR as legal, ethical, economic and discretionary expectation that the society has of organizations at a given point in time.

Based on the definition by Cheers (2012), CSR activities can be classified into four categories; these are legal, economic, ethical and philanthropic activities. This classification assumes abiding by the principles of CSR; a company needs to be responsible towards the society by ensuring that they follow the legal procedures and rules and moral responsibility as well as philanthropic activities. As indicated by Gossling (2011), the concept of CSR is based on the relationship between the business and the society that it operates in and the company behaviour towards its interest groups such as suppliers, investors, special interest groups, local community, buyers and the employees.

The Stakeholder theory, as described by Edward Freeman and among other scholars’ mirror image of corporate social responsibility thus is appropriate for application in this study (Hills & Jones, 2013). Instead of starting a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world. It lists and describes those individuals and groups who were affected by (or affect) the company’s actions. In a single sentence, stakeholder theory affirms that those whose lives are touched by a corporation hold a right and obligation to participate in directing it (Haynes et al., 2012). The theory can be understood through the stakeholders’ matrix. According to Amaladoss and Manohar (2013), the stakeholder’s matrix helps identify the most important and influential stakeholders that an organization should be socially responsible to as shown from Figure 1.
Matrix A represents highly important stakeholders who have a high influence on the organization and are highly important for the success of the organization (Freedman & Butler, 2013). An organization needs to establish good relationships with such stakeholders by ensuring effective coalition with them. The stakeholders in Matrix A represents the government, trade unions, and senior officials who require compliance, corporate governance, and fair business operations responsibilities to be fulfilled. Additionally, Matrix B represents highly important stakeholders for the success of the business but with little influence such as the society which requires the organization to give back to them as an act of social responsibility (Amaladoss & Manohar, 2013). The business has to ensure that their interest is upheld by ensuring that the business operations do not threaten their survival.

Further, Matrix C represents stakeholders with high influence and can influence the outcomes of the performance of the organization such as the shareholders of the business who are interested in understanding how the goals are aligned to their wealth maximization objective. Such stakeholder needs to be informed of how the business is working towards achieving their objective of profit maximization and reflection of true financial reporting (Gill, 2013). Finally, Matrix D represents low influence, but highly important stakeholders such as competitors who require low evaluation, low priority but the organization should involve in responsible dealing such as fair trade to support a competitive business environment (Coombs & Holladay, 2012).

Stakeholder theory is significant in this study as it guides the research in evaluating the types of CSR that telecommunication companies should engage in and the context of the activities for each category of stakeholders as given from the stakeholder’s matrix (Amaladoss & Manohar, 2013). Thus, considering that the study focused on the impacts of CSR on financial performance, the productivity of employees and brand image, the theory was important in providing a link between the types of stakeholders and how the fulfilment of the CSR obligations to all the stakeholders results in financial performance specifically the environmental responsibility and social responsibility.

### 2.2.1. The Context of Corporate Social Responsibility

In business reporting, the concept of CSR is becoming more and more critical, every business has already established or is establishing CSR policies and producing audit reports on their CSR engagement (Coombs & Holladay, 2012). From the CSR broad definition, CSR was found to concern relationship between local and global corporations, the government of different states as well as individual citizens. Locally, CSR definition has been viewed to concern the relationship between the local society within which the business operations are conducted and the local corporations (Gossling, 2011). Thus, the concept of CSR can be seen as one that guides the organisation towards engaging in activities that directly benefit these local societies where their operations are conducted.

According to Urip (2013) monetary theories, the broad view of CSR is the way an enterprise achieves its objectives by maximizing growth, wealth and profitability in a socially accountable way. The monetary theory states that the reason for an organisation existence is so that they can meet the shareholders profitability goals under which they have been founded and operates in the first place. Therefore, the monetary theory has been used by the organisations that do not engage in CSR as a way of stating that the sole objective of the organisation is being responsible to its shareholders and has no legal obligations for being socially responsible. Morally, businesses are required to be socially responsible. However, the monetary theory indicates that the responsibility of the business should only focus on wealth creation.
Nonetheless, as a matter of Fact, Chandler (2015) notes that when the view of pure profit oriented organisation is employed, the more the organisation engage in social responsibility initiatives, the better position they are placed in for good financial performance in the long run. The reason for this has been traced from the fact that, if the organisation becomes socially responsible, then the customer attitude and their buying behaviour are affected positively, increasing the purchase intention of socially responsible enterprise which results in profit maximization opportunity. Babbie (2013) emphasizes that among the various ways that an enterprise can achieve its competitive edge is through the fundamental shift on how and where their responsibility is allocated. For example, by focusing their efforts in supporting the less fortunate people in the society and dedicating their resources to community development projects, an organisation acquires the ability to target more customers. This way, then the enterprise is able to maximize its profit, which is the sole goal for existence, especially for the profit making organisations.

In addition, four components are considered by Porters (1985) model as ways in which the business is able to achieve competitive advantage. The first component involves how a business can affect the market through the improvement of the societal well-being. This is achieved through talent building of less fortunate but capable individuals through the creation of educational programs. The production factors are the second component that relates with how organisation concentrate on infrastructure development in the community so that they can easily obtain the natural resources essential for the production process. Thirdly, the corporation must focus on growing the environment so that the resources can be self-replenishing for the use of other corporations. The model by Porter (1985) notes that a business has a mandate of supporting the growth of the environment through pollution reduction, supporting environmental program implementation in consideration to the put forward ethical and legal obligations (Porter & Kramer, 2011). An organisation that implements the competitive advantage model within the stipulated framework is considered to be true and honest to the society where their operations are conducted.

The ethical approach is another basis that has been used to review the CSR concept. The ethical approach lays much emphasis on the operations of an organisation morally in meeting all the stakeholder’s needs. The CSR ethical perspective argues against the profit oriented approach in that it advocates for the community greater good. The approach argues that the organisation should support the community they operate in instead of just looking at how they can maximize their benefits even without considering the impacts to the community (Mullerat & Brennan, 2011). As such, the ethical theory indicates that the overall goal of the organisation should be establishing relationships within the community that are based on ethical responsibility. Further, the ethical perspective indicates that the organisation goal should shift from just thinking about how they will maximize profit to how they can create an atmosphere where part of the profit an organisation is used to improve the well-being of tomorrow’s society. This is an indication that even as the organisation meet the profit maximization goal to its shareholders, it should also maximize the wealth of the society by engaging in activities that support the environment and the society they work in. This ensures that the organisation does not jeopardize its future sources of wealth because of today’s goal for profit maximization (Lee & Kotler, 2013).

Thus, the ethical approach provides an enterprise with a change of reviewing their operations and evaluating how their present operations to maximize profit might affect their long-term goals of wealth creation. This also helps them realize the value of being socially responsible and working with the society as they are core partners in the future success of the organization (Gossling, 2011). However, when employing the ethical approach, the corporations should identify the problems associated with conflict of interest between different stakeholders. The shift from pure profit approach to ethical approach should not only consider the economic initiatives but should go to the extent to which their engagement in CSR initiatives promotes the success of future generation by providing solutions to environmental and social problems at present. The main reason why this perspective has been recommended for implementation is because it helps address the CSR issues by creating an understanding of the global perspective of CSR concepts as put forward by the United Nations. The Global perspective does not only focus on societywell-being, but it also provides an overview of how an organisation can adhere to the set human rights, environmental and labour condition obligations (Fredman & Butler, 2013).

As such, the UN global concept supports the CSR ethical perspective and is referred by Keller and Price (2011) as the stakeholders’ management approach. Within this approach, the aim of stakeholder is benefited maximization for the enterprise and all its stakeholders. The achievement of this is by making sure that efforts have been made towards increasing the benefits of the stakeholders and such efforts also increase the wealth of the business in the processes of decision making. In this case, the firm should voluntarily benefit the stakeholders which in other words means that the firm should be morally responsible and accountable for every action that they take (World Bank, 2013). Thus, the UN Global approach to CSR dictates that the organisation should be environmentally, socially and economically responsible to the society of operations, the shareholders and its customers for the long-term benefits which include increased customer preference, acceptance by the communities leading to profit maximization and maximization of wealth.

2.3. Effect of Corporate Social Responsibility on the Sales of an Organization

There exist many ways of determining the organisation’s financial performance, for example, the one beyond management control and the management control. The factors that can be controlled by the management can also be called internal dominants, while those whose organization has no control ability are called external dominants. Rothenberg and Hull (2008) stated that internal determinants are shown in the policies of the organization and decisions based on the sources of funds and use, capital management and liquidity, and expense management. The impacts of management of the said funds can be shown from the business profitability as indicated on the records of finance such as statements of financial position, profit accounts, and sales journal. Moreover, the efficiency in management when controlling revenues and costs determine profitability level in regard to the sales return. In terms of growth in sales, market sales, sustainability and achieving the profitability goals of the firm, the external performance of the company demonstrates the decision to put to use the resources for the benefit of stakeholders and the society.
The empirical literature that relates to the relationship between the performance of the enterprise and CSR initiatives could be reviewed by using the qualitative and the quantitative studies. The quantitative studies have been done in terms of regression and events studies that have led to results that are conclusive as stated by Weber (2008). Qualitative studies, on the other hand, focus on establishing a relationship that exists between the competitiveness of a firm and the CSR initiatives, which indicates an increase in the financial performance. For example, a study was done by Siegel and McWilliams (2000); Auperle et al., (1985), they realized that a neutral relationship exists between social responsibility activities and profitability. Furthermore, a study conducted by Graves and Waddock (1997) showed that because of CSR initiatives, an improvement of performance forms was realized. For instance, Nyquist, Nilsson, Hassel (2011); Vance (1975) stated that a positive impact of the initiatives of CSR did not exist on the performance of the organization and financial performance.

A suggestion made by Lee and Kotler (2013) stated that since the popularization of CSR in 1970’s, a link between the concept of CSR and the financial performance has raised interests on practitioners and researchers. An article published by an author showed that there existed two standpoints the relationship with the financial performance and the CSR concept could be established. First, being responsible socially, the management benefits from being able to process the needed skills in managing a company that is superior. This results in financial performance of the company that is superior. Secondly, the incurred cost from the CSR activities that increased is recovered from the increased competitive advantage of the company (Gossling, 2011). Nonetheless, Porter and Kramer (2011) discovered that when reputation index is put in place for evaluation of CSR performance, it becomes subjective because it is difficult to measure and perform an evaluation of the reputation derived from the CSR initiatives. This has improved the studying reasoning to not aim at the reputation but the performance. In any case, performance must be affected, and the final result would be the financial performance of the company that has been improved, and the outcome is increased profitability and sales.

That relationship that exists between the CSR and performance of the sales has not only been an interest to many investors but also important in managing the business. Some scholars have viewed that CSR has a negative impact on the businesses’ financial performance, while others have the seen the beneficial part of the CSR to the business, and it should be put in place. As stated before, the important objective of the company is to maximize the shareholder’s profits. Urip, (2013) stated that the activities of CSR create a situation that is win-win for the shareholders and the stakeholders. With the shareholders and legitimacy theories, engagement in the corporate social responsibility benefits the business by keeping a powerful and good relationship with the society they do perform their operations and the firm stakeholders like the investors, the government and the customers. This leads to market performance that is high, the return on investments and sales profitability that is increased, in the business.

The signalling theory suggests that the firms consisting of many CSR initiatives possess capabilities and resources that are superior compared to the businesses that have less CSR initiatives. Therefore, good performance of the CSR initiatives leads to competition that is superior that translates to market reach that is larger, great returns on the investments made and profitability from increased sales levels that are higher. Adopting initiatives of CSR. Therefore, means that the enterprise gets financial performance that is positive as such initiatives lead to increased brand image of the company that can lead to increased sales levels. The CSR investments were found to affect the assets return positively and the equity returns. As shown by Keller and Price (2015), it was discovered that every dimension of investment of CSR translates to positive financial and nonfinancial impacts that are short and long-term. This translates to the firm’s profitability.

Moreover, CRS programs increase the ability to attract competent employees in the business as evidenced in the study by Porter and Kramer (2011). The authors stated that by involving activities of CSR, the attraction of good talent is experienced which increases the advantage of the competition a business and makes the production processes more efficient. Efficiency leads to the satisfaction of the customer, which promotes the loyalty of the customer hence enhancing sales levels in the organisation. In the long term, productivity is achieved because the relation of the employees is improved from the activities of the CSR which leads to the financial performance being increased because of organizational capacity that is increased. The relationship that exists between financial performance and CSR is formed because of the employer being committed to upholding corporate governance and upholding the human rights to ensure good working conditions of the employees, which improves their morale causing increased long-term productivity and thereafter financial performance that is increased, such as investment in the assets returned.

When showing the relationship that is traditional between the financial performance and the CSR, Haynes et al. (2012) explained via the traditional financial performance measure that it was obvious that the initiatives of the CSR perform well on the company’s financial performance. In addition, social responsibility was considered as factor that was contributing to the company’s financial performance, in which it has been considered as a wealth maximizing strategy by being good to the consumers who consists of the environment and the society that the consumer exists in for the business to be awarded the customer loyalty that is long-term, which improves the sale levels of such an enterprise (Coombs & Holladay, 2012). Hence, the value of the firm based on the financial performance of return on capital invested, profitability and increase in sales is realized to be responsible socially from the initiatives.

On another perspective, the study by Marcia, Ogontsetseg, and Hassan (2013) investigated whether US commercial banks in aggregate were taking substantive steps at being socially responsible if their socially responsible activities had changed since the financial crisis and whether they were being rewarded for their actions. The study used publicly available data on CSR to analyse CSR strengths and CSR concerns. It found out that the largest banks consistently had higher CSR strengths and CSR concerns during the sample period. Further, this group saw a steep increase in CSR strengths and a steep drop in CSR concerns as the worst of the financial crisis passed. The study also found that more profitable banks, banks with higher capital ratios, and banks that charged lower fees on deposits had significantly higher CSR strengths.

However, in the local context, Okiro, Omoro, and Kinyua (2013) found out that there was a positive relationship between CSR Initiatives and Increased sales levels. The authors tested the relationship between investments in CSR and sustained the growth of...
commercial banks in Nairobi County. The researchers sought to establish the relationship between banks sustained growth in sales and profitability and CSR. The findings revealed an increasing positive attitude towards CSR in terms of investment. There was a general agreement that CSR was essential for the success of the firm in terms of increased sales levels and profitability. Since commercial institutions work to generate profits by offering the best services to customers, they would provide proper care to retain its customers. The researchers found out that investment in CSR activities had a positive effect on a bank’s sustained profitability growth. The findings indicate that there was a weak positive relationship between the variables and that only 11% of bank-sustained growth could be explained by investing in CSR activities.

Contrary to the studies showing a positive relationship between CSR initiatives and Sales, Friedman (1970) neoclassical approach concluded that engagement in CSR activities in the organisation could reduce profitability. This approach was of the argument that management has only one role and that role is to engage in a decision that would maximize the benefits of its shareholders by expanding the market share because managers are agents of shareholders. As such, any other activity that the managers engage in is seen as an activity that decreases the income of an organisation CSR included. Therefore, this approach is against the management decision of engaging in CSR initiatives as it sees it as an activity that reduces the shareholder's profitability. In addition, the engagement in CSR improves organisational disadvantage and may lead to a relationship that is negative between social responsibility and market performance (Friedman, 1970). Vance (1975) further supported the findings of Friedman (1970) by stating that there is a negative relationship between CSR activities and performance of the organisation. The approach by the author also supported the Neoclassical approach that shows a negative relationship between stock price and CSR.

Besides, Friedman (1970) argued against the CSR initiatives because when the cost of CSR increases, then there is reduced achievement of the business objective because the business would have used a large part of its profit in financing CSR instead of giving value to its shareholders. However, if CSR initiatives are implemented in a manner that is correct, then, in the long run, the business is able to reduce its operations cost by increasing the sales levels which increase the financial benefits as found out by Porter and Kramer (2011). For instance, by reducing the business risk associated with the business reputation which according to Porter and Kramer (2011) may negatively impact the business profitability, the organisation is able to get loyal customers. Thus, investing in environmental and social SCR initiatives might be a present cost, but eventually, after the organisation becomes more reputable and the brand image increases, its financial performance and growth achieved. Thus, the study demonstrates a positive relationship between CSR and financial performance where, investing in CSR increases the financial performance of institutions in terms of profitability, increased sales and return on investment.

However, Nilsson and Nyquist (2011) conducted a study in support of the argument by Friedman (1970) which argued against the implementation of CSR initiatives. The study by Nilsson and Nyquist (2011) was conducted to identify the effect of CSR on the financial performance of Sweden organisations, where the financial performance was measured together with the market value and environmental information. The study concluded that the high environmental CSR initiatives were a cost to the business as it does not only take a large part of the business earnings but also affects the market value of the business. The study also stated that investment in the environment is only made at the expense of the profitability of the business. This implies that the investors will, therefore, have different reactions if their returns are decreased yet the corresponding risk has not decreased (Nilsson & Nyquist, 2011). An argument that was supported by Hassel et al. (2011) who stated that the orientation of the markets is short term, for this reason, the investors are concerned with the short-term information in order to make their investment decisions. Thus, they concluded that companies, which reflect the high rating of environmental performance, are not rewarded by investors.

2.4. Effect of Strategic Corporate Social Responsibility on Market Share

Market share is defined by Gill (2013) as the total customer purchase of services or products; it is the percentage of what goes to the company relative to the total demand in the market. In other words, market share can be seen as the proportion of customers purchasing a specific product relative to the total number of the customers purchasing the similar product but from other sellers. Market share according to Motwani (2012) is seen as a measure of firm’s growth over a specific period of time as a result of customer satisfaction among other factors. These factors contribute mainly to the increase in demand for a specific product that makes customers prefer the product over other supplier’s products or services.

There are different types of market share. Market share can be measured in terms of volumes or values (Gossling, 2011). A measure of market share in terms of values indicates that the total company value is measured in terms of the total company share relative to the total segment sales. Thus, this is done by evaluating the sales values of the company in comparison to the total values from all the competitive companies to identify the value of the company. On the other hand, the volume market share is the actual number of what the company sells out of the total units sold in the market (Gill, 2013). Thus, the volume and value market share cannot exist as a linear equation because the units may be high values of sales but to a low number of customers or in other words, there is a high number of customers who are buying products in low volumes, and these are the norms of the market share.

Market share is significant in a number of ways; market share measures the level of customer preference to a product compared to its competitors selling similar products. A higher market share, in this case, implies that there are high or greater levels of sales, which they put less effort to sell more and enjoy economies of scale that create strong barriers to entry of other competitors (McWilliams, 2000). A higher market share implies that in case there is an expansion of the market, then the leaders gain to benefit from the expansion of the market. Thus, the market leader is viewed as the market share and a definition of own growth in terms of customer base.

According to Gill (2013), there is no enough market share, because it is not good for a company to gain 100% market share because of the risks associated with the market actions. Just like there is change, the company stands to suffer heavily from the impact in acreage.
of market dynamics. In addition, there is a very high cost and killing effort for a company to maintain 100% market share against local, nimble and more aggressive smaller competitors. Thus, companies target which is just beyond the cost of acquiring the market share and the profit from the incremental gain (Gossling, 2011).

Studies have been conducted to explain the relationship and effect of CSR on the market share. For instance, the study by Ajide (2014) investigated the impacts of CSR among large banking companies in Nigeria companies on the market share. The study found out that companies who had engaged in the CSR gained a larger market share than those who did not engage in CSR initiatives. Additionally, the study further established the impact of this on the stock price and indicated that in the short-term, the stock price might go low as the market share increases. However, in the end, the stock price increases with the increase in the market share. However, their correlation showed no direct relationship between CSR initiatives and the performance of stock price among large Nigerian companies (Ajide, 2014).

Additionally, Isaksson and Steimle (2009) established the relationship between CSR and performance in terms of reduced risk and costs in large manufacturing companies in China. The study established that companies, which have invested in CSR activities, stand to gain from increased levels of sales as a result of increase market share in terms of share value and share volumes. As a result, the cost of production and distribution is reduced as well as the shareholders’ risk because higher market share reflects a higher performance of the business in terms of providing back to customers in the form of supporting the communities. This is the major contributor to the customer preference to the company products.

In the local context, there was a relationship between CSR and financial Performance. For instance, Ongolo (2012) investigated the relationship between CSR and market share of supermarkets in Kisumu City for the period 2006 to 2010. He sought to determine the 25 factors that motivated the practice of CSR amongst supermarkets in Kisumu City. The findings revealed that there was a strong relationship between CSR and market share. Institutions that had invested more on CSR had high market share. The researcher also realized that there was a positive correlation coefficient between market share index and CSR. Larger supermarkets preferred education, water, and sanitation while the other supermarkets preferred to support to the less fortunate in society as their CSR activities.

2.5. Effect of Strategic Corporate Social Responsibility on the Organizational Brand

A brand is defined by Smith (2013) as a product of an organization’s strategy, image, mission or activities. The corporate brand is the one that acts as the distinguishing factor from the competitors and acts as the orientating factor to the customer's mind. As further noted by Wolf et al. (2015), a brand is what customer thinks about an organizational product represents the organization in terms of employees, and what the organization stands for. A good example given by this author is a brand like Apple when apple comes to the mind of customers two things emerge; these are quality and simplicity through innovation but at the same time premium pricing. However, Weber (2008) indicates that customers are loyal to brands if it creates a positive perspective in their mind. For instance, some customers would still buy Apple laptops and other products even with a high price because their royalty lies in prestige and quality.

On the other hand, branding is a marketing practice used by an organization to create a name, design or symbol that identifies the product of an organization and differentiates it from other competitor products (Vertigins & Idowum, 2016). Branding is naturally a strategy that aims at creating a competitive edge for business by putting a company brand as business premises to the target customers. Brands tell customers what they expect from the product that will be produced and differentiates their expectations with brands of another competitor. The brand that brings higher positive impacts on customers is mostly the one that is favoured by customers because customers believe that such brand is reliable.

Further, while the foundation of an organizational brand is the packaging, logo, promotional materials and their websites, Phillips and Gully (2014) noted that branding goes beyond just that. In fact, the author states that what the organization does extra above other competitors is what makes the customers buy from a given brand and disfavour the other. This goes back to strategically supporting the community, taking initiatives to preserve the environment and other recognizable activities that help build a strong brand. The brand strategy is achieved through five simple ways, how the brand is built, what will be produced and differentiates their expectations with brands of another competitor. The brand that brings higher positive impacts on customers is mostly the one that is favoured by customers because customers believe that such brand is reliable.

While all the others are done effectively, CSR has proved to be one channel that has been employed by organizations to communicate the brand strategy. The use of CSR has had a different effect on the brand growth as will be discussed in the following section.

It is interesting to observe that most empirical studies did not conclusively directly link the effects of CSR with the financial performance as argued by (Mermod&Idowu, 2013). However, the concept of brand and reputation directly brings to the light how specifically financial performance is influenced by CSR. For example, it is evident that the financial rewards that an organization gets are directly linked to the direct consequences of the positive brand image or reputation gained through CSR activities (Okiro et al., 2013).

According to the argument by Shin (2014), it is evident that an organization that supports CSR creates a brand reputation in an honest and reliable manner that the customers tend to assume that products from such institutions would be of higher quality than the ones from competitors who do not enjoy this perception. Similar remarks were shared by Schwartz (2011) who stated that corporations are perceived be highly reputable if they engage in CSR activities and this way, they are able to sustain superior profit outcomes over time. Using this reasoning then, the brand value/reputation with its integrative approach as put forward by the study of Babbie (2013) serves as the alternative estimator of performance instead of the conventional indicator of the performance of a firm.
Conducting analysis of the brand features, Amalodoss and Manohar (2013) found out that the corporate brand is in itself a corporate reputation component. The findings corroborated with those of Mermod and Idowu (2013) on the brand strategy who indicated that the brand strategy is a unique opportunity that an organization can make use of to trigger consumer perception. However, there seems to be miss link between the social performance and financial performance relative to reputation. Though, by engaging in CSR activities, the brand would become more reputable bringing about reputable performance in the long run (Hassel et al., 2005).

Further, Arora and Richa (2013) notes in his study on the reasons that organizations engage in CSR initiatives that the potential brand value creation is the main reason that organization engages in CSR. This is because CSR activities are the most promising benefits of engagement in social responsibility. According to Haynes et al. (2012), when stakeholders are satisfied, enhanced performance of an organization is the key outcomes, because satisfaction tends to create such intangible asset in terms of brand reputation and image. It is through the intangible and difficult to replicate assets that would create competitive advantage in the organization that would, in the long run, lead to brand growth reflected in the financial performance.

However, Freedman and Butler (2013) raises the question to support the view that the manner in which social responsibility is approached by corporations does not seem to regard CSR as a very crucial and important function of the business, that which needs to be embedded in its overall strategy. The author argued that there is a tendency or organization pursuing CSR as a reaction or response to the stakeholders’ pressure. In this context, their reaction is neither operational nor strategic but considered as cosmetic, one that is an exercise of public relation as stated by Cheers (2012) in support of Freedman and Butler (2013). The study by Cheers (2012) further states that once CSR is not incorporated into the practices, strategy, and principles of the organization, the effect on the bottom-line will be below the value driven brand potential. Accordingly, to maximize the potential of the brand-driven value, the authors recommend that CSR be embedded into the corporate strategy in consideration to making it be within the strategy formulation. Finally, in an empirical based research by Beamish (2015), it was concluded that bigger corporations normally have bigger motivation base for participation in CSR activities unlike the smaller organizations in size. This is because, bigger organizations tend to receive more attention from the public, and they are prone to CSR engagement, even if this is to avoid compromising its brand image or public scrutiny. However, in most cases, creating public image in most cases makes such organizations fail to embed CSR with the corporate strategy of an organization.

2.6. Summary
In the chapter, all the literature sources by looking deeply at all the available literature on strategic corporate social responsibility and its effect on the performance of the organization, in terms of financial performance, employees’ performance and the brand performance. In addition, it analysed how an organization can align the strategic CSR with the strategic goals of an organization to realize positive effects. The chapter utilized the theoretical literature; empirical literature and the general literature available to address the issues put forward. The major four sections that provided an area of empirical literature review included effects of strategic CSR on sales, market share and brand performance. Having completed chapter two, chapter three discusses the research methodology.

3. Research Methodology

3.1. Introduction
Research methodology refers to the steps or sequence of events needed to plan what data is to be analysed. It provides a framework of how the study is to be carried out (Arthur et al., 2012). Mugenda and Mugenda (2003) state that research methodology includes the research designs, data collection procedures and data analysis to be applied in carrying out the research study. Research methodology will help in defining the research design to be used, which then will determine the data collection procedures and analysis to be employed. Thus, chapter three discusses the methods of primary research that will be used in this study, the research design, sample size, population, sampling techniques and data collection tools and analysis methods will be discussed.

3.2. Research Design
The research design is the procedure, which the researcher will employ in order to achieve the objectives of the research. A research design is a conceptual structure within which research is carried out; it constitutes the blueprint for the collection, measurement and analysis of data (Kothari, 2009). The research design is a way of achieving the research objectives through historically proven ways. According to Sloman (2010), a research design is a framework for specifying the relationship among the study’s variables and outline procedures for every research activity ranging from sampling procedures to presentation of findings. There are several designs that can be undertaken in research design: these include exploratory, descriptive, causal, experiments, survey and case study (Babbie, 2013).

The study will adopt a descriptive design. Descriptive research design is either qualitative or quantitative in nature. This is a type of the investigation design concerned with fact finding by focusing on a well-defined study area or few dimensions. Descriptive research design according to Marshall and Rossman (2011) examines a phenomenon or a scenario in its status and further tries to describe it. The descriptive design further explains the characteristics and behaviour of the population under study as Arthur et al. (2012) note. This study will adopt descriptive research design to investigate the effect of CSR on the performance of Safaricom limited. The researcher prefers this method because it reports and determines things are they are. The research design is considered appropriate because it will help collect detailed information that the researcher will use variables for analysis of data.
3.3. Population and Sampling Design

3.3.1. Population
Population is events elements or objects with the desired characteristics that interests the researcher. In this case, the population of the study is the CSR companies (Coopers & Schindler, 2014). This population will be used for selecting the target population and finally the desired sample population. The population is selected from a telecommunication company Safaricom Ltd which practices CSR and consists of employees from all the 64 branches in Kenya. From the accessible population, the target population is Safaricom limited, Head Office Branch in Westland, where a sample population will be selected. Target population consist of 597 employees working at Safaricom Head office. Table 1 shows the target population.

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of Employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>244</td>
<td>100</td>
</tr>
<tr>
<td>Marketing</td>
<td>124</td>
<td>100</td>
</tr>
<tr>
<td>Finance</td>
<td>27</td>
<td>100</td>
</tr>
<tr>
<td>Information and Technology</td>
<td>62</td>
<td>100</td>
</tr>
<tr>
<td>Customer Consultant</td>
<td>123</td>
<td>100</td>
</tr>
<tr>
<td>Audit</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>597</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 1: The distribution of Target Population

3.3.2. Sampling Design
Sampling design refers to the rules and procedures by which some elements of the population are included in the sample. The common sampling approaches are cluster sampling, stratified sampling, and simple random sampling (Dattalo, 2009).

3.3.2.1. Sampling Frame
Babbie (2013) describes sampling frame as a group/set of facts that are used to isolate a sample population for arithmetical treatment. Dattalo (2009) describes a sampling frame the official list that contains the target population or a method employed to describe a researcher’s target population. He further notes that the sampling frame describes a group of components in the population that can be used by a researcher to pick a sample from the targeted population. Babbie (2013) states that a sampling frame contains an arithmetical identifier for particular group(s), inclusive of other classifying information about features of the groups, to assist in research analysis and also permit for separation into more frames that lead to a more in-depth analysis. The sampling frame for the study came from the human resource department, and it contained the list of all employees under the various departments within Safaricom Ltd.

3.3.2.2. Sampling Techniques
To reduce the target population to researchable population based on time and financial constraints, the researcher must select a sampling design that ensures proper representation and objectivity. The two sampling designs that can be used are probability and non-probability design (Kathori, 2006). In this study, the researcher selected probability stratified sampling technique to select a sample population of employees at Safaricom Limited who will take part in this study. Using this technique, employees will be divided into stratum of the department where the sample was selected using the formula recommended by Creswell (2013).

3.3.2.3. Sample Size
Mugenda and Mugenda (2003) argue that sample size is an important feature of the study whose purpose is making inference about the population from a sample, which best represents, the target population. Using the stratified method recommended by the study and the formula recommended by Creswell (2013), the sample size has been selected representing employees from Safaricom, Westland Branch. The formula is denoted as:

\[ n = \frac{Z^2pqN}{e^2(N-1) + Z^2pq} \]  
(Creswell, 2013)

where: \(n\) is the desired sample, \(N\) is the entire population, and \(p\) is the population reliability which is considered as \(p\leq0.05\) and \(Z\alpha/2\) is considered as the 1.96 at a significance level of 0.05 and \(e\) is the standard error of 10%.

Thus,

\[ n = \frac{(1.96)^2*0.5*0.5*597}{0.1^2(597-1)+1.96^2*0.5^2} \]

\[ n = \frac{3.84*0.25*597}{0.01(596)+3.84*0.25} \]

\[ n = 573.12 \]

\[ N = 82.8 \]
Thus, the sample size is equal to 83 respondents.

Further, we find the sample size in each stratum from Safaricom where the strata were in the form of department. The samples will be as follows.

Sample size from each stratum will be $= \text{Strata target population (ST)} \times \text{sample size (SS)} / \text{total target population (TTP)}$

Strata Sample = ST$\times$SS/TTP

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of Employees</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>244*83/597</td>
<td>34</td>
</tr>
<tr>
<td>Marketing</td>
<td>124*83/597</td>
<td>17</td>
</tr>
<tr>
<td>Finance</td>
<td>27*83/597</td>
<td>4</td>
</tr>
<tr>
<td>Information and Technology</td>
<td>62*83/597</td>
<td>9</td>
</tr>
<tr>
<td>Customer Consultant</td>
<td>123*83/597</td>
<td>16</td>
</tr>
<tr>
<td>Audit</td>
<td>17*83/597</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>597</strong></td>
<td><strong>83</strong></td>
</tr>
</tbody>
</table>

*Table 2: Sample size from Each Department*

3.4. Data Collection Methods

The primary data is information collected from the field. To conduct primary research from the field, different tools can be used such as case studies, surveys, interviews and questionnaires. In this study, given that a descriptive study has been adopted, the researcher will use questionnaires (Creswell, 2013). Data collection instruments according to Cooper and Schindler (2014), are tools used for gathering empirical evidence in order to gain new insight into a situation and answers questions that prompt the undertaken research. They include: questionnaires, interviews, observations and focus group discussions. The method to use in collecting data largely depends on the type of data, either primary or secondary data (Kothari, 2006). This study will use questionnaires to collect primary data that will help investigate the effect of CSR on the performance of Safaricom Limited.

The benefit of questionnaires is that they are easy to administer, ensure objectivity because of their close-ended nature and can be used to establish a relationship between variables. The limitation of personal opinion from the study will be overcome by ensuring that all the objectives have been considered in the questionnaire. Babbie (2013) explains that open-ended questions or unstructured questions are those for which alternative are provided while close-ended questions or structured questions do not provide alternatives for the respondents to choose from. The questionnaires in this study will use closed ended questions and will be administered to respondents who will be required to complete them. It will also utilize LIKERT scale methodology.

3.5. Research Procedures

It is important that the researcher identifies the validity and reliability of the research instruments used in the research as Sloman (2010) note. For this reason, pretesting will be done to the questionnaire before being administered to the research sample. Mugenda and Mugenda (2003) argues that for pretesting, a sample of 1-10% of the target sample is sufficient. The researcher, therefore, will issue 15 questionnaires; this will provide an opportunity to see if the questions work well, or they sound strange and if there is a need to eliminate or add questions to the questionnaire. The pretesting will be done to 15 employees at Airtel who will not be part of the sample selected to take part in the research. This will ensure that the reliability and validity of the questionnaires used are enhanced.

After the pre-test, the researcher will acquire a letter of consent from the University and ask for permission to undertake research at Safaricom. After permission is granted, the researcher will select the suitable sample, make them aware of the objectives of the study and what is expected, as well as clarify the purpose of each section of the questionnaire. The researcher will further guide the researchers in filling the questionnaire to ensure that there are completeness and validity of the research questionnaire. Each participant will be given 2 hours to respond to the research questions. Finally, the researcher will collect the questionnaires, sort and assemble them awaiting data entry and analysis.

3.6. Data Analysis

Marshall and Rossman (2011) define data analysis as the process of extracting qualitative and quantitative research information collected from research instruments for the purpose of interpretation and discussions. Cooper and Schindler (2014) argue that data analysis involves reducing accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques such as tables, charts, and percentages. Data analysis for this study will utilize quantitative methodology in order to derive meaning from the data collected. The data will be analysed using statistical package for social sciences SPSS and presented through percentages, means, standard deviations and frequencies in graphical and tabular manner. In addition, statistical tests such as correlation, and regression analysis will be conducted to establish a relationship between CSR and performance of Safaricom Limited.

3.7. Ethical Considerations

Ethics are beliefs and rules about what is right and wrong. According to Creswell (2013), research ethics emphasizes on determining what is right and wrong during the research period. The goal of ethics in research is to ensure that the researcher follows the right procedure in the collection and analysis of data and recommendation of the research findings. Value and judgment play a critical role when one makes ethical decisions during the research process (Sloman, 2010). However; unethical activities are pervasive and include violating none disclosure agreements with the parties who provide data to the researcher, breaking respondents’ confidentiality,

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misinterpretation of results, deceiving people and avoiding legal liability. It will be made clear that the participation is voluntary and that the respondents are free to decline or withdraw any time during the research period. No identification will be required from the respondents to avoid tracing the answers to individuals. The researcher will assure the respondents of confidentiality by stating that the research is only for academic purposes. The researcher will also seek permission from the relevant authority to conduct the research at specified times to avoid colliding with the respondents’ schedule.

3.8. Chapter Summary
This chapter presented the research methodology by presenting the sampling design, the population and sampling techniques, the sample population, data collection techniques and tools. Finally, the researcher discussed the data collection and analysis process as well as the study ethical considerations. The next chapter presents the study findings.

4. Data Analysis Results and Findings

4.1. Introduction
Chapter four provides the discussion of data analysis results on the study of the effect of corporate social responsibility on Safaricom Limited, Kenya. The key research objectives/questions were the effect of corporate social responsibility on sales, market share and brand. The researcher intended to get a sample of 83 respondents. However, 75 research questionnaires were complete and valid for the purpose of data analysis. According to Mugenda and Mugenda (2003), this is a response rate of 90% which is excellent response rate. Thus, this response rate is sufficient to make conclusions of the study.

4.2. Background information

4.2.1. Gender

The survey investigating the gender of respondents established that there were more female than male respondents at Safaricom limited. While the female respondents had a representation of 60%, the male respondents had a representation of 40%. However, this did not negatively affect the outcomes of the research results considering that the research is not gender based.

4.2.2. Age

The survey investigating the gender of respondents established that there were more female than male respondents at Safaricom limited. While the female respondents had a representation of 60%, the male respondents had a representation of 40%. However, this did not negatively affect the outcomes of the research results considering that the research is not gender based.
Survey investigating the age of Safaricom limited respondents found out that 57.3% of the respondents were aged between 26-35 years, followed by the respondents aged 18-25 years who had a representation of 18.6%. The respondents aged between 36-45 years were 13.3% while the least represented were respondents aged above 55 years and those aged between 46-55 years who were 2.7% and 8.0% respectively. Having a majority of the respondents aged between 26-35 years is an indication that they have stayed in the organisation for some times and taken part in Safaricom initiatives. Thus, they were aware of the initiatives taking place at Safaricom.

4.2.3. Department

![Department of the Safaricom Limited respondents.](image)

Survey seeking to establish the department of Safaricom limited respondents found out that 40% of the respondents were customer consultants, 25.3% sales, 13.3% finance, 9.3% audit, 6.7% marketing and 5.3% IT. This is an indication that customer consultant had the highest representation followed by the sales department. Considering that the researcher used stratified sampling, the representation was according to the number of respondents from each stratum (department). Thus, there was equal representation from each department enhancing the reliability of the results.

4.2.4. Years Worked

![Years Worked by the respondents at Safaricom Limited](image)

The survey seeking to establish the years worked by the respondents at Safaricom limited found out that 33.3% of the respondents had worked for 1-3 years, 26.7% for 4-6 years, 22.7% below 1 year, 10.7% between 7 and 10 years and 6.7% ten years. This is an indication that the respondents who had worked for 1-3 years were the most followed by those who had worked for 4-6 years. Thus, having 60% of the respondents who had worked for 1-6 years was an advantage for the study because they have had experience with CSR initiatives at Safaricom Limited.
4.2.5. Awareness of CSR

Figure 5: Awareness of CSR initiatives at Safaricom Limited.

The survey seeking to find out if the respondents were aware of CSR at Safaricom limited identified that 92% were aware compared to only 8% of the respondents who were not aware of CSR initiatives at Safaricom Limited. Considering that a majority of the respondents were aware of the initiatives, the researcher was able to investigate the initiatives at Safaricom limited as well as their effect on organisation, i.e. on sales, market share and Safaricom brand.

4.2.6. Safaricom CSR Initiatives

Figure 6: CSR initiatives at Safaricom Limited

Survey investigating the Safaricom limited initiatives found out that there were 10 major initiatives at the moment. These projects include pamoja project, Safaricom partnership with Red Cross and Action Aid and Environmental conservation programs which had responses of 10.7%, 5.6% and 8.3% respectively. In addition, the respondents indicated that there were also Toa Sauti, Matter Heart Run SOYA and green houses in arid and semi-arid areas for agriculture as indicated by 13.3%, 22.50% and 8.3% responses respectively. Furthermore, Safaricom CSR initiatives included also Safaricom 7s sponsorship, Lewa marathon, and Safaricom Foundation as indicated from 12.5%, 13.3% and 22.7% responses. As noted, Safaricom Limited has engaged in different CSR initiatives over the past and at present. Thus, it is important that we investigate the effect of these initiatives on Safaricom Limited, i.e. sales, market share and Safaricom brand as has been investigated in sections 4.3, 4.4 and 4.5 that follows.
4.3. Effect of Corporate Social Responsibility on the Sales of Safaricom Limited

4.3.1. Effect of CSR on Sales
Safaricom limited respondents responded on the effect of CSR on Sales. They showed the levels of agreement on the statements provided relating to the effects of CSR on sales. Results were presented in Table 3. (1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree). The table also presented the mean of items and standard deviation. The standard deviation below 1.5 indicated consistency in the respondents’ responses, while mean above 3.0 showed high employees understanding the effects of corporate social responsibility on sales.

Results from Table 3 investigating the effect of CSR on sales established that 49.3% of the respondents agreed that there is a relationship between corporate social responsibility and sales at Safaricom limited as opposed to 21.3% who were neutral and 5.3% of the respondents who disagreed with a mean of 2.20 and standard deviation of 1.284. The sales levels of Safaricom limited have increased as a result of a result ofCSR as agreed by 45.3% of the respondents and strongly agreed by 16.5% with a mean of 2.17 and standard deviation of 1.178. Further, 48.0 and 45.3% of the respondents with a mean of 1.97 and standard deviation of 0.972 agreed and strongly agreed respectively that the profitability increase at Safaricom limited has been as a result of an increase in Sales. These findings agreed with the study by Urip, (2013) who stated that the activities of CSR create a situation that is win-win for the shareholders and the stakeholders. With the shareholders and legitimacy theories, engagement in the corporate social responsibility benefits the business by keeping a powerful and good relationship with the society they do perform their operations and the firm stakeholders like the investors, the government and the customers. This leads to market performance that is high, the returnon investments and sales profitability that is increased, in the business. Findings supported by Chandler (2015) who notes that high levels of investment in CSR has been seen as a way of reverting the high rivalry among competitors increasing the brand image among customers, suppliers, investors and other stakeholders which in turn leads to high market performance, increased profitability from sales and return on investments of the business.

Further, the study investigating the effect of CSR on sales established that there had been an increase in Return on capital employed at Safaricom as a result of CSR initiatives as agreed by 46.7% of the respondents with a mean of 2.05 and standard deviation of 1.089. Finally, it was agreed by 49.3% of the respondents with a standard deviation of 0.920 and mean of 1.87; There has been an increase in return on investment because of increase in sales. these findings also agreed with the study by Keller and Price (2015) who identified that each dimension of CSR investment translates to different positive short and long-term financial and non-financial impacts where all this translates to the profitability of a firm. Further, Coombs and Holladay (2012) agreed that the firms’ value in terms of financial performance such as sales increase, return on capital invested and profitability is realized from their initiatives to be socially responsible. From this study, it implies that CSR initiatives have an effect on Sales of Safaricom Limited.

<table>
<thead>
<tr>
<th>Effects of CSR on Sales</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>MEAN</th>
<th>STD DEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a relationship between corporate social responsibility and sales at Safaricom limited</td>
<td>--</td>
<td>5.3</td>
<td>21.3</td>
<td>49.3</td>
<td>24.0</td>
<td>2.20</td>
<td>1.284</td>
</tr>
<tr>
<td>The sales levels of Safaricom limited have increased as a result of Safaricom CSR</td>
<td>--</td>
<td>8.0</td>
<td>30.7</td>
<td>45.3</td>
<td>16.0</td>
<td>2.17</td>
<td>1.178</td>
</tr>
<tr>
<td>The profitability increases at Safaricom limited has been as a result of increase in Sales</td>
<td>-</td>
<td>--</td>
<td>6.7</td>
<td>48.0</td>
<td>45.3</td>
<td>1.97</td>
<td>0.972</td>
</tr>
<tr>
<td>There has been increase in Return on capital employed as a result of CSR initiatives</td>
<td>--</td>
<td>10.7</td>
<td>33.3</td>
<td>46.7</td>
<td>9.3</td>
<td>2.05</td>
<td>1.089</td>
</tr>
<tr>
<td>There has been increase in return on investment because of increase in sales</td>
<td>--</td>
<td>--</td>
<td>14.7</td>
<td>49.3</td>
<td>36.0</td>
<td>1.87</td>
<td>0.920</td>
</tr>
</tbody>
</table>

Table 3: Effects of CSR on Sales

4.3.2. Correlation of CRS and its effect on Sales
Pearson Correlation analysis between CSR and its effect on Sales has been presented in Table 4. The correlation can show significant or insignificant relationship if the P (R) value is <0.05 (Significant) and if >0.05 (Insignificant). The strength of the relationship is as follows; 0-0.2 very low correlation, 0.21-0.4 low correlation, 0.41-0.6 moderate correlation, 0.61-0.8 high correlation and 0.81-1 very high correlation between CSR and Sales.

The findings from Pearson Correlation analysis establishing the relationship between CSR and Effect on sales had a positive and negative relationship. For instance, a very low significant relationship of 0.063 at (R<0.05 at 0.003) was established between CSR and Sales at Safaricom Limited. In addition, a very low significant relationship was also established between CSR and increase in Safaricom sales levels at a significant level of 0.11 at (R<0.05 at 0.009). Finally, a very low significant relationship was also found between CSR and increased profitability as a result of increased sales as indicated by Pearson Correlation of 0.094 (R<0.05 at 0.042). These findings agreed with the study by the study of Okiro, Omoro, and Kinyua (2013) found out that there was a positive relationship between CSR Initiatives and Increased sales levels. The authors tested the relationship between investments in CSR and sustained the growth of commercial banks in Nairobi County. The researchers sought to establish the relationship between banks sustained growth in sales and profitability and CSR.

However, the Pearson correlation also identified an insignificant relationship between CSR and Return on capital employed and return on investment because R>0.05 at 0.783 for return on capital employed and R>0.5 at 0.958 for return on investment. Nonetheless, these findings also agreed with the study by Hassel et al. (2011) who argued that argued that markets are short term oriented, which is the reason the investors are not concerned with the long-term information of the environment when making the decisions to invest. Thus, they concluded that companies, which reflect the high rating of environmental performance, are not rewarded by investors. However, it can be argued that there is a positive relationship between most of the elements of sales and CSR initiatives at Safaricom Limited.
There is a relationship between corporate social responsibility and sales at Safaricom limited

The sales levels of Safaricom limited have increased as a result of Safaricom CSR initiatives

The profitability increases at Safaricom limited has been as a result of increase in sales

There has been increase in Return on capital employed as a result of CSR initiatives

There has been an increase in return on investment because of increase in sales.

<table>
<thead>
<tr>
<th>Correlation of CSR and Effect on Sales</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a relationship between corporate social responsibility and sales at Safaricom limited</td>
<td>0.063* 0.003</td>
</tr>
<tr>
<td>The sales levels of Safaricom limited have increased as a result of Safaricom CSR initiatives</td>
<td>0.011* 0.009</td>
</tr>
<tr>
<td>The profitability increases at Safaricom limited has been as a result of increase in sales</td>
<td>0.094* 0.042</td>
</tr>
<tr>
<td>There has been increase in Return on capital employed as a result of CSR initiatives</td>
<td>-0.032 0.783</td>
</tr>
<tr>
<td>There has been an increase in return on investment because of increase in sales.</td>
<td>-0.006 0.958</td>
</tr>
</tbody>
</table>

Table 4: Correlation of CSR and Effect on Sales

4.4. Effect of Corporate Social Responsibility on the Market Share of Safaricom Limited

4.4.1. Effect of CSR on Market Share

Safaricom limited respondents responded on the effect of CSR on Sales. They showed the levels of agreement on the statements provided relating to the effects of CSR on Safaricom market share. Results were presented in Table 5, (1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree). The table also presented the mean of items and standard deviation. The standard deviation below 1.5 indicated consistency in the respondent’s responses, while mean above 3.0 showed high employees understanding the effects of corporate social responsibility on market share.

Survey investigating the effect of CSR on Safaricom market share made some findings as shown from Table 5. The survey established that there is a relationship between corporate social responsibility and market share at Safaricom limited as agreed by 49.3% as opposed to only 12% of the respondents who disagreed at a mean of 2.05 and standard deviation of 1.173. The market share of Safaricom limited have increased as a result of CSR initiatives as agreed by 45.3% of the respondents while 25.3% disagreed at a mean of 2.15 and standard deviation of 1.182. Further, 41.3% of Safaricom respondents agreed at a mean of 2.23 and standard deviation of 1.214 that Safaricom Limited dominance in terms of market share has been as a result of their CSR initiatives. There has also been an increase in return on investment because of increase in sales at Safaricom limited as agreed and equally strongly agreed by 44.0% of the respondents respectively at a mean of 2.00 and standard deviation of 0.944. These survey results agreed with the research by Ajide (2014) investigating the impacts of CSR among large banking companies in Nigeria companies on the market share.

In this study, it was found out that companies who had engaged in the CSR gained a larger market share than those who did not engage in CSR initiatives. Additionally, the study further established the impact of this on the stock price and indicated that in the short-term, the stock price might go low as the market share increases. However, in the end, the stock price increases with the increase in the market share. However, their correlation showed no direct relationship between CSR initiatives and the performance of stock price among large Nigerian companies (Ajide, 2014).

Furthermore, the level of customer preference to a product compared to its competitors selling similar products as a result of CSR as agreed by 41.3% of the respondents at a mean of 2.08 and a standard deviation of 1.088. Finally, the higher market share has led to greater sales making Safaricom enjoy economies of scale that creates strong barriers to entry of other competitors as a result of CSR initiatives. Additionally, the study by Ongolo (2012) who investigated the relationship between CSR and market share of supermarkets in Kisumu City for the period 2006 to 2010. He sought to determine the 25 factors that motivated the practice of CSR among supermarkets in Kisumu City. The findings revealed that there was a strong relationship between CSR and market share. Institutions that had invested more on CSR had high market share. Therefore, it can be concluded that there is effect of CSR initiatives on the Market share of Safaricom Limited.

<table>
<thead>
<tr>
<th>Effects of CSR on Market Share</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>MEAN</th>
<th>STD DEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a relationship between corporate social responsibility and market share at Safaricom limited</td>
<td>--</td>
<td>12.0</td>
<td>22.7</td>
<td>49.3</td>
<td>16.0</td>
<td>2.05</td>
<td>1.173</td>
</tr>
<tr>
<td>The market share of Safaricom limited have increased as a result of CSR initiatives</td>
<td>--</td>
<td>12.0</td>
<td>25.3</td>
<td>45.3</td>
<td>17.4</td>
<td>2.15</td>
<td>1.182</td>
</tr>
<tr>
<td>Safaricom Limited dominance in terms of market share has been as a result of their CSR initiatives</td>
<td>4.0</td>
<td>13.3</td>
<td>30.7</td>
<td>41.3</td>
<td>10.7</td>
<td>2.23</td>
<td>1.214</td>
</tr>
<tr>
<td>There has been increase in return on investment because of increase in sales.</td>
<td>--</td>
<td>--</td>
<td>12.0</td>
<td>44.0</td>
<td>44.0</td>
<td>2.00</td>
<td>0.944</td>
</tr>
<tr>
<td>the level of customer preference to a product compared to its competitors selling similar products as a result of CSR</td>
<td>--</td>
<td>22.7</td>
<td>22.7</td>
<td>41.3</td>
<td>13.3</td>
<td>2.08</td>
<td>1.088</td>
</tr>
<tr>
<td>Higher market share has led to greater sales making Safaricom enjoy economies of scale that creates strong barriers to entry of other competitors as a result of CSR</td>
<td>4.0</td>
<td>9.3</td>
<td>18.7</td>
<td>37.3</td>
<td>30.7</td>
<td>2.55</td>
<td>1.369</td>
</tr>
</tbody>
</table>

Table 5: Effects of CSR on Market Share
4.4.2. Correlation of CSR and its Effect on Market Share

Pearson Correlation analysis between CSR and its effect on market share has been presented in Table 6. The correlation can show significant or insignificant relationship if the P (R) value is <0.05 (Significant) and if >0.05 (Insignificant). The strength of the relationship is as follows; 0-0.2 very low correlation, 0.21-0.4 low correlation, 0.41-0.6 moderate correlation, 0.61-0.8 high correlation and 0.81-1 very high correlation between CSR and market share.

The Pearson Correlation analysis found both significant and insignificant relationship between CSR and effect on market Share. There was a significant moderate relationship of 0.442 (R<0.05 at 0.00) between CSR initiatives at Safaricom Limited and its market share. Further, there was a significant low relationship of 0.014 (R<0.05 at 0.009) between CSR initiatives at Safaricom limited and increased market share. Also, there was a significant relationship of 0.210 (R<0.05 at 0.007) between CSR initiatives at Safaricom limited and customer preference for Safaricom products compared to competitors selling similar products. These findings agreed with the study by Amalodoss et al. (2013) who stated that corporations are perceived be highly reputable if they engage in CSR activities and this way, they are able to support higher profit outcomes over time. Using this reasoning then, the brand value/reputation with its integrative approach as put forward by the study of Babbie (2013) serves as the alternative estimator of performance instead of the conventional indicator of the performance of a firm.

Nonetheless, there was an insignificant relationship of -0.047 (R>0.05 at 0.690) between CSR initiatives at Safaricom limited and market dominance. In addition, there was an insignificant relationship of -0.026 (R>0.05 at 0.824) between CSR Initiatives at Safaricom Limited and increase in return on investment. Finally, there was also an insignificant relationship of 0.119 (R>0.05 at 0.311) between CSR at Safaricom limited and Safaricom limited enjoying economies of scale as a result of greater market share. However, the general findings from the study can be summed that there is a positive relationship between CSR initiatives and market share of Safaricom limited.

<table>
<thead>
<tr>
<th>Correlation of CSR and Effect on Market Share</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a relationship between corporate social responsibility and market share at Safaricom limited</td>
<td>0.442* 0.000</td>
</tr>
<tr>
<td>The market share of Safaricom limited have increased as a result of CSR initiatives</td>
<td>0.014* 0.009</td>
</tr>
<tr>
<td>Safaricom Limited dominance in terms of market share has been as a result of their CSR initiatives</td>
<td>-0.047 0.690</td>
</tr>
<tr>
<td>There has been an increase in return on investment because of increase in sales.</td>
<td>-0.026 0.824</td>
</tr>
<tr>
<td>Level of customer preference to a product compared to its competitors selling similar products as a result of CSR</td>
<td>0.210* 0.007</td>
</tr>
<tr>
<td>Higher market share has led to greater sales making Safaricom enjoy economies of scale that creates strong barriers to entry of other competitors as a result of CSR</td>
<td>0.119* 0.311</td>
</tr>
</tbody>
</table>

Table 6: Correlation of CSR and Effect on Market Share

4.5. Effect of Corporate Social Responsibility on Safaricom Ltd brand

4.5.1. Effect of CSR on Safaricom Brand

Safaricom limited respondents responded on the effect of CSR on Safaricom Brand. They showed the levels of agreement on the statements provided relating to the effects of CSR on sales. Results were presented in Table 7. (1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree). The table also presented the mean of items and standard deviation. The standard deviation below 1.5 indicated consistency in the respondent’s responses, while mean above 3.0 showed high employees understanding the effects of corporate social responsibility on Safaricom Brand.

The survey investigating the effect of CSR on Safaricom Limited brand indicated that Safaricom engages in CSR initiatives for potential brand value creation as agreed by 58.7% of the respondents with a mean of 2.05 and standard deviation of 1.355. Further, 44% of the respondents agreed at a mean of 2.41 and standard deviation of 1.357 that by engaging in CSR activities, Safaricom brand has become more reputable bringing about reputable performance in the long run as opposed to 5.3% of those who disagreed. Also, Brand growth as a result of CSR is reflected in the financial performance of Safaricom as strongly agreed by 40% of the respondents and agreed by 37% at a mean of 2.55 and standard deviation of 1.349. These findings agreed with the study by Schwartz (2011) who stated that corporations are perceived be highly reputable if they engage in CSR activities and this way, they are able to sustain superior profit outcomes over time. Using this reasoning then, the brand value/reputation with its integrative approach as put forward by the study of Babbie (2013) serves as the alternative estimator of performance instead of the conventional indicator of the performance of a firm.

Furthermore, because of CSR initiative, Safaricom has been able to earn customer loyalty, which is an indication of brand growth as strongly agreed by 44% of the respondents at a mean of 2.61 and a standard deviation of 1.404. Finally, as a result of support for CSR initiatives, Safaricom creates a brand reputation in an honest and reliable manner that the customers tend to assume that products from such institutions would be of higher quality than the ones from competitors who do not enjoy this perception as strongly agreed by 45.3% of the respondents at a mean of 2.67 and standard deviation of 1.359. These findings agreed with the study by Amalodoss and Manohar (2013) who found out that the corporate brand is in itself a corporate reputation component. The findings corroborated with
those of Mermod and Idowu (2013) on the brand strategy who indicated that the brand strategy is a unique opportunity that an organization can make use of to trigger consumer perception. As such, we can conclude that CSR initiatives at Safaricom Limited have an effect on its brand.

<table>
<thead>
<tr>
<th>Effects of CSR on Safaricom Brand</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>MEAN</th>
<th>STD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safaricom engage in CSR initiatives for potential brand value creation</td>
<td>--</td>
<td>6.7</td>
<td>5.3</td>
<td>58.7</td>
<td>29.3</td>
<td>2.05</td>
<td>1.355</td>
</tr>
<tr>
<td>By engaging in CSR activities, Safaricom brand has become more reputable bringing about reputable performance in the long run</td>
<td>--</td>
<td>5.3</td>
<td>16.0</td>
<td>44.0</td>
<td>34.7</td>
<td>2.41</td>
<td>1.357</td>
</tr>
<tr>
<td>Brand growth as a result of CSR is reflected in the financial performance of Safaricom</td>
<td>--</td>
<td>10.7</td>
<td>12.0</td>
<td>37.3</td>
<td>40.0</td>
<td>2.55</td>
<td>1.349</td>
</tr>
<tr>
<td>Because of CSR initiative, Safaricom has been able to earn customer loyalty, which is an indication of brand growth.</td>
<td>1.3</td>
<td>10.7</td>
<td>6.7</td>
<td>37.3</td>
<td>44.0</td>
<td>2.61</td>
<td>1.404</td>
</tr>
<tr>
<td>As a result of support for CSR initiatives, Safaricom creates a brand reputation in an honest and reliable manner that the customers tend to assume that products from such institutions would be of higher quality than the ones from competitors who do not enjoy this perception.</td>
<td>--</td>
<td>9.3</td>
<td>10.7</td>
<td>34.7</td>
<td>45.3</td>
<td>2.67</td>
<td>1.359</td>
</tr>
</tbody>
</table>

**Table 7: Effects of CSR on Safaricom Brand**

4.5.2. Correlation of CSR and its effect on Safaricom Brand

Pearson Correlation analysis between CSR and its effect on Safaricom brand has been presented in Table 8. The correlation can show significant or insignificant relationship if the P (R) value is <0.05 (Significant) and if >0.05 (Insignificant). The strength of the relationship is as follows; 0-0.2 very low correlation, 0.21-0.4 low correlation, 0.41-0.6 moderate correlation, 0.61-0.8 high correlation and 0.81-1 very high correlation between CSR and Safaricom brand.

The Pearson Correlation analysis from Table 8 indicated that there was both significant and insignificant relationship between CSR initiatives at Safaricom Limited and brand. For instance, there was a significant moderate relationship of 0.442 (R<0.05 at 0.000) between CSR initiatives and Safaricom engagement in initiatives that create brand value. In addition, there was a significant low relationship of 0.231 (R<0.05 at 0.046) between CSR initiatives and reputable performance at Safaricom in the long run. Further, a significant low relationship of 0.163 (R<0.05 at 0.016) between CSR initiative and Safaricom being able to increase its financial performance as a result of brand growth. However, there was also an insignificant relationship between CSR and aspects of Safaricom brand. For instance, there was an insignificant relationship of 0.047 (R>0.05 at 0.680) between CSR initiatives and customer loyalty at Safaricom Limited. Finally, there was an insignificant relationship of 0.146 (R>0.05 at 0.213) between CSR initiatives and Safaricom creating reputable brand in an honest and reliable manner that customer tends to assume that products from such institutions would be of higher quality than the ones from competitors who do not enjoy this perception. These findings on insignificant relationship tends to agree to some extent with the study by Freedman and Butler (2013) who raises the question to support the view that the manner in which social responsibility is approached by corporations does not seem to regard CSR as a very crucial and important function of the business, that which needs to be embedded in its overall strategy. The author argued that there is a tendency or organization pursuing CSR as a reaction or response to the stakeholders’ pressure. Nonetheless, we can argue that there is a significant relationship between CSR initiatives and Safaricom brand.

<table>
<thead>
<tr>
<th>Correlation of CSR and Effect on Safaricom Brand</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safaricom engage in CSR initiatives for potential brand value creation</td>
<td>0.442*</td>
</tr>
<tr>
<td>By engaging in CSR activities, Safaricom brand has become more reputable bringing about reputable performance in the long run</td>
<td>0.231* 0.046</td>
</tr>
<tr>
<td>Brand growth as a result of CSR is reflected in the financial performance of Safaricom</td>
<td>0.163* 0.016</td>
</tr>
<tr>
<td>Because of CSR initiative, Safaricom has been able to earn customer loyalty, which is an indication of brand growth.</td>
<td>0.047 0.689</td>
</tr>
<tr>
<td>As a result of support for CSR initiatives, Safaricom creates a brand reputation in an honest and reliable manner that the customers tend to assume that products from such institutions would be of higher quality than the ones from competitors who do not enjoy this perception.</td>
<td>0.146 0.213</td>
</tr>
</tbody>
</table>

**Table 8: Correlation of CSR and Effect on Safaricom Brand**

4.6. Summary

The research investigated the effect of CSR on Safaricom. The aspects of performance that were investigated in this survey included the effect of CSR on Safaricom Limited sales, market share and its brand. From the findings, it was evident that the CSR initiatives undertaken at Safaricom limited have an effect on Sales, market share and brand. In addition, to a great extent, the Pearson Correlation analysis showed a relationship between CSR initiatives and Safaricom limited brand, sales and market share. Having completed this chapter, chapter five provides discussions and conclusions.
5. Discussions, Conclusions and Recommendations

5.1. Introduction
Chapter five presents discussions conclusion and recommendations based on the findings from chapter four. Such information shall be related to the findings from the literature review and provide recommendations to both Safaricom and future researchers.

5.2. Summary of the Findings
The aim of the study was to find out the effect of CSR initiatives on Safaricom. The research questions that were addressed in this study were; what is the effect of CSR initiatives on sales? What is the effect of CSR initiatives on market share? What is the effect of CSR initiatives on brand?

A survey to investigate and come up with the answers to the research question was conducted at Safaricom limited using descriptive design. A sample of 75 respondents was used to conduct the survey at Safaricom limited where structured questionnaires were issued to the selected sample using stratified sampling technique. The data was entered and analysed using SPSS statistical tool to generate correlation figures as well as frequencies and percentages. The information was further presented using figures and tables and related with the literature review.

5.2.1. Effect of CSR Initiatives on Sales
From the study, it was established that there is an effect of CSR initiatives on the sales of Safaricom Limited. It was found out that as a result of CSR initiatives, there has been an increase in the levels of sales, increase in capital employed, increase in profitability as a result of an increase in sales and increase in return on investment. In addition, the research found a relationship between CSR initiatives and Sales increase. As such, it can be said that CSR initiatives have an effect on Sales at Safaricom.

5.2.2. Effect of CSR Initiatives on Market Share
The study also established that there is an effect of CSR initiatives on the market share of Safaricom Limited. It was found out that as a result of CSR initiatives, the has been increase in the market share, increase in return on investment as a result of increase in market share, increases in customer preference for Safaricom products compared to the competitors and enjoy economies of scale as a result of a bigger market share than competitors. In addition, the research found a relationship between CSR initiatives and market share increase. As such, it can be said that CSR initiatives have an effect on market share at Safaricom.

5.2.3. Effect of CSR Initiatives on Brand
Finally, the study found out that there is effect of CSR initiatives on the on Safaricom Limited brand. It was found out that as a result of CSR initiatives, the brand has become more reputable, brand growth has brought about increase in financial performance, earning customer loyalty and create a brand reputation in an honest and reliable manner. In addition, the research found a relationship between CSR initiatives and market share increase. As such, it can be said that CSR initiatives have an effect on Safaricom Limited Brand.

5.3. Discussions

5.3.1. Effect of CSR Initiatives on Sales
The study investigating the effect of CSR on sales established that 49.3% of the respondents agreed that there is a relationship between corporate social responsibility and sales at Safaricom limited as opposed to 21.3% who were neutral and 5.3% of the respondents who disagreed with a mean of 2.20 and standard deviation of 1.284. The sales levels of Safaricom limited have increased as a result of Safaricom CSR as agreed by 45.3% of the respondents and strongly agreed by 16.5% with a mean of 2.17 and standard deviation of 1.178. Further, 48.0 and 45.3% of the respondents with a mean of 1.97 and standard deviation of 0.972 agreed and strongly agreed respectively that the profitability increase at Safaricom limited has been as a result of an increase in Sales. These findings agreed with the study by Urip (2013) who noted that the CSR activities create a win-win situation for the stakeholders as well as the shareholders. With the legitimacy and shareholders theory, engagement in corporate social responsibility helps corporations to keep a good and powerful relationship with the society they operate within and the strong stakeholders such as the government, the investors, and lenders leading to increased sales. Findings supported by Chandler (2015) who notes that high levels of investment in CSR has been seen as a way of reverting the high rivalry among competitors increasing the brand image among customers, suppliers, investors and other stakeholders which in turn leads to high market performance, increased profitability from sales and return on investments of the business.

Further, the study investigating the effect of CSR on sales established that there had been an increase in Return on capital employed at Safaricom as a result of CSR initiatives as agreed by 46.7% of the respondents with a mean of 2.05 and standard deviation of 1.089. It was agreed by 49.3% of the respondents with a standard deviation of 0.920 and mean of 1.87; There has been an increase in return on investment because of increase in sales. These findings also agreed with the study by Keller and Price (2015) who identified that each dimension of CSR investment translates to different positive short and long-term financial and non-financial impacts where all this translates to the profitability of a firm. Further, Coombs and Holladay (2012) agreed that the firms’ value in terms of financial performance such as sales increase, return on capital invested and profitability is realized from their initiatives to be socially responsible.
Finally, the findings from Pearson Correlation analysis establishing the relationship between CSR and Effect on sales had apasive and negative relationship. For instance, a very low significant relationship of 0.063 (R<0.05 at 0.003) was established between CSR and Sales at Safaricom Limited. In addition, a very low significant relationship was also established between CSR and increase in Safaricom sales levels at a significant level of 0.11 (R<0.05 at 0.009). Finally, a very low significant relationship was also found between CSR and increased profitability as a result of increased sales as indicated by Pearson Correlation of 0.094 (R<0.05 at 0.042). These findings agreed with the study by the study of Okiro, Omoro, and Kinyua (2013) found out that there was a positive relationship between CSR Initiatives and Increased sales levels. The authors tested the relationship between investments in CSR and sustained the growth of commercial banks in Nairobi County. The researchers sought to establish the relationship between banks sustained growth in sales and profitability and CSR. However, the Pearson correlation also identified an insignificant relationship between CSR and Return on capital employed and return on investment because R>0.05 at 0.783 for return on capital employed and R>0.5 at 0.958 for return on investment. Nonetheless, these findings also agreed with the study by Hassel et al. (2011) who argued that argued that markets are short term oriented, which is the reason the investors are not concerned with the long-term information of the environment when making the decisions to invest. Thus, they concluded that companies, which reflect the high rating of environmental performance, are not rewarded by investors.

5.3.2. Effect of CSR Initiatives on Market Share

Study investigating the effect of CSR on Safaricom market share established that there is a relationship between corporate social responsibility and market share at Safaricom limited as agreed by 49.3% as opposed to only 12% of the respondents who disagreed at a mean of 2.05 and standard deviation of 1.173. The market share of Safaricom limited have increased as a result of CSR initiatives as agreed by 45.3% of the respondents while 25.3% disagreed at a mean of 2.15 and standard deviation of 1.182. Further, 41.3% of Safaricom respondents agreed at a mean of 2.23 and standard deviation of 1.214 that Safaricom Limited dominance in terms of market share has been as a result of their CSR initiatives. There has also been an increase in return on investment because of increase in sales at Safaricom limited as agreed and equally strongly agreed by 44.0% of the respondents respectively at a mean of 2.00 and standard deviation of 0.944. These survey results agreed with the research by Ajide (2014) investigating the impacts of CSR among large banking companies in Nigeria companies on the market share. In this study, it was found out that companies who had engaged in the CSR gained a larger market share than those who did not engage in CSR initiatives. Additionally, the study further established the impact of this on the stock price and indicated that in the short-term, the stock price might go low as the market share increases. However, in the end, the stock price increases with the increase in the market share. However, their correlation showed no direct relationship between CSR initiatives and the performance of stock price among large Nigerian companies (Ajide, 2014).

Furthermore, the level of customer preference to a product compared to its competitors selling similar products as a result of CSR as agreed by 41.3% of the respondents at a mean of 2.08 and a standard deviation of 1.088. The Higher market share has led to greater sales making Safaricom enjoy economies of scale that creates strong barriers to entry of other competitors as a result of CSR as agreed and strongly agreed by 37.3% and 30.7% of the respondents respectively at a mean of 2.55 and standard deviation of 1.369. The findings also agreed with the study by Ongolo (2012) who investigated the relationship between CSR and market share of supermarkets in Kisumu City for the period 2006 to 2010. He sought to determine the 25 factors that motivated the practice of CSR amongst supermarkets in Kisumu City. The findings revealed that there was a strong relationship between CSR and market share. Institutions that had invested more on CSR had high market share.

Finally, The Pearson Correlation analysis found both significant and insignificant relationship between CSR and effect on market Share. There was a significant moderate relationship of 0.442 (R<0.05 at 0.00) between CSR initiatives at Safaricom Limited and its market share. Further, there was a significant low relationship of 0.014 (R<0.05 at 0.009) between CSR initiatives at Safaricom limited and increased market share. Also, there was a significant relationship of 0.210 (R>0.05 at 0.007) between CSR initiatives at Safaricom limited and customer preference for Safaricom products compared to competitors selling similar products. These findings agreed with the study by McWilliams (2000) who noted that market share is significant in a number of ways, market share measures the level of customer preference to a product compared to its competitors selling similar products. A higher market share, in this case, implies that there are high or greater levels of sales, which they put less effort to sell more and enjoy economies of scale that creates strong barriers to entry of other competitors. Nonetheless, there was an insignificant relationship of -0.047 (R>0.05 at 0.690) between CSR initiatives at Safaricom limited and market dominance. In addition, there was an insignificant relationship of -0.026 (R>0.05 at 0.824) between CSR Initiatives at Safaricom Limited and increase in return on investment. Finally, there was also the insignificant relationship of 0.119 (R>0.05 at 0.311) between CSR at Safaricom limited and Safaricom limited enjoying economies of scale as a result of greater market share.

5.3.3. Effect of CSR Initiatives on Brand

The study investigating the effect of CSR on Safaricom Limited brand indicated that Safaricomengages in CSR initiatives for potential brand value creation as agreed by 58.7% of the respondents with a mean of 2.05 and standard deviation of 1.355. Further, 44% of the respondents agreed at a mean of 2.41 and standard deviation of 1.357 that by engaging in CSR activities, Safaricom brand has become more reputable bringing about reputable performance in the long run as opposed to 53% of those who disagreed. Also, Brand growth as a result of CSR is reflected in the financial performance of Safaricom as strongly agreed by 40% of the respondents and agreed by 37% at a mean of 2.55 and standard deviation of 1.349. These findings agreed with the study by Schwartz (2011) who stated that corporations are perceived be highly reputable if they engage in CSR activities and this way, they are able to sustain superior profit
outcomes over time. Using this reasoning then, the brand value/reputation with its integrative approach as put forward by the study of Babbie (2013) serves as the alternative estimator of performance instead of the conventional indicator of the performance of a firm. Furthermore, because of CSR initiative, Safaricom has been able to earn customer loyalty, which is an indication of brand growth as strongly agreed by 44% of the respondents at a mean of 2.61 and a standard deviation of 1.404. As a result of support for CSR initiatives, Safaricom creates a brand reputation in an honest and reliable manner that the customers tend to assume that products from such institutions would be of higher quality than the ones from competitors who do not enjoy this perception as strongly agreed by 45.3% of the respondents at a mean of 2.67 and standard deviation of 1.359. These findings agreed with the study by Amalodoss and Manohar (2013) who found out that the corporate brand is in itself a corporate reputation component. The findings corroborated with those of Mermod and Idowu (2013) on the brand strategy who indicated that the brand strategy is a unique opportunity that an organization can make use of to trigger consumer perception.

Finally, the Pearson Correlation analysis indicated that there was both significant and insignificant relationship between CSR initiatives at Safaricom Limited and brand. For instance, there was a significant moderate relationship of 0.442 (R<0.05 at 0.000) between CSR initiatives and Safaricom engagement in initiatives that create brand value. In addition, there was a significant low relationship of 0.231 (R<0.05 at 0.046) between CSR initiatives and reputable performance at Safaricom in the long run. Further, the significant low relationship of 0.163 (R<0.05 at 0.016) between CSR initiative and Safaricom being able to increase its financial performance as a result of brand growth. However, there was also the insignificant relationship between CSR and aspects of Safaricom brand. For instance, there was an insignificant relationship of 0.047 (R>0.05 at 0.680) between CSR initiatives and customer loyalty at Safaricom limited.

However, there was an insignificant relationship of 0.146 (R>0.05 at 0.213) between CSR initiatives and Safaricom creating a putable brand in an honest and reliable manner that customer tends to assume that products from such institutions would be of higher quality than the ones from competitors who do not enjoy this perception. These findings on insignificant relationship tends to agree to some extent with the study by Freedman and Butler (2013) who raises the question to support the view that the manner in which social responsibility is approached by corporations does not seem to regard CSR as a very crucial and important function of the business, that which needs to be embedded in its overall strategy. The author argued that there is a tendency or organization pursuing CSR as a reaction or response to the stakeholders’ pressure.

5.4. Conclusion

5.4.1. Effect of CSR Initiatives on Sales
From the study, it was established that there is effect of CSR initiatives on the sales of Safaricom Limited. It was found out that as a result of CSR initiatives, there has been an increase in the levels of sales, increase in capital employed, increase in profitability as a result of an increase in sales and increase in return on investment. In addition, the research found a relationship between CSR initiatives and Sales increase. As such, it can be said that CSR initiatives have an effect on Sales at Safaricom.

5.4.2 Effect of CSR Initiatives on Market Share
The study also established that there is effect of CSR initiatives on the market share of Safaricom Limited. It was found out that as a result of CSR initiatives, the has been increase in the market share, increase in return on investment as a result of increase in market share, increases in customer preference for Safaricom products compared to the competitors and enjoy economies of scale as a result of a bigger market share than competitors. In addition, the research found a relationship between CSR initiatives and market share increase. As such, it can be said that CSR initiatives have an effect on market share at Safaricom.

5.4.3. Effect of CSR Initiatives on Brand
Finally, the study found out that there is effect of CSR initiatives on the on Safaricom Limited brand. It was found out that as a result of CSR initiatives, the brand has become more reputable, brand growth has brought about increase in financial performance, earning customer loyalty and create a brand reputation in an honest and reliable manner. In addition, the research found a relationship between CSR initiatives and market share increase. As such, it can be said that CSR initiatives have effect on Safaricom Limited Brand.

5.5. Recommendations
Having concluded the chapter, this section provides recommendations to Safaricom Limited Management on how they can enhance the effect of CSR initiatives on sales, market share and brand.

5.5.1. Effect of CSR Initiatives on Sales
Safaricom limited should continue implementing the CSR initiatives as they were found to have more benefits. Such continued implementation would ensure that the company continues to enjoy the benefit of good brand reputation, increased sales revenues and larger size of market share. Nonetheless, even as the sales levels increases, Safaricom must ensure that the product quality is high so as to meet the customer needs efficiently even as the sales values increases as a result of CSR initiatives.

5.5.2. Effect of CSR Initiatives on Market Share
Safaricom limited should continue implementing the CSR initiatives as they were found to have more benefits. Such continued implementation would ensure that the company continues to enjoy the benefit of good brand reputation, increased sales revenues and
larger size of market share. In addition, Safaricom limited should identify the aspects of market share which CSR affects, i.e. the market value or volume so that they are able to know what products to offer to these markets that have increased as a result of CSR initiatives.

5.5.3. Effect of CSR Initiatives on Brand
Safaricom limited should continue implementing the CSR initiatives as they were found to have more benefits. Such continued implementation would ensure that the company continues to enjoy the benefit of good brand reputation, increased sales revenues and larger size of market share. In addition, Safaricom in future would need to consult the recipients of CSR initiatives so as to enhance their services to them. This is because it is easy for competitors to copy the initiatives and render the same services which would make the CSR initiatives by Safaricom a routine. However, if they do market research, they would offer services that the recipients want at that specific moment making it hard for the competitors to copy. This way, they can continually gain a competitive edge through brand reputation.

5.6. Recommendations for Future Studies
Having completed the study and provided recommendations to Safaricom limited management, it is also important to recommend to the future researchers. This study mainly focused on social and environmental CSR.

5.6.1. Effect of CSR Initiatives on Sales
Future researchers can investigate the specific aspects of CSR initiatives and how they influence the specific aspects of market share, i.e. the market volume and market value and how each aspect interrelate.

5.6.2. Effect of CSR Initiatives on Market Share
In future, researchers can focus on investigating the specific aspects of CSR initiatives and how they influence the specific aspects of market share, i.e. the market volume and market value and how each aspect interrelate.

5.6.3. Effect of CSR Initiatives on Brand
In future, researchers can look at CSR initiatives relating to customers and corporate governance through CSR reporting and its impact on the organisational brand. The study can either be conducted at Safaricom limited or another company practising CSR initiatives.

6. References


Appendices

Appendix 1: Research Questionnaire
This questionnaire has been prepared to investigate the impact of corporate social responsibility on the organisational performance. You are hereby requested to take part in this academic research. All the information you provide will be used for academic purposes and your response will be held anonymous. For privacy purposes, do not indicate your contact information or names in the questionnaire. Your participation is also voluntary and feel free to withdraw any time you feel appropriate. However, your full participation is hereby requested. Thank You.

Part A: Background Information

1. Please indicate your gender
   Male (  )
   Female (  )

2. Kindly indicate your Age
   18-25 Years (  )
   26-35 Years (  )
   36-45 Years (  )
   46-55 Years (  )
   Above 55 Years (  )

3. What department do you work in?
   Sales (  )
   Marketing (  )
   Finance (  )
   IT (  )
   Customer Consultant (  )
   Audit (  )

4. Please indicate the years worked in the organisation
   Below 1 Year (  )
   1-3 Years (  )
   4-6 Years (  )
   7-10 Years (  )
   Above 10 years (  )

5. Are you aware of Corporate social responsibility initiatives
   Yes (  )
   No (  )

6. Kindly indicate the CSR initiatives you are Aware of at Safaricom Limited

Part B: Effect of corporate social responsibility on the sales of Safaricom Limited

Please show the level of agreement with the statements on the effect of CSR on Sales of Safaricom limited because of CSR initiatives. Tick the option that best fits your opinion.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a relationship between corporate social responsibility and sales at Safaricom limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The sales levels of Safaricom limited have increased as a result of Safaricom CSR</td>
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<tr>
<td>The profitability increases at Safaricom limited has been as a result of increase in sales</td>
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<tr>
<td>There has been increase in Return on capital employed as a result of CSR initiatives</td>
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<tr>
<td>There has been increase in return on investment because of increase in sales.</td>
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<td></td>
</tr>
</tbody>
</table>
Part C: Effect of corporate social responsibility on the market share of Safaricom Limited

Please show the level of agreement with the statements on the effect of CSR on market share of Safaricom limited because of CSR initiatives. Tick the option that best fits your opinion.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a relationship between corporate social responsibility and market share at Safaricom limited</td>
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<tr>
<td>The market share of Safaricom limited have increased as a result of CSR initiatives</td>
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<tr>
<td>Safaricom Limited dominance in terms of market share has been as a result of their CSR initiatives</td>
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<tr>
<td>There has been increase in return on investment because of increase in sales.</td>
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<tr>
<td>level of customer preference to a product compared to its competitors selling similar products as a result of CSR</td>
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</tr>
<tr>
<td>Higher market share has led to greater sales making Safaricom enjoy economies of scale that creates strong barriers of entry of other competitors as a result of CSR</td>
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</table>

Part D: Effect of Corporate Social Responsibility on Safaricom Ltd brand

Please show the level of agreement with the statements on the effect of CSR Safaricom Limited Brand because of CSR initiatives. Tick the option that best fits your opinion.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safaricom engage in CSR initiatives for potential brand value creation</td>
<td></td>
<td></td>
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<tr>
<td>By engaging in CSR activities, Safaricom brand has become more reputable bringing about reputable performance in the long run</td>
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<tr>
<td>Brand growth as a result of CSR is reflected in the financial performance of Safaricom</td>
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<tr>
<td>Because of CSR initiative, Safaricom has been able to earn customer loyalty, which is an indication of brand growth.</td>
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<td></td>
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<tr>
<td>As a result of support for CSR initiatives, Safaricom creates a brand reputation in an honest and reliable manner that the customers tend to assume that products from such institutions would be of higher quality than the ones from competitors who do not enjoy this perception</td>
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