THE EFFECTS OF EABL CORPORATE SOCIAL RESPONSIBILITY ON THE COMMUNITY, CUSTOMERS AND EMPLOYEES

BY

CHRISTOPHER GITAU

UNITED STATES INTERNATIONAL UNIVERSITY

SUMMER 2011
THE EFFECTS OF EABL CORPORATE SOCIAL RESPONSIBILITY ON THE COMMUNITY, CUSTOMERS AND EMPLOYEES

BY

CHRISTOPHER GITAU

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

UNITED STATES INTERNATIONAL UNIVERSITY

SUMMER 2011
STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ___________________________  Date: ___________________________
Christopher Gitau (ID No.)

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

Signed: ___________________________  Date: ___________________________
Dr. Paul Katushe

Signed: ___________________________  Date: ___________________________
Dean, School of Business

Signed: ___________________________  Date: ___________________________
Deputy Vice Chancellor, Academic Affairs
COPYRIGHT

© Copyright by Christopher Gitau, 2011

All rights reserved. No part of this project report may be produced or transmitted in any form or by any means, electronic, mechanical, including photocopying, recording or any information storage without prior written permission from the author.
ABSTRACT

The purpose of this study was to evaluate the effects of EABL Corporate Social Responsibility on the community, customers and employees. The study was guided by the following research questions: What is the impact of EABL Corporate Social Responsibility on the community? What is the impact of EABL Corporate Social Responsibility on the customers? And what is the impact of EABL Corporate Social Responsibility on the employees?

This research adopted a descriptive research design. The total population consisted of approximately 600 employees, approximately 36,000 respondents from the beneficiary communities and approximately 1,500,000 customers based in Kenya as at 31st March 2010. This study adopted stratified and random sampling techniques. The total sample size included 154 employee respondents, 207 customer respondents and 206 community respondents. The study adopted used primary data. A pilot test involving 7 respondents from customers, 7 respondents from employees and another 7 respondents from the community evaluated the completeness, precision, accuracy and clarity of the questions on the questionnaire. Descriptive statistics was adopted and the demographic data was tabulated using frequency and percentages. In order to describe the data, it included means and standard deviation of each variable. The coefficient of variation was used where data was skewed. The results of the study were presented using tables and figures. Data analysis was conducted using the Statistical Package for Social Science (SPSS).

The findings indicate that the impact of EABL corporate social responsibility was effective among the members of the community. Though, there was recognition for health and safety concern by the company and the opportunity for local employment, the employees failed to offer volunteer community work. This affected the relationship between the company and the community. As a result, there was a relatively low level of overall impact to the community and considerable impact in the market. The company placed the stakeholders' interest first and therefore built a strong competitive position in the market. With efficient distribution systems the company was able to make its products available to the existing and potential consumers. On the impact of EABL corporate social responsibility on the employees at the workplace was negatively significant. On the key workplace issues the company generally showed poor indicators on corporate social
responsibility. However, there was good indication on corporate social responsibility involvement by the company on local employment and health and safety matters at the workplace which are effective measures of key employee issues on corporate social responsibility initiatives.

The main conclusion of the study was that EABL corporate social responsibility were not effective among the members of the community; the impact of EABL corporate social responsibility on the market was considerable and the impact of EABL corporate social responsibility on the employees at the workplace was negatively significant. The study recommended that EABL needs to create a system for stakeholders’ participation in decision making to create a positive image of the company. The employees of EABL should involve in community service work to demonstrate organization’s citizenship and foster stronger organization and community relationship. On the effect of CSR on employees, the company needs to embrace workforce diversity and equal opportunity to attract, recruit and retain the best talented employees within the company.

As a suggestion for further studies, the researcher acknowledges that since not all the stakeholders were included in this study, future researchers should focus on other stakeholders such as: the government, shareholders, creditors and competitors. In addition, the criteria for measuring the impact of corporate social responsibility on the stakeholders should be developed and improved for objectivity.
ACKNOWLEDGEMENT

As I begin to reflect on the magnitude of this project, I would like to thank the Almighty God for providing the resources and energy to make this Research Project become a reality. I wish to extend my deep felt gratitude to all the people who offered their support and assistance. To the giants whose shoulders I stand upon, the teachers who have shaped so much of my strategy and skills, in particular, I thank my supervisor, Dr. Paul Katuse for offering a lot of guidance and assistance in coming up with this research report.
DEDICATION

Dedicated to my loving family for their unconditional love and support.
# TABLE OF CONTENTS

STUDENT’S DECLARATION ......................................................... iii
COPYRIGHT ........................................................................ iv
ABSTRACT ....................................................................... v
ACKNOWLEDGEMENT ............................................................. vii
DEDICATION ........................................................................ vi
TABLE OF CONTENTS ................................................................. vi
LIST OF TABLES ...................................................................... viii
ABBREVIATIONS AND ACRONYMS ........................................ ix

CHAPTER ONE ........................................................................ 1
1.0 INTRODUCTION ................................................................. 1
1.1 Background of the Study ................................................... 1
1.2 The Problem Statement .................................................... 5
1.3 Purpose of the Study .......................................................... 6
1.4 Research Questions ........................................................... 6
1.5 Significance of the Study ..................................................... 6
1.6 Scope of the Study ............................................................. 7
1.7 Definition of Terms ........................................................... 7
1.8 Chapter Summary ............................................................... 9

CHAPTER TWO .......................................................................... 10
2.0 LITERATURE REVIEW .......................................................... 10
2.1 Introduction ................................................................... 10
2.2 Impact of Corporate Social Responsibility on the Community .......................................................... 10
2.2.1 Local Planning and Stakeholders Consultation .......................................................... 11
2.2.2 Respect for Human Rights ................................................. 12
2.2.3 Local Partnerships .......................................................... 12
2.2.4 Protection and Preservation of Environment .......................................................... 14
2.2.5 Education and Charities ................................................... 15
2.3 The Impact of Corporate Social Responsibility on the Customers .......................................................... 16
2.3.1 Business Behavior .......................................................... 17
2.3.2 Responsible Selling and Marketing Standards .......................................................... 18
2.3.3 Product Quality and Safety ............................................... 19
2.4 The Impact of Corporate Social Responsibility on the Employees .......................................................... 21
2.4.1 Personal Development Plans and Career Progression .......................................................... 21
2.4.2 Recruitment and Retention ............................................... 22
2.4.3 Workforce Diversity and Equal Opportunity .......................................................... 22
2.4.4 Health and Safety Programs ............................................. 25
2.4.5 Supportive Working Environment ........................................ 26
2.5 Chapter Summary .............................................................. 27

CHAPTER THREE ..................................................................... 28
3.0 RESEARCH METHODOLOGY .................................................. 28
3.1 Introduction ................................................................. 28
3.2 Research Design ............................................................. 28
3.3 Population and Sampling Design .......................................... 28
3.4 Data Collection Method ...................................................... 30
LIST OF TABLES

Table 3.1: Population Distribution ................................................................. 29
Table 3.2: Sample Size Distribution ............................................................... 30
Table 4.1: Response Rate ............................................................................. 32
Table 4.2: Gender of Respondents ................................................................. 33
Table 4.3: Education Level ........................................................................... 33
Table 4.4: CSR Awareness ......................................................................... 34
Table 4.5: CSR Beneficiary ......................................................................... 34
Table 4.6: Impact of EABL Corporate Social Responsibility on the Community .................................................. 36
Table 4.7: Evaluation of EABL Corporate Social Responsibility on the Community ........................................ 37
Table 4.8: Impact of EABL Corporate Social Responsibility in the Market ................................................................. 39
Table 4.9: Impact of EABL Corporate Social Responsibility on the Market ................................................................. 40
Table 4.10: Impact of EABL Corporate Social Responsibility among Employees ...................................................... 43
Table 4.11: Evaluation of EABL Corporate Social Responsibility among Employees ............................................... 44
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>EABL</td>
<td>East African Breweries Limited</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Corporate social responsibility (CSR) has moved to the forefront of many firms’ concerns and is defined as a firm taking into consideration the interests of society by taking responsibility for the impact of the firm’s actions on all stakeholders: customers, employees, shareholders, communities at large, and the environment. This responsibility is meant to extend beyond the legal obligations and seeks to make corporations conscious, responsible, and accountable citizens (Rogene and Sandra, 2000).

Farmer and Hogue (1985) made a more realistic, though slightly pessimistic, conclusion in regards to CSR; “If something that people want done does not cost a corporation anything by hurting its profits and if a lot of people want it done, then a corporation is probably already doing it ... Companies are happy to take these socially responsible actions if they feel that the majority of the public approves and if the cost is negligible”. This understanding is held by many leading economist, such as Milton Friedman, who stated in a New York Times magazine article in 1970 that the only “social responsibility of business’ is to increase its profits”. However, the theories on this topic have swayed somewhat in recent times as corporate social responsibility has become more important to companies.

Companies have recognized that CSR is good for business, for and from, each of the seven stakeholders within which they operate. These include their shareholders and potential investors; managers; employees; customers; business partners and contractors or suppliers; the natural environment; and the communities within which they operate, including national governments (Hopkins, 2006). Statistical data of the largest firms in the UK indicate that an emphasis on stakeholders does not hinder profitability and that negative social events such poor internal human resource policy, cavalier downsizing, and an industrially caused environmental disaster or conviction of crime, are likely to have harmful effects on profitability and return on investment.

In fact, nowadays corporations are not judged on their financial results but on their behavior too, and this can be a good opportunity for a business to integrate CSR projects as one of the business core value, where a business is recognized for making a significant
contribution towards a better society (Bennet, 1999). In a Corporate Social Responsibility survey conducted in 2005, it suggested that 75% of consumers say that their purchasing decisions are influenced by a company’s reputation with respect to the environment, and 8 among 10 indicated that they would pay more for products that come from environment friendly companies (Klein, 2005). Stimpson (2002) argues that in defining or redefining the company mission, strategic managers must recognize the legitimate rights of the firm’s claimants. These include not only stockholders and employees but also outsiders affected by the firm’s actions. Such outsiders commonly include customers, suppliers, governments, unions, competitors, local communities, and the public. Each of these interest groups has justifiable reasons for expecting (and often for demanding) that the firm satisfies their claims in a responsible manner.

Corporate social responsibility means different things to different people and business as well. Vyakarnam (1999) defines Corporate Social Responsibility as the process by which a business grows while at the same time contributing to economic development and improving the quality of life of stakeholders within its environment. From this definition, the stakeholder includes anyone influenced by the company’s decisions and actions. These include employees, customers, suppliers, communities, governments and shareholders. Another definition of Corporate Social Responsibility as set forth by Edwin (2004), relates CSR to business management growing concern with stakeholders and ethics. The author asserts that “Corporate Social Responsibility relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects upon pertinent stakeholders.

CSR is often considered to be at odds with value maximization of a firm and at first glance it seems that CSR is in-line with only stakeholder theory. However, Jensen (2001) theorizes that a balance exists between satisfying all stakeholders, referred to as Enlightened Value Maximization. In fact Jensen believes that with Enlightened Value Maximization all stakeholders’ needs are best met. Specifically, the theory is based on maximizing shareholder wealth while not mistreating any one stakeholder. Benson and Davidson (2008) tested Enlightened Value Maximization in a working paper and found that firms cannot mismanage relations with their stakeholders if they want to maximize firm value since firm value is reduced in the presence of social responsibility concerns.
This finding seems to have revealed a common ground between value maximization and stakeholder theory. Therefore it is necessary for firm management to address stakeholder concerns when maximizing shareholder wealth. This finding leads to an understanding of why CSR has been in and out of the spotlight over the past few decades. Hence, this study will examine the effects of CSR on EABL stakeholders.

East African Breweries Limited (EABL) is the largest brewing company in East Africa. The Breweries was founded in 1922 by two white settlers, George and Charles Hurst. In 1934, Kenya Breweries became a public company. In 1935, Kenya Breweries acquired of Tanganyika Breweries, and both companies were incorporated under the East African Breweries Limited. By 1990, most of the shareholders were Kenyan and the company was very successful. EABL is East Africa’s leading branded alcohol beverage business and has an outstanding collection of beer and spirits brands. With breweries, distilleries, support industries and a distribution network across the region, the group’s diversity is an important factor in delivering the highest quality brands to East African consumers and long-term value to East African investors (EABL, 2007).

EABL operation is guided by the following values. First, EABL acts sensitively with the highest standards of integrity and social responsibility; and also the company enjoys benefiting from diversity. Second, the company strives to be the best in whatever it does by setting high standards by trying to meet or exceed it goals. Third, EABL is passionate about consumers and the company constantly innovates and searching for new ideas that drive the growth and development of its business. Fourth, the Company fosters an entrepreneurial spirit in the market competition and fifth each subsidiary values each other. The EABL group and subsidiary include the following: Uganda Breweries Ltd (UBL), Central Glass Industries Ltd (CGI), Kenya Maltings Limited (KML) and United Distillers and Vintners (Kenya) Limited (UDV (K)) (EABL, 2006).

Uganda Breweries Ltd (UBL) leads in brewing the Uganda’s favourite beer and spirits. Bell Lager is the company's flagship brand. Its other core brands Pilsner Ice, Pilsner Extra and Guinness. In addition UBL is a leading spirits distiller in Uganda with Waragi as its main brand since the operation was began in 1946 and its operations have expanded to a capacity of 750,000 hectoliters per year. The other subsidiary is Central Glass Industries
Ltd (CGI), the leading container glass manufacturer in the East African region and was established in 1987. The company currently produces 100 million glass containers, in 73 different shapes and sizes, each year. These include: Alcoholic beverage bottles (beer and spirits), Carbonated Soft Drink bottles, Health Drink and Squash bottles, Pharmaceutical bottles, Jars (used for food, shoe creams, beauty products) and Tumblers (used as drinking glasses). CGI is able to tailor make any type of bottle to customer specification and it exports more than 50% of its products to Uganda, Tanzania, Ethiopia, Rwanda, Burundi, Eritrea, Seychelles, Re-Union, Mauritius, Zimbabwe, Zambia and Angola just to mention the few (EABL, 2006).

Kenya Maltings Limited (KML) produces the finest quality barley malt, a vital ingredient in beer manufacturing. KML produces barley for the Kenyan market and it also exports to the Seychelles, Uganda and Tanzania. In the last financial year Kenya Maltings Ltd spent Ksh1.2 billion on promoting and facilitating the growing of malt barley to its contracted growers. Lastly, there is United Distillers and Vintners (Kenya) Limited (UDV (K)) which distils and produces a range of the finest quality spirit brands for the local and export markets. In addition, the company imports a range of premium Diageo spirit brands for both the domestic and duty-free markets. The UDV (K) operations are based in Kampala Road, Industrial Area in Nairobi. There the business carries out its distilling, blending, packaging and warehousing operations. The company produces a range of International and regional Vodkas, Gins, Blended Brandies and Whiskies, Liqueurs, Cane Spirits, which are packaged both in glass, and PET (EABL, 2005).

Among the company’s manufactured products were the following: - Smirnoff ® Vodka, Popov ® Vodka, Gilbey’s ® Gin, Chelsea ® Gin, Richot ® Brandy, Three Barrels ® Brandy, Leroux ® Brandy, Kenya Cane ®; Kane Extra®; Kenya Gold Liqueur®; Smirnoff® Ice; Smirnoff Black Ice®. The company also markets and sells a number of Diageo premium spirits such as the Johnnie Walker ® range of whiskies, Bell’s ® whisky, J&B ® whisky, Myers’ ® Rum, Captain Morgan ®, Bailey’s Irish Cream Liqueur, Gordon’s ® Gin and Pimm’s Number 1. The operation ensures the highest international standards to compete with the best in the world (EABL, 2007).

Besides establishing various subsidiaries, EABL participated in corporate social
responsibility initiatives through the provision of sanitation and water projects and promotion on responsible drinking using various outlets such as cabs, media and petrol station advertisements and promotions campaigns on responsible drinking and bar tender training on selling alcohol to the under age. The company also established a scholarship foundation in Kenya, Uganda and Tanzania. In addition, EABL has a green team responsible for tree planting and sustainable environmental management. All this demonstrates EABL corporate social responsibility efforts geared towards helping the community. Each year sees the EABL group of companies commit significantly to assist in development issues of various community projects. In this regard, the study will look at the effects of the company’s CSR initiatives on the beneficiary stakeholders.

1.2 The Problem Statement
Various researches have been conducted on Corporate Social Responsibility (CSR). However, most of these studies focus on the effects of corporate social responsibility on the firm’s performance. For instance, Kamundia (2008) conducted a research on the effects of Corporate Social Responsibility using the case of commercial banks in Kenya. The study finds that banks engaged in CSR activities in the areas of the employees and supplier welfare and environment protection leads to customer growth, market penetration and customer satisfaction. However, the poor state of the economy and corruption prevented the implementation of CSR activities among banks.

Wathandu (2008) study analyzed the impact of CSR on a firm’s overall performance using the case of the companies listed on Nairobi Stock Exchange. The study established that involvement in CSR has a huge impact on companies’ reputation. The initiative was also a source of competitive advantage since most companies used it as a marketing tool. In addition, CSR contributed to increase in sales as customers considered about it whenever making purchasing decisions and ultimately positively affecting sales.

While noting the massive literature on the effect of Corporation Social Responsibility on organizational performance, it is surprising and a cause of concern to the researcher that no research has been done concerning the impact of CSR on EABL stakeholders, specifically on the company’s beneficiary community, customers and the employees. Hence, the best way to narrow this research gap was to evaluate the impact of CSR on the
above mentioned stakeholders in showing that in everything that the company does under the “corporate social responsibility” banner is directly relevant to EABL business goals in building loyalty and trust that ensures a bright sustainable future among its community, customers and employees. Also, the business success depended on the firm’s continued satisfaction of the community, customers, employee among other stakeholders.

1.3 Purpose of the Study
The purpose of this study was to evaluate the effects of EABL Corporate Social Responsibility on the community, customers and employees.

1.4 Research Questions
The study was guided by the following research questions:
1.4.1 What is the impact of EABL Corporate Social Responsibility on the community?
1.4.2 What is the impact of EABL Corporate Social Responsibility on the customers?
1.4.3 What is the impact of EABL Corporate Social Responsibility on the employees?

1.5 Significance of the Study
The purpose of this study is to examine the impact of EABL limited corporate social responsibility on the community, customers and employees.

1.5.1 Community
The community relates to the interface between business and society that can both positively or negatively be affected by a project, product or investment on a local or global level. Thus, this study will help the local community evaluate the impact of business activity especially where employment, spending power and the generally effect of the community living standards are concerned.

1.5.2 Customers
Customers consume the company’s products and the responsibility of the company to them is maintaining the highest standards of business practice when developing, purchasing, selling and marketing products and services. Thus, this study will help customers evaluate which products from which companies to buy and how the company’s products effectively meet their needs and wants. As well as safeguarding both the systems and resources for future business environment.
1.5.3 Employees
The responsibility of the company to the employees relates to the creation of a working environment where personal and employment rights are upheld. Hence, the study will help employees evaluate whether their objectives are met or not. Employees’ objectives range from how the employees are paid, working conditions and how they are treated just to mention the three as examples. For once the employees shall be able to evaluate whether they are satisfied in their current jobs as well as increase the confidence and satisfaction of the stakeholders within the organization.

1.5.4 Researchers/Academia
Future researchers and scholars might use the study as a point of reference to further their studies on related areas of this paper.

1.6 Scope of the Study
EABL has a subsidiary of companies in Kenya and Uganda. However, the scope of the study was limited to the beneficiaries of Corporate Social Responsibility in Kenya. The community of EABL includes taxi drivers, petrol station attendants, distributors and water projects beneficiaries were considered for the study. The customers were sampled at beer outlets and individual customers while the employees of the company at the headquarters were be sampled with questionnaires. The survey was conducted on 2nd March 2011.

1.7 Definition of Terms
1.7.1 Community
The community relates to the interface between business and society that can both positively or negatively be affected by a project, product or investment on a local or global level (Corporate Social Responsibility Index, 2005).

1.7.2 Community Development
It is the process of building communities on a local level with emphasis on building the economy forging and strengthening social ties (Cannon, 2004).
1.7.3 Corporate Citizenship
It is the recognition that a business, corporation or business like organization has social, cultural and environmental responsibilities to the community in which it seeks a license to operate, as well as economic and financial ones to its shareholders (Cannon, 2004).

1.7.4 Corporate Social Responsibility
This is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society (Epstein, 2004).

1.7.5 Environment
These are the conditions, influences, or forces, which affect the desirability and value of property, as well as the effect on people’s lives. It is the living and non-living surroundings, natural or man made, which make life on earth possible (WCED, 1999).

1.7.6 Ethics
It is the science of morals in human conduct (Ferrell, 2003).

1.7.7 Market Place
Responsibility in the market place is maintaining the highest standards of business practice when developing, purchasing, selling and marketing products and services (Corporate Social Responsibility Index, 2005).

1.7.8 Work Place
Responsibility in the workplace is the creation of a working environment where personal and employment rights are upheld (Corporate Social Responsibility Index, 2005).

1.7.9 Stakeholder
These are groups of individuals with whom the organization interacts and has interdependency, plus any individual or group who can affect or is affected by the actions of the company (Epstein, Flahholtz and McDonough, 1999).
1.8 Chapter Summary

This chapter presents the background information of EABL; its establishment, operation, mission and the Corporate Social Responsibility Issues at EABL. The first chapter is divided into seven main sections. Section one gives the detailed background of the organization on a regional and national level. Section two describes the problem in the context of the organization. Section three defines the general and specific objectives of this research; section four describes the significance of the study. Section five highlights research questions, section six provides the scope of the study and section seven provides working definitions of specific terms used in the project. Chapter two is on literature pertinent to this study. Chapter four encompasses the results and findings of the study. Chapter five presents the discussion, conclusion and recommendations based on the research findings.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on Corporate Social Responsibility from various scholars and practitioners, and the section attempts to answer the questions raised in the first chapter. The questions include: what is the impact of EABL Corporate Social Responsibility on the community? What is the impact of EABL Corporate Social Responsibility on the customers? And how does EABL Corporate Social Responsibility impact on the employees at the workplace?

2.2 Impact of Corporate Social Responsibility on the Community

Community giving is one of the oldest forms of CSR (Bartkus, Morris and Seifert, 2002). The practice of community giving did not become a business practice until after a 1950s Supreme Court decision to reduce legal restrictions so that companies could create foundations to help with social causes (Landreth, 2002). Community giving has now changed to social issue product branding. From a legal point of view, philanthropic gifts must enhance the value of corporate assets for stockholders if stockholders are to fulfill the responsibilities of management (Brudney and Ferrell, 2002). Legitimate donation is concerned with enhancing the goodwill of a corporation and is a valid corporate act.

Corporate actions have an enormous power over the quality of life of citizens in the communities in which those corporations operate (Lambert, Kass, Piotrowski and Vodanovich, 2006). Organizations provide employment, health benefits, quality of environment, and products and services. Corporations also influence the laws under which people live (Kaplan and Norton, 2004). According to Caroll (1999) the key community issues include the general health and safety of the local environment, local planning and stakeholder consultation, investment in economic and social development, respect for human rights, diversity of local cultures, education and social awareness and tolerance, local employment, local partnerships, employee involvement in community volunteering, gifts in kind and sourcing from the local suppliers just to mention the few.
2.2.1 Local Planning and Stakeholders Consultation

Ethical leaders in corporate social responsibility take their social responsibility seriously and encourage their management teams to become actively involved in the community, not just for the sake of it but for the benefit of both the community and the company. The management needs to know how the policies of key players in the community are likely to affect them. They need to be aware of how the community perceives the company in relation to safety, ethical and environmental issues. They also need to know if the company is perceived as a good company to work for and if not, why not. In addition, managers need to ask how the policies of corporate social responsibilities are likely to affect the company, the aims and objectives of the company among other questions that relate to community relationship (Archie, 2001).

The involvement of a company in the community provides the opportunity to create an image of a company as the one that cares about the welfare and well being of both its people and the community in which they live (Landreth, 2002). In the end, it comes down to attitude. If companies see fulfilling their social responsibilities as a necessary chore rather than an opportunity to maintain and expand their reputations and standing in the community, they are limiting their flexibility to respond to what happens in the outside world (Brudney and Ferrell, 2002).

Archie (2001) argues that the corporation should be considered a social institution as it exists because individuals come together to achieve some objective related to the provision of goods and services. Today, corporations exist because society implicitly sanctions them to operate in that form. Many in society believe that corporations now operate within the "social" view of corporate social responsibility despite the continuing claims of those who argue the "amoral" view, with its incomplete vision of the corporation operating as a private institution with a solely economic purpose.

Communities have recognized that corporations should exercise high standards of care not just in their home jurisdictions, but meet standards wherever they operate (Brudney and Ferrell, 2002). They no longer accept corporations which behave well at home, while overlooking or even violating basic norms of consumer, worker, environmental and
community protection elsewhere (Kaplan and Norton, 2004). The assistance of activists has also made companies reassess how they relate with the society.

2.2.2 Respect for Human Rights
Global examples of this include Gap who established a Code of Vendor Conduct for its contract manufacturers and hired 80 compliance officers to oversee labor, health and safety issues in its contract operations around the world; this was done following criticisms of its labor practices (Kaplan and Norton, 2004). Shell oil began reporting its global social and environmental efforts and also initiated social investments in Nigeria when it was found trying to sink an oil platform in the North Atlantic in 1996, and then accused of ecological and labor abuses in Nigeria (Pflieger, Fischer, Kupfer and Eyerer, 2005).

Nike was also a target of this criticism over their use of child labor. Thereafter they contributed $7.7 million dollars to the International Youth Foundation to found the Global Alliance for Workers and Communities to monitor labor conditions in its contract factories overseas (Bartkus, Morris and Seifert, 2002). Universities and business schools, who have staff that are dedicated and teach about CSR, have themselves come in for criticism concerning their dealings with corporations with the case of the different stances taken by ESADE and Wheeling Jesuit University with regard to Aramark (Landreth, 2002).

2.2.3 Local Partnerships
Epstein, Kass and Vodanovich (1999) suggest that a socially responsible company invests in community programs and the investments focus on education, health and human services and the environment. The organization demonstrates the importance of community partnership by collaborating with local charitable and community-based non-profit organizations to support various areas such as science, technology, engineering, safeguarding the environment and human health and services.

Employees working for the companies are encouraged to volunteer and play a critical role in this relationship and in demonstrating the organization corporate citizenship (Ferell et al, 2003). Due, in part, to their efforts, the communities become stronger, healthier and
safer places to live and work. A good example of a company that has demonstrated this is Barclays Bank of Kenya.

Barclays Bank of Kenya makes great contribution to society by supporting economic growth around the world, and being responsible about how they do business. The bank’s products and services give businesses the support they need to grow. They help people manage their everyday lives more efficiently, and invest for the future (Bennet, 2002).

The bank also supports girls’ education. In addition, while working with UNICEF, the bank has also invested £140,000 in Kenyan schools, tackling the issues which can be a real obstacle to girls staying at school. In total, the funding has helped UNICEF work with 30 schools. Further, the bank offers scholarships for promising female students, and put much-needed funding into new science labs and IT facilities, including 430 computers for schools in 2005 according to Barclays Bank Company Report (2007).

The Kenya National Association of the Deaf has also been financed £10,700, the project focus on deaf awareness and the needs relating to social development officers, community health workers and law enforcement officers in Kenya. It also provides sign language training for interpreters, HIV/AIDS awareness seminars for the deaf and introduces sign language interpretation on national television (BBK, 2008).

The voluntary Services Overseas has also been funded with £10,900 to provide community-based rehabilitation for children with disabilities across Kenya. The voluntary service assists in training health and social services provided and community volunteers. The project also includes the development of training materials for wider application in Kenya (BBK, 2008).

All these CSR initiatives performed by various companies indicate that Corporations have responsibilities that go beyond the production of goods and services at a profit, the corporate social responsibilities involve helping to solve important social problems, especially those companies have helped create and the Corporations serve a wider range of human values than can be captured by a sole focus on economic values (Rogene, 2000).
2.2.4 Protection and Preservation of Environment

Environmental protection refers to the protection of soils, waters, mountains, and lakes (Bryant and Bryant, 1999). These elements sustain life and normally over-exploited by human activity through as over-irrigation and chemicalization, urbanization, transportation systems, deforestation and mining (Bryant and Bryant, 1999). An example includes companies donating towards the Aberdare Fencing Project. The project is aimed at reducing the human-wildlife conflict, which arises from the intensive competition for limited water, food and mineral resources (Safaricom, 2006; Rhino Ark, 2006). Water is a valuable resource and companies in the manufacturing sector need higher volumes of water than any other sector. Another Kenyan example is EABL which has invested in plants that perform effluent waste management and this ensures that the water released is fit for re-use (EABL, 2004). This involves the creation of products and services that are environmentally friendly. Safaricom for example, launched a virtual scratch card/Airtime to limit the amount of waste scratch cards littering the streets. At the same time masts used for boosting network coverage lead to air pollution and are an eyesore in an otherwise green environment. In order to deal with this telecommunication companies are coming up with masts that are environmentally friendly (Safaricom, 2006).

A company that is environmentally friendly must strive to continually reduce climate change, focusing primarily on the energy and transport areas, and conform to or surpass the requirements stated in national or international regulations or agreements concerning the reduction of emissions and discharges to air, land and water. In all its operations, companies must reduce its use of harmful substances and ensure that the handling, storage and landfill disposal of hazardous waste is performed in a safe and environmentally compatible manner and most importantly contribute to the recovery/recycling of materials and used products (Bryant and Bryant, 1999).

According to Walter and Wiliam (1999), countries also have different economic and business environments, including the legal environment and societal expectations about business ethics in a given country. In developed countries (such as the USA and Australia), the business environment is typically characterized by powerful business enterprises, a legal environment aimed at eliciting ethical behaviours on the part of businesses, and societal expectations that businesses should be more ethical and socially
responsible. These environmental forces may make the marketers in developed countries attach greater importance to the ethical and social responsibilities of their respective businesses. In developing countries, on the other hand (e.g. Malaysia and South Africa), the business and economic environmental forces are still evolving and hence the marketers' perceived importance of business ethics and social responsibility may be lower relative to their counterparts in developed countries. From another perspective, in developed countries the markets are likely to be more competitive, and therefore, issues of customer service and satisfaction might be relatively more important. Therefore, in making decisions, marketers from developed countries are less likely to take actions that are detrimental to the reputation of the company, fearing regulation as well as consumer dissatisfaction. In the context of this study, marketers from the USA and Australia should place greater importance on ethics and social responsibility as determinants of organizational effectiveness than marketers from South Africa and Malaysia (Keith and Blostrom, 2004).

2.2.5 Education and Charities
The Government of Kenya introduced and implemented the free primary education programme in the year 2003 and this has given many children access to education. Consequently, this has caused a strain on existing facilities and also become an impediment to the learning environment for children in the affected schools (Otieno, 2005). However, to encourage expansion of learning facilities, and improve the transition rate from primary to secondary schools, land purchased for expansion and development of schools shall be exempt from stamp duty (Kenya Budget for the Fiscal Year 2006/2007, 2006).

Companies in Kenya have contributed towards education through scholarships and bursaries. EABL, through the Guinness Strathmore Scholarships has been able to educate 30 bright but financially needy students (EABL, 2004). Safaricom offers annual scholarships to two Information Technology students (Safaricom, 2006). Thailand Railway Police Division started a Railway Train project in 1999 aimed at offering education services for homeless children. It is fully equipped with a book collection, toys and computers and provides an informal learning environment for the children (Cheunwattana and Meksawat, 2002).
2.3 The Impact of Corporate Social Responsibility on the Customers

A key component of CSR activities is customer and supplier practices. Social and ecological standards within an organization’s supply chain have emerged as indicators of an organization’s commitment to responsible activities (Blowfield, 2005; Carter and Jennings, 2004). Visibility of corporate actions and purchasing policies has now become part of CSR activities. The purchasing agent acts as a gatekeeper to goods that enter a company, and the goods relate to internal corporate operations and product quality (Hervani et al., 2005). Corporate social and ecological standards can transfer to suppliers and vice versa. When evaluating purchasing decisions, an organization is required to agree to a foundation of values that include respect for core human values and local traditions and a belief context for decision-making matters (Waddock, 2004). The results of poor purchasing decisions are evident with consumer outcries about the labor practices of such companies as Nike. Nike has come under scrutiny in recent years for its questionable labor practices in many foreign countries.

Specifically, a complainant filed a case against Nike in the Superior Court of California on July 2, 1998. The most significant allegations against the company related to working conditions in overseas locations in Southeast Asia (DeTienne and Lewis, 2005). The lawsuit claimed workers in the plants were exposed to toxic chemicals that could not only cause cancer but also damage the reproductive systems of female workers. The aim of the lawsuit was to expose the working conditions of Southeast Asian workers, and the exposure confirmed how the company misrepresented itself as a company that promoted safe working conditions for all of its workers. In 1993, Nike signed an agreement to contract with factories that promoted safe working conditions as defined in the country of operation. Based on the public attention, Nike altered its labor and supplier practices. DeTienne and Lewis (2005) provided guidelines for selecting suppliers: just and favorable working conditions include limited daily work hours; minimum age and working conditions for children; minimum wage requirements; and freedom from forced labor, of association, and to bargain collective contracts. The guidelines are based on research about the impact of supplier practices on financial performance.

The impact of customer and supplier practices on corporate profitability is likely to be higher costs. The higher costs do not necessarily translate into lower profitability if an organization is using the practices as a product differentiator to increase sales (Hervani et
al., 2005). CSR integration with purchasing practices can provide the opportunity for an organization to differentiate a product and increase financial performance. According to Caroll (1999), the key customer issues deal with product quality and safety, accessibility of products and services (for example, for disadvantaged and vulnerable customers), sourcing from local suppliers, labor rights in the supply chain, environmental impacts of suppliers, labor rights in the development of sustainable products, responsible selling and marketing advertising standards, corporate lobbying, business behavior where legislation is absent or poorly reinforced.

2.3.1 Business Behavior

The implication of under taking corporate social responsibility at the market environment is essential for a company’s corporate image or reputation. Tanimoto (2005) explains that corporate reputation or image is a term based on how the company conducts or is perceived as conducting its business by the stakeholders. Tanimoto (2004) further explains that when a company participates in corporate social responsibility, its corporate reputation becomes secure, a flow of positive and tangible benefits accrue to the organization.

There are important examples of the benefits of good corporate reputation gained through corporate social responsibility initiatives as outlined by Michael (1999). Some of the areas that can gain a company reputation from corporate social responsibility includes: stock value, customers, partners and allies, employee morale and recruitment, government relations and crisis shield.

Curtis (1999) suggests that shareholder value can be measurably improved. Corporate reputation and the confidence it inspires in investors leads to a higher stock price for one company than for others that appear to be equal in all other respects but neglect the care of reputation. Customers are more loyal to the products of companies with a good reputation (Morley, 1999). On the other side, if the perception of a company is negative, consumers will downgrade the quality of goods and services the company offers. If a company has a positive corporate reputation, it is easier for the company to introduce new products because the customers get a guarantee of a certain quality of service with the company’s name.
According to Morley (1999), corporate reputation is exceptionally influential when it comes to the partnerships and strategic alliances on which companies must rely for success in the increasingly complex. Advertising agencies, potential joint ventures prefer to establish partnerships and strategic alliances with companies with good corporate reputation. The chance of a successful relationship is greater and the partner company helps improve its own reputation by association.

Employee morale and commitment are generally much better at companies with a good corporate reputation, and this, in turn, usually leads to high productivity and good customer relations (Morley, 1999). Beyond existing employees, the reputation of an organization is a powerful factor in recruitment at all levels. Companies in industries that rely on technology, for example, must attract competitive students if is to maintain an innovative edge in its business operations. Hence a good reputation can win the greatest talents; and a tarnished image will drive the best talent to the competition.

A company with a solid reputation is much more likely than one held in low esteem to be able to influence the legislative or regular government decision making process (Morley, 1999). If a company is held in low esteem due to its poor reputation from the public, the government decisions could it in terms of millions in profits and eliminate jobs.

In times of crisis, a good reputation can be a shield against rumors and allegations (Michael, 1999). In such bad times or when there are legal changes that affect a company in a negative way, the only survival measure for it will be the lasting impressions that it creates a long its way as it carries out its business activities through corporate social responsibilities. Such as the old saying that says 'Good impressions Lasts for Long'.

2.3.2 Responsible Selling and Marketing Standards
EABL is a good example of a company that exhibits responsible selling and marketing standards in the sale of their products. According to Catherine Mburu excerpts in Marketing Society of Kenya Journal (2003), the company used to advertise its products without advertisements labels of the products not to be sold to people under the age of 18 years. After the public outcry, the company started marketing its products will labels indicating that the alcohol should not be sold to persons under the prescribed age.
There were also advertisement banners which were put on billboards for responsible drinking. This meant that a responsible drinker must assume the role of reliability as well as being able to choose between what's wrong and what's right for him or herself. Knowing when to say when, what their tolerance level is, and especially being able to take safety into their own as key points of being responsible (Mburu, 2003).

EABL believes that the consumption of alcohol can be a part of a balanced lifestyle. But the company also does acknowledge that if taken in excess, it can lead to serious health and social problems (Makau, 2003). This realization has led EABL to devise a campaign to encourage the responsible and safe drinking in the countries/markets that they operate in. This example demonstrates how EABL has implemented product quality, safety and maintained a high marketing standard in the ethical promotion of its products (Mburu, 2003).

On the other side, the business market environment has had a considerable impact on the environment individually and collectively. The ways companies do business have led to destructive pressure on natural resource base and major conflicts in land use and ownership. Other environmental impacts of the tremendous growth of businesses are substantial pollution of water, air and soil, as well as waste disposal problems (Makau, 2003). These problems have also had adverse effects on the areas that support valuable animal and plant life and ecosystem, as well as areas of historic or social cultural values, e.g., the Kaya forests in Coast Province.

2.3.3 Product Quality and Safety
There have been companies which have been on the forefront in conserving the environment. A good example of a company that has done well in this area is Toyota Motor Corporation. Toyota Corporation is one of the companies behind the innovation of the high performance and environmental friendly hybrid vehicles in the world (Madslein, 2004). A hybrid vehicle is a vehicle that uses an on-board rechargeable energy storage system (RESS) and a fueled propulsion power source for vehicle propulsion. It is a low-polluting and low-petroleum consuming car. It provides more miles per gallon than pure internal combustion engines because its engine is more efficient at constant revolutions.
According to Voelcker (2006), the vehicles have ultra modern engines that use both a regular petrol engine and an electric engine to drive the car, which as a result releases Super Ultra Low Carbon Emissions to the environment. These kinds of vehicle have gained enormous publicity amid soaring petrol prices and rising concern over global warming that makes this kind of an environmental-friendly-technology to be more attractive to consumers all over the world.

In contrast to other conventional vehicles where braking is done by mechanical brakes and the kinetic energy is wasted as heat, the braking in for example, in a car like Lexus 450 hybrid is controlled in part by the electric motor which can recapture part of the kinetic energy of the car to partially recharge the batteries (Madslein, 2004). This is called regenerative braking and one of the reasons for the high efficiency of the Lexus 450 hybrid cars.

The hybrid vehicles are much more energy efficient than traditional internal combustion engine vehicles because they generally provide greater fuel economy (Voelcker, 2006). This statistic has a major implication on the reduction of petroleum consumption and the less air pollution emitted by the car to the environment as a result of the car’s internal combustion engines and electric batteries that power the electric motors as compared to the greater fuel combustion that produces carbon dioxide in the process of combustion (Madslein, 2004). The hybrid vehicles also have reduced wear and tear on their engines because they are driven electric batteries that power the electric motors in the engine, which is less harmful as compared to fuel which can be tapered with or leave some residue that can tamper with the car engine (Voelcker, 2006).

The innovation of the hybrid vehicles engine enables them to run silently as a result of the electric engine. As a result, the roadway noise us substantially reduced leading to beneficial noise health effects. The reduced noise and air pollution emissions lead to improved human health with regard to hearing and respiratory problems among other illness. As a fact, it is estimated that the composition of the total air pollution of carbon monoxide and reactive hydrocarbons are about 80 to 90 percent cleaner for hybrid as compared to conventional vehicles (Madslein, 2004). The hybrid vehicle can also travel at a very long range without refueling or recharging, compared to conventional vehicles.
When an organization has a strong ethical environment, it usually focuses on the core value of placing the stakeholder’s interest first (Leo, 2002). Putting the stakeholders’ first; means taking the interest of everyone into consideration, and for other interested parties with regard to the company decision and actions (Leo, 2002). Ethical environmental conduct toward the stakeholders builds a strong competitive position that has been shown to affect business performance and product innovation positively (Ferrel et al, 2003).

2.4 The Impact of Corporate Social Responsibility on the Employees
According to Caroll (1999) corporate social responsibility measurements, the key workplace issues deals with workforce diversity and equal opportunities, local employment, attracting and retaining high quality staff, staff welfare and security, fair pay and remuneration, employee morale and motivation, personal development plans and career progression, staff training and multi-skill, health and safety in the workplace, work life balance, ensuring ethical behavior across business operations among others.

2.4.1 Personal Development Plans and Career Progression
There is a perception that employees are looking beyond financial benefits and seeking out employers whose philosophies and operating practices match their own principles. As such, there is a stronger recognition of the potential business benefit of good CSR practices, such as improved employee morale, increased efficiency, and enhanced ability to attract and retain qualified staff. It has also been found that for companies engaged in promoting human resource development as a manifestation of their responsibility towards the employee stakeholder, industrial relations are cordial and collective bargaining is rare.

Desimone, Werner and Harris (2002) suggest that effective organizations build an innovative, creative environment where employees can reach their full potential. Innovation, customer focus, speed, great talent and collaboration are the fundamentals that guide companies. These values are the foundation of the company in the many countries and cultures where they do business. This valuable knowledge and experience ultimately serves the best interests of our stakeholders: employees, customers, partners and communities.

Kenya Airline is committed to providing quality service to its customers through its highly trained, motivated and dedicated workforce. In addition, the Airline endeavors to
play an important role in the well being of the society and equip its employees with a high level of skill through the transfer of technology, promoting tourism and trade in Kenya (KQ, 2007).

2.4.2 Recruitment and Retention
Bennet (1999) argues that recruiting, retaining and developing the very best talent is vital for any success of a company. Recognizing this, companies should pay particular attention to important aspects of employee well-being through focused efforts on including diversity and inclusion, development and training and programs aimed at promoting work-life balance and a safe and healthy work environment all of which contribute to a successful organization culture (Dollinger, 1999).

Employee programs and company initiatives, such as employee surveys, drive the alignment of the company’s fundamental values with employee performance (Bennet, 1999). This survey encourages employees to anonymously express their views and communicate their ideas about the company’s culture.

Open dialogue encourages employee engagement which is a critical aspect of employee retention (Prescott, 1999). Employees can speak openly on topics ranging from company strategy to workplace issues. Managers are encouraged to take full ownership of the feedback, engage their team to create realistic, appropriate actions and to track and monitor progress (Laabs, 1997).

At Kenya Airways, the people are the company’s greatest asset and focus on the company’s development in the way they are both managed and organized to ensure they attract and retain the best employees who are well equipped to serve the airline customers with world class services (KQ, 2007).

2.4.3 Workforce Diversity and Equal Opportunity
HR practices play a leading role in establishing a CSR strategy for an organization (Lockwood, 2004). HR practices influence ethical standards, employment practices, and community involvement within an organization. Studies have linked HR practices to the financial performance of organizations with varying degrees of correlation (Mak and Akhtar, 2003). The independent variables tested included pay satisfaction, organizational
diversity, and employee development. A key component of organizational performance is employment practices (Holton and Naquin, 2004).

Poor employee satisfaction and higher costs and lower revenue performance were linked (Currall, Towler, Judge and Kohn, 2005). Currall et al. (2005) measured employee satisfaction across four dimensions, namely, pay level, benefits, pay structure, and pay raises. Currall et al. argued that pay satisfaction or dissatisfaction led to individual behavioral outcomes that produced a collective organizational structure that condoned constructive or destructive collective attitudes or norms and thus affected an organization’s financial performance. A study conducted by Wright, Gardner, Moynihan, and Allen (2005) confirmed the practices’ relationship to financial performance. Wright et al. researched the relationship between the HR practices of 45 business units and the financial performance of the business units. The independent variables included pay for performance and performance evaluations.

Another HR practice component is organizational diversity. A company’s commitment to corporate social responsibility plays an important role in initiating employee diversity programs (Aldag and Kuzuhara, 2001). The diversity programs are designed to foster an inclusive workplace, and local hiring efforts, which are aimed at hiring and developing employees from the countries and communities in which they do business (Sourentian, 1999). Diversity in the workplace has increased because of world economies’ globalization (Jehn and Bezrukova, 2004).

Globalization provides an opportunity for organizations to leverage employee diversity to sustain competitive advantage in global markets. Corporate hiring practices can bring individuals from different backgrounds, cultures, and generations into the same organization (Roos, Fernstrom and Pike, 2004). Diversity is the distribution of demographic characteristics within an organization. The characteristics fall into the two categories called categorical variables, such as race, gender, and cultural background, and continuous variables, such as age, education, and tenure (Jehn and Bezrukova, 2004). Each of the variables can create advantages, such as the opportunity for creativity, and challenges, such as conflict and communication issues in an organization.
Corporate social responsibility also serves as an antidiscrimination policy (Harvey and Brow, 1999). No person is to be discriminated against in employment or hiring decisions because of their race, color, age, religion, sex, national origin, sexual orientation, gender identity or disability status, or any other legally protected characteristic or activity (Harvey and Brow, 1999).

The ethics of human resource management (HRM) covers those ethical issues arising around the employer-employee relationship, such as the rights and duties owed between employer and employee. The main issue is centred on discrimination. Discrimination issues include discrimination on the bases of age (ageism), gender, race, religion, disabilities, weight and attractiveness (Lantos, 2001). More recently is also discrimination due to HIV/AIDS. Whether a given example of discrimination is positive or negative is a subjective judgment.

Racial discrimination differentiates between individuals on the basis of real or perceived racial categories, and has been official government policy in several countries, such as South Africa in the apartheid era. In the United States, racial profiling of minorities by law enforcement officials has been called racial discrimination (Longo and Bonoli, 2005). In Kenya, it is perceived that there is racial discrimination in the work place where people from different racial origins are treated differently in terms of working conditions and terms, remuneration and benefits. Often Caucasians and Asians are paid more and have more benefits and better working conditions that the Negro Kenyan.

Religious Discrimination is the social differentiation of individuals on the basis of their religious beliefs or affiliation. This is different from racial discrimination, which is based on racial categories, although racial discrimination and religious discrimination may be interconnected in various instances (Currall, Towler, Judge and Kohn, 2005). In Kenya you can find a vacancy announcement in the daily newspapers asking among other qualifications that the aspiring candidates should have, the organization looking to fill the vacancy also requires that the applicants be born again Christians. This is a form of discrimination against suitably qualified individuals who are not born again Christians (Reinmoeller and van Baardwijk, 2005).
Age discrimination is the discrimination against a person or group on the grounds of age. Although theoretically the word can refer to the discrimination against any age group, age discrimination usually comes in one of two forms: discrimination against youth, and discrimination against the elderly (Maignan and Ferell, 2005). In many companies more or less openly refuses to hire people above a certain age. In Kenya it seems that the discrimination on the basis of age works against the younger people. This is evidenced by the common occurrences of assigning senior managerial posts to elder members of society who more often than not have reached the age of retirement. It is interesting to note that these older members of society usually hold more than one position in a country where a large number of youth are wasting their lives away (Wright, Gardner, Moynihan, and Allen, 2005).

Illegal gender discrimination is any action that grants or denies opportunities, privileges, or rewards to a person just on the basis of their sex when such gender discrimination is not a requirement of the future situation. The United Nations had concluded that women often experience a “glass ceiling” and that there are no societies in which women enjoy the same opportunities as men (Roos et al., 2004). The term 'glass ceiling' describes the process by which women are barred from promotion by means of an invisible barrier. In the United States, the Glass Ceiling Commission has stated that between 95 and 97 percent of senior managers in the country's biggest corporations are men (Rowe and Slatcher, 2001).

2.4.4 Health and Safety Programs
Corporate social responsibility is also reflected in environmental, health and safety management system and in resource conservation efforts. It is visible in the community investment programs, which focus on investments in education, health and human services and the environment (McShulshis, 1999). For example, Kenya Airways Human Resource department policy has clearly stated goals and objectives that are concerned about the financial and psychological well being of individual employees. The Human Resource department attracts, recruits, selects, trains, motivates and maintains and provides growth opportunities, development and enhances employee commitment and dedication to the company (KQ, 2007). This is a good example of a company that place high value at the workplace issues.
Corporate responsibility has various definitions. However, broadly speaking it covers the ways in which organizations manage their core business to add social, environmental and economic value in order to produce a positive, sustainable impact for both society and for the business itself (Kenneth, 2001). Companies must ensure that the risks to health and safety of workers are properly controlled. In terms of corporate social responsibility, organizations have to improve management systems to reduce injuries and ill health; demonstrate the importance of health and safety issues at board level; and report publicly on health and safety issues within their organization, including their performance against targets. Effective management of health and safety is vital to employee well-being. It has a role to play in enhancing the reputation of businesses and helping them achieve high-performance teams and is financially beneficial to business (Keith, 2004).

2.4.5 Supportive Working Environment

Also Barclays Bank employees are encouraged to participate in corporate social responsibility. For instance, the bank’s managers across the continent have taken the lead in the ‘know your status’ campaign, and this is backed by a comprehensive programme based on prevention, treatment and coping (BBK, 2007). The Bank offers free testing and counseling to all employees, and free anti-retroviral treatment to those who are HIV-positive, as well as up to three members of the employee’s family.

Further, the bank makes a positive effort to create a supportive working environment for everyone, whatever their HIV status. The trade unions also have a big role to play in the fight against the epidemic, and their support for testing, in particular, has made a huge difference to the numbers coming forward (BBK, 2007). Locally, the Bank’s employees have also worked with 11 schools in Nairobi and Mombasa, and given a chance to nearly 1,500 students to work as shadow staff members for a day. These programmes focus on developing the student’s business skills and encourage self-reliance, develop character and build confidence.

Staff involvement in Corporate Social Responsibility is an important aid to staff recruitment and retention, particularly within the competitive graduate student market. Potential recruits are increasingly likely to ask about a firm’s CSR policy during an interview and having a comprehensive policy can give an advantage. CSR can also help to build a “feel good” atmosphere among existing staff, particularly when they can
become involved through payroll giving, fundraising activities or community volunteering (Walter and William, 1999).

2.5 Chapter Summary
The first objective looks at the community issues. The community relates to the interface between business and society that can both positively or negatively be affected by a project, product or investment on a local or global level. The second objective looks at the consumer issues. Responsibility to the consumers involves maintaining the highest standards of business practice when developing, purchasing, selling and marketing products and services. The business environment issue also affects the desirability and value of property, as well as the effect on people’s lives. It is the living and non-living surroundings, natural or man made, which make life on earth possible. The third objective looks at the work place issues. Responsibility at the workplace involves the creation of a working environment where personal and employment rights are upheld. The next section is chapter three and it deals with the research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the various methods and procedures the researcher adopted in conducting the study in order to answer the research questions raised in the first chapter. The chapter was organized in the following structure: the research design, population and sample, data collection methods, sampling design and sample size, research procedures, data analysis methods and lastly the chapter summary.

3.2 Research Design

This research adopted a descriptive research design. A descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. In addition, a descriptive study attempts to describe a subject, often by creating a profile of a group of problem, people or events, through collections of data and the tabulation of frequencies on research valuables and the research reveals who, what, when, where or how much (Shuttleworth, 2006).

A survey in form of standardized questions in a questionnaire was used to collect data. A survey is defined by Balnaves and Caputi (2001) as a method of collecting data from people about who they are, how they think (motivations and beliefs) and what they do (behaviour). This method enabled the researcher to reduce biases associated with qualitative research. This design was appropriate because it gave conclusive results between two variables. For this case, EABL Limited corporate social responsibility was the independent variable where as the dependent variable are the effects of CSR activities on the community, consumers and employees.

3.3 Population and Sampling Design

3.3.1 Population

Cooper and Schindler (2003) describe a population as the total collection of elements whereby references have to be made. The total population consisted of approximately 600 employees, approximately 36,000 respondents from the beneficiary communities and approximately 1,500,000 customers based in Kenya. This population of interest provided the relevant information regarding motivation, perception and attitudes of EABL CSR activities. The total population distribution is indicated in Table 3.1.
Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Population Category</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>600</td>
</tr>
<tr>
<td>Customers</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Community</td>
<td>36,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,536,600</td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design and Sample Size

3.3.2.1 Sampling Frame

According to Cooper and Schindler (2003), a sampling frame is a list of elements from which the sample is actually drawn and closely related to the population. The sampling frame was obtained from the EABL head office CSR database at as 30\textsuperscript{th} November 2010. This ensured that the sampling frame is current, complete and relevant for the attainment of the study objectives.

3.3.2.2 Sampling Techniques

This study adopted stratified and random sampling techniques. The whole population was stratified into three sub-groups comprising of the following: customers, employees and the beneficiary community. This procedure ensured homogeneity within each stratum and heterogeneity between the three sub-strata. The advantage of this method is that there was be statistical efficiency in data collection and analysis (Cooper and Schindler, 2003).

3.3.2.3 Sampling Size

The sample size is a smaller set of the larger population. The total sample size will include 154 employee respondents, 207 customer respondents and 26 community respondents. To obtain a suitable sample as possible due to the constraints of time and resources to due geographically dispersed population, the study therefore used the following formula to calculate the sample size (Hessamaldin, 2008):

\[
n = \frac{N_i^2 S^2}{Nd^2 + t^2 s^2}
\]

\[
n = \frac{600 \times (1.96)^2 \times (0.867)^2}{600 \times (0.118)^2 + (1.96)^2 \times (0.867)^2}
\]

n = 154 (Employee Respondents)
\[ n = \frac{1,500,000 \times (1.96)^2 \times 0.867^2}{1,500,000 \times (0.118)^2 + (1.96)^2 \times (0.867)^2} = 207 \text{ (Customer Respondents)} \]

\[ n = \frac{36,000 \times (1.96)^2 \times 0.867^2}{36,000 \times (0.118)^2 + (1.96)^2 \times (0.867)^2} = 206 \text{ (Community Respondents)} \]

\[ n = \text{Number of samples.} \]

\[ N = \text{Number of population.} \]

\[ t^2 = \text{Trust of 95\% (Confidence Interval)} \]

\[ s^2 = \text{Pre-estimation of the variance} \]

\[ d^2 = \text{Difference between the average of the sample and the population.} \]

The number of mistakes (d) is usually stated as the difference between a parameter and the relevant estimation. The sample size distribution is indicated on Table 3.2.

**Table 3.2: Sample Size Distribution**

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>600</td>
<td>26%</td>
<td>154</td>
</tr>
<tr>
<td>Customers</td>
<td>1,500,000</td>
<td>0.138%</td>
<td>207</td>
</tr>
<tr>
<td>Community</td>
<td>36,000</td>
<td>0.57%</td>
<td>206</td>
</tr>
<tr>
<td>Total</td>
<td>1,536,600</td>
<td>0.037%</td>
<td>567</td>
</tr>
</tbody>
</table>

**3.4 Data Collection Method**

The study used primary data. The primary data collection method was carried out by the use of structured questionnaires divided into four sections: the first section contained questions aimed at identifying the characteristics of the sample population. The second section addressed the impact of EABL Corporate Social Responsibility on the community. The third section addressed the impact of EABL Corporate Social Responsibility on the customers and the fourth section addressed the impact of EABL Corporate Social Responsibility on the employees.

**3.5 Research Procedures**

A pilot test involving 7 respondents from customers, 7 respondents from employees and another 7 respondents from the community evaluated the completeness, precision, accuracy and clarity of the questions on the questionnaire. This ensured the reliability of
the data collection instruments used. A letter of introduction was attached to the questionnaires explaining the purpose of the study. This was preceded by seeking permission from the departmental heads so that the study can be carried out on the company. The questionnaires were administered to the community and the customers of the company during the weekends. As for the employees the questionnaires were administered during the working hours and posted on EABL website to reach a wide number of respondents. Follow up on the filling of the questionnaires ensured high response rate. The whole exercise was conducted within a month, and each questionnaire took approximately 10 minutes to fill.

3.6 Data Analysis
To ensure easy analysis, the questionnaires were coded, edited, entered and cleaned according to each variable of the study. This study used descriptive and inferential statistics. According to McDaniel and Gates (2001), descriptive analysis involves a process of transforming a mass of raw data into tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data. The Data analysis involved descriptive statistics to determine frequency distribution for a demographic profile of participants. The demographic data was tabulated using frequency and percentages. In order to describe the data, it included means and standard deviation of each variable. The coefficient of variation was used where data was skewed. The results of the study were presented using tables and figures. Data analysis was conducted using the Statistical Package for Social Science (SPSS).

3.7 Chapter Summary
This chapter dealt with research methodologies which helped in gathering and analyzing data in respect to the research questions highlighted in the first chapter. The methodologies used also facilitated the presentation of the research findings for easier understanding and use. The next section is chapter four and it deals with the data analysis and presentation.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter addresses the results and findings on the effects of EABL Corporate Social Responsibility. The findings were outlined according to the research questions of the study. The purpose of the study was to evaluate the effects of EABL Corporate Social Responsibility on the community, customers and employees. The findings are based on the responses from the questionnaires filled and information gathered on the research questions. The first research question looked at the impact of EABL Corporate Social Responsibility on the community. The second research question explored the impact of EABL Corporate Social Responsibility on the customers. The third research question looked at the impact of EABL Corporate Social Responsibility on the employees.

The section presents an analysis of the information designed to respond to the research questions as outlined in the study. There are five subsections presented on the questionnaire. The first is a general section which addresses the respondents’ demographic characteristics. The following four subsections address specific research questions. Two hundred and six questionnaires were distributed to the community members and ninety nine (99) responded created a 48% effective response rate. While one hundred and fifty four questionnaires were administered and seventy seven responded creating an effective response rate of 50% and out of two hundred and seven questionnaires were administered and the response rate was forty seven percent (47%) equivalent to 98 respondents. These response rates makes the data collected from the field more representatives enough to answer the research questions. The results are indicated on the following Table 4.1.

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample Size</th>
<th>Response Rate</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>206</td>
<td>48%</td>
<td>99</td>
</tr>
<tr>
<td>Employees</td>
<td>154</td>
<td>50%</td>
<td>77</td>
</tr>
<tr>
<td>Customers</td>
<td>207</td>
<td>47%</td>
<td>98</td>
</tr>
<tr>
<td>Total</td>
<td>567</td>
<td>48%</td>
<td>274</td>
</tr>
</tbody>
</table>

32
4.2 General Information
The bio-data is organized in the following areas: gender, educational level, awareness of EABL CSR initiatives and the beneficiaries.

4.2.1 Gender of Respondents
As shown in the Table 4.2, the respondents sample population comprises of 37% male and 63% female. This shows that most of the respondents were female as compared to males.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Data Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Male</td>
<td>151</td>
</tr>
<tr>
<td>Female</td>
<td>123</td>
</tr>
<tr>
<td>Total</td>
<td>274</td>
</tr>
</tbody>
</table>

4.2.2 Education Level
Concerning the respondent education level, the findings indicated that 7% of the respondents had primary school level and the same was for secondary school level, 62% of the respondents had college level education while 24% of the respondents had university level. Hence, the findings indicated that majority of the employee respondents had college level education and therefore they were expected to have an understanding of corporate social responsibility. The findings are presented in Table 4.3.

<table>
<thead>
<tr>
<th>Education</th>
<th>Data Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Primary School</td>
<td>19</td>
</tr>
<tr>
<td>Secondary School</td>
<td>19</td>
</tr>
<tr>
<td>College Level</td>
<td>170</td>
</tr>
<tr>
<td>University Level</td>
<td>65</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
</tr>
</tbody>
</table>
4.2.3 CSR Awareness

In relation to whether the respondents were aware of EABL Corporate Social Responsibilities, 98% of the respondents agreed as compared to 2% who disagreed. The findings are presented in Table 4.4.

<table>
<thead>
<tr>
<th>CSR Awareness</th>
<th>Data Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Yes</td>
<td>267</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
</tr>
</tbody>
</table>

4.2.4 CSR Beneficiary

While, 80% of the respondents admitted that they were the beneficiary of EABL Corporate Social Responsibilities as 20% disagreed. Thus, for those who were aware and beneficiary if EABL corporate social responsibility were in a better position to answer the research questions. The findings are presented in Table 4.5.

<table>
<thead>
<tr>
<th>CSR Beneficiary</th>
<th>Data Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Yes</td>
<td>219</td>
</tr>
<tr>
<td>No</td>
<td>55</td>
</tr>
<tr>
<td>Total</td>
<td>274</td>
</tr>
</tbody>
</table>

4.3 The Impact of EABL Corporate Social Responsibility on the Community

The areas under this section are: health and safety, stakeholders’ participation in decision making, community education and social activities, employment opportunity for the local community, employees’ involvement in community service, sourcing from suppliers and satisfaction with company CSR involvement.

4.3.1 Health and Safety

Based on whether EABL was concerned for the health and safety of the local community, the findings indicates that 44% of the respondents strongly agreed, 44% of the respondents agreed on the same and 12% of the respondents were undecided. Therefore,
the findings indicated that majority of the community respondents agreed that EABL is concerned with the health and safety of the local community. The findings are presented in Table 4.6.

4.3.2 Stakeholders Participation in Decision Making
On the issue of whether EABL consults with the stakeholders in decision making, the findings that 11% of the respondents agreed, 56% of the respondents were undecided and 33% of the respondents disagreed. These results show that, most of the community respondents felt that EABL does not consult with the stakeholders in decision making since 56% of the respondents were undecided. The findings are presented in Table 4.6.

4.3.3 Community Education and Social Activities
Based on whether EABL participates in community education and other social activities promotes fairness in the labor market. The findings illustrated that 33% of the respondents strongly agreed, 56% of the respondents agreed on the same and 11% of the respondents were undecided. Thus, the findings indicate that most of the community respondents agreed that EABL participates in community education and social activities as agreed by the respondents. The findings are presented in Table 4.6.

4.3.4 Employment Opportunity for the Local Community
On the issue of whether EABL creates employment opportunity for the local community, the findings revealed that 11% of the respondents strongly agreed, 45% of the respondents agreed on the same, 33% of the respondents were undecided and 11% of the respondents disagreed. These results show that most of the community respondents agreed that EABL creates employment opportunity for the local community as agreed by the majority of the respondents. The findings are presented in Table 4.6.

4.3.5 Employees Involvement in Community Service
The findings of EABL employee’s involvement in community service work showed that 11% of the respondents agreed, 44% were undecided as 44% of the respondents disagreed. Thus, the findings indicate that the community respondents were undecided on the involvement of EABL employee’s involvement in community service work. The findings are presented in Table 4.6.
4.3.6 Sourcing from Local Suppliers

Based on the issue of whether EABL sources from local suppliers, the findings indicated that 33% of the respondents strongly agreed, 56% of the respondents agreed on the same, and 11% of the respondents were undecided. Thus, these results indicate that most of the community respondents agreed that EABL sources from the local suppliers since 56% agreed and 33% strongly agreed. The findings are presented in Table 4.6.

4.3.7 Satisfaction with Company CSR Involvement

In regard to the degree of satisfaction with the EABL community corporate social responsibility involvement, the findings indicated that 11% of the respondents strongly agreed, 11% of the respondents agreed on the same, 44% of the respondents were undecided as 22% of the respondents disagreed and 11% of the respondents strongly disagreed. Hence, the findings reveal that the most of the community respondents were undecided on EABL corporate social responsibility involvement in the community. The findings are presented in Table 4.6.

Table 4.6: Impact of EABL Corporate Social Responsibility on the Community

<table>
<thead>
<tr>
<th>Statements</th>
<th>1= Strongly Agree</th>
<th>2= Agree</th>
<th>3= Uncertain</th>
<th>4= Disagree</th>
<th>5= Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td>Health and safety</td>
<td>44</td>
<td>44%</td>
<td>11</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Stakeholders participation in decision making</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>11%</td>
<td>55</td>
<td>56%</td>
<td>33%</td>
</tr>
<tr>
<td>Community education and social activities</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td></td>
<td>33</td>
<td>33%</td>
<td>55</td>
<td>56%</td>
<td>11%</td>
</tr>
<tr>
<td>Employment opportunity for the local community</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>11%</td>
<td>45</td>
<td>45%</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee involvement in community service</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>11%</td>
<td>44</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sourcing from local suppliers</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td></td>
<td>33</td>
<td>33%</td>
<td>55</td>
<td>56%</td>
<td>11%</td>
</tr>
<tr>
<td>Satisfaction with the company’s community corporate social responsibility</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>11%</td>
<td>11</td>
<td>11%</td>
<td>11%</td>
</tr>
</tbody>
</table>
4.3.8 Evaluation of EABL CSR Community Involvement

The findings indicate that EABL played a major role in being concerned with the health and safety of the local community. This was followed by consulting with the affected stakeholders in decision making, creating employment opportunity for the local community, participating in community education and other social activities, employees’ involvement in community service work and EABL sourcing from local suppliers. The findings are presented in Table 4.7.

Table 4.7: Evaluation of EABL Corporate Social Responsibility on the Community

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Index (Coefficient of Variation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EABL concerns with the health and safety of the local community</td>
<td>3.75</td>
<td>0.435</td>
<td>0.116</td>
</tr>
<tr>
<td>EABL consulting the affected stakeholders in decision making</td>
<td>3.72</td>
<td>0.452</td>
<td>0.12151</td>
</tr>
<tr>
<td>EABL participating in community education and other social activities</td>
<td>3.62</td>
<td>0.452</td>
<td>0.12486</td>
</tr>
<tr>
<td>EABL creating employment opportunity for the local community</td>
<td>3.66</td>
<td>0.477</td>
<td>0.13033</td>
</tr>
<tr>
<td>Involvement of EABL employees in community service work</td>
<td>3.61</td>
<td>0.489</td>
<td>0.13546</td>
</tr>
<tr>
<td>EABL sourcing from local suppliers</td>
<td>3.59</td>
<td>0.573</td>
<td>0.15961</td>
</tr>
<tr>
<td>Satisfaction with the company’s community corporate social responsibility</td>
<td>3.56</td>
<td>0.577</td>
<td>0.16208</td>
</tr>
</tbody>
</table>

4.4 The Impact of EABL Corporate Social Responsibility on the Market

The areas under this section are: provision of quality products and services, accessibility of products and services, sourcing from local suppliers, fairness in marketing and advertising, consumer education and awareness on CSR matters, environmental degradation, and customer satisfaction.

4.4.1 Quality Products

The findings indicates that 17% of the respondents strongly agreed, 63% of the respondents agreed on the same, 16% of the respondents were undecided and 4% of the respondents disagreed based on the issue of EABL product and service quality. Hence, the findings indicate that most of the customer respondents agreed that EABL has quality
products and services, since 63% of the customer respondents agreed. The findings are presented in Table 4.8.

4.4.2 Accessibility of Products and Services
On the issue of whether EABL products are easily accessible, the findings indicates that 20% of the respondents strongly agreed, 66% of the respondents agreed on the same, 5% of the respondents were undecided and 6% of the respondents disagreed while 3% of the respondents strongly disagreed. Thus, these results findings indicate that most of the customer respondents agreed that EABL products and services were easily accessible, since 66% of customer respondents agreed. The findings are presented in Table 4.8.

4.4.3 Sourcing from the Local Suppliers
The study established that 7% of the respondents strongly agreed, 8% of the respondents agreed on the same, 51% of the respondents were undecided, 23% disagreed and 11% of the respondents strongly disagreed on whether EABL sources from the local suppliers. Therefore, the findings indicate that most of the customers were undecided on whether the company sources from its local suppliers, since 51% of the customer respondents were undecided. The findings are presented in Table 4.8.

4.4.4 Fair Marketing and Advertising Practices
Based on whether EABL promotes fairness in marketing and advertising its products and services, the findings indicates that 28% of the respondents strongly agreed, 60% of the respondents agreed on the same, 9% of the respondents were undecided and 3% of the respondents disagreed. Thus, these results indicate that most of the customer respondents agreed that EABL promotes fairness in marketing and advertising, since 60% of the respondents agreed. The findings are presented in Table 4.8.

4.4.5 Consumer Education and Awareness on CSR
On the issue of whether EABL provided consumer education and awareness on Corporate Social Responsibility issues, the findings indicates that 4% of the respondents agreed, 14% of the respondents were undecided, 53% of the respondents disagreed and 29% of the respondents strongly disagreed. Thus, the findings indicate that most of the customer respondents disagreed that EABL provides consumer education and awareness on
Corporate Social Responsibility issues, since 53% of the respondents disagreed. The findings are presented in Table 4.8.

### 4.4.6 Environmental Degradation

Based on whether EABL caused any damage to the environment, the findings indicates that 3% of the respondents strongly agreed, 12% of the respondents agreed on the same, 35% of the respondents were undecided, 15% of the respondents disagreed as 34% of the respondents strongly disagreed on this. The results indicate that most of the customer respondents were undecided as to EABL causes any damage to the environment, since a total of 35% customer respondents were undecided. The findings are presented in Table 4.8.

### 4.4.7 Overall Satisfaction to Environmental and Safety Matters

Based on the customers overall degree of satisfaction on the company's impact to the environment, the findings indicates that 7% of the respondents strongly agreed, 46% of the respondents agreed, 29% were undecided and 18% of the respondents disagreed on this. Thus, the findings indicated that most of the customer respondents were satisfied with the company's impact on environmental and safety matters. The findings are presented in Table 4.8.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Frequency</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality products</td>
<td>Frequency</td>
<td>17</td>
<td>62</td>
<td>16</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>17%</td>
<td>63%</td>
<td>16%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Accessibility of products and services</td>
<td>Frequency</td>
<td>19</td>
<td>65</td>
<td>5</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>20%</td>
<td>66%</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Sourcing from local suppliers</td>
<td>Frequency</td>
<td>7</td>
<td>8</td>
<td>50</td>
<td>23</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>7%</td>
<td>8%</td>
<td>51%</td>
<td>23%</td>
<td>11%</td>
</tr>
<tr>
<td>Fair marketing and advertising practices</td>
<td>Frequency</td>
<td>27</td>
<td>59</td>
<td>9</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>28%</td>
<td>60%</td>
<td>9%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Consumer education and awareness</td>
<td>Frequency</td>
<td>4</td>
<td>14</td>
<td>52</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>4%</td>
<td>14%</td>
<td>53%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Environmental degradation</td>
<td>Frequency</td>
<td>3</td>
<td>12</td>
<td>34</td>
<td>15</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>3%</td>
<td>12%</td>
<td>35%</td>
<td>15%</td>
<td>34%</td>
</tr>
<tr>
<td>Satisfaction with environmental and safety matters</td>
<td>Frequency</td>
<td>7</td>
<td>45</td>
<td>28</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>7%</td>
<td>46%</td>
<td>29%</td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>
4.4.8 Evaluation of EABL CSR on the Market

At the marketplace, EABL played a key role in marketing and advertising its products through fairness, providing high products and services, making its products and services easily accessible, sourcing from the local suppliers and watching on environmental degradation. The findings are presented in Table 4.9.

Table 4.9: Impact of EABL Corporate Social Responsibility on the Market

<table>
<thead>
<tr>
<th>The Impact of EABL Corporate Social Responsibility on the Market</th>
<th>Mean</th>
<th>Standard Deviation (SD)</th>
<th>Coefficient of Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EABL products and services are of quality</td>
<td>4.24</td>
<td>0.67</td>
<td>0.16</td>
</tr>
<tr>
<td>EABL products and services are accessible</td>
<td>4.24</td>
<td>0.69</td>
<td>0.16</td>
</tr>
<tr>
<td>The company sources from local suppliers</td>
<td>4.24</td>
<td>0.74</td>
<td>0.18</td>
</tr>
<tr>
<td>Marketing and advertising tools used promote fairness in the market</td>
<td>4.27</td>
<td>0.78</td>
<td>0.18</td>
</tr>
<tr>
<td>The public is well informed on all the corporate social responsibility issues that relate to health, wellbeing and economic status of the stakeholders</td>
<td>3.58</td>
<td>0.76</td>
<td>0.21</td>
</tr>
<tr>
<td>EABL has caused any degradation to the environment</td>
<td>3.78</td>
<td>0.90</td>
<td>0.24</td>
</tr>
<tr>
<td>As a customer of the company I express a high degree of satisfaction with the company's impact on environmental and safety matters</td>
<td>3.02</td>
<td>0.91</td>
<td>0.30</td>
</tr>
</tbody>
</table>

4.5 The Impact of EABL Corporate Social Responsibility on the Employees

The areas under this section are: workforce diversity and equal opportunity, local employment opportunity, attraction and retention of staff, welfare of employees, attractive remuneration and pay, employee morale and motivation, personal development plans and career progression, staff training and multi – skill, and health and safety standards.

4.5.1 Workforce Diversity and Equal Opportunities

The study established that 2% of the respondents strongly agreed, 7% of the respondents agreed, 27% of the respondents were undecided as 58% of the respondents disagreed and 6% of the respondents strongly disagreed, on whether EABL promotes workforce diversity and equal opportunities. From the findings, 58% disagreed that EABL corporate
social responsibility promotes workforce diversity and equal opportunities; hence most of the employees disagreed. The findings are presented in Table 4.11.

4.5.2 Local Employment
The findings indicated that 16% of the respondents strongly agreed, 60% of the respondents agreed, 18% of the respondents were undecided and as 6% of the respondents disagreed to whether EABL employs the local community. From this, there is an indication that 60% agreed that EABL employs the local community; hence most of the employees agreed that EABL does promote local employment. The findings are presented in Table 4.11.

4.5.3 Attraction and Retention of High Quality Staff
On whether EABL attracts and maintains high quality staff, the findings indicates that 2% of the respondents strongly agreed and 2% also agreed on the same, 31% of the respondents were undecided, 56% of the respondents disagreed and 9% strongly disagreed. Hence, the results indicate that 56% of the respondents disagreed that EABL attracts and maintains high quality staff; hence most of the employees disagreed that EABL does attract and maintain high quality staff. The findings are presented in Table 4.11.

4.5.4 Welfare of Employees
Concerning the improvement of the employee’s welfare, the study established that 4% of the respondents agreed that their welfare was improved, 73% of the respondents were undecided while 24% of the respondents strongly disagreed that EABL is committed towards improving the welfare of the staff. The results indicate that 73% of the respondents were undecided that EABL has any concern for improving the welfare of the staff and this is an indication that most of the employees were undecided. The findings are presented in Table 4.11.

4.5.5 Attractive Remuneration and Pay
In relation to EABL providing attractive pay and remuneration packages, the findings showed that 7% of the respondents agreed, 34% of the respondents were undecided, 44% of the respondents disagreed and 15% of the respondents strongly disagreed on the issue of EABL providing attractive pay and remuneration packages. The results indicate that
44% of the respondents disagreed that EABL provided attractive pay and remuneration packages for their staff. This shows that the employees were not happy with their pay and remuneration packages. The findings are presented in Table 4.11.

4.5.6 Employee Morale and Motivation
From the total respondents of employees who were totaling fifty five in number, the findings revealed that 2% of the respondents strongly agreed, 9% of the respondents agreed, 14% of the respondents were undecided, 46% of the respondents disagreed, 29% of the respondents strongly disagreed on that EABL enhances the morale and motivation of its staff. Hence, the results indicate that 46% of the respondents disagreed that EABL enhances the morale and motivation of its staff. These findings indicate that most of the employees were of low morale and motivation. The findings are presented in Table 4.11.

4.5.7 Personal Development and Career Progression
Based on whether EABL encourages employee personal development and career progression, the findings established that 2% of the respondents strongly agreed and 2% agreed, 18% of the respondents were undecided, 73% disagreed and 6% of the respondents strongly disagreed. Hence, the findings indicate that 73% of the respondents disagreed that EABL encourages employee personal development and career progression and hence most of the employees disagreed on this. The findings are presented in Table 4.11.

4.5.8 Training and Multi - Skilling
On the issue on if EABL encourages staff training and multi-skilling, the findings indicated that 5% of the respondents strongly agreed, 4% of the respondents agreed, 34% of the respondents were undecided, 44% of the respondents disagreed and as 13% of the respondents strongly disagreed. Therefore, the findings indicate that most of the employees disagreed that EABL encourages staff training and multi-skill. The findings are presented in Table 4.10.

4.5.9 Health and Safety Standards
whether EABL implements health and safety standards at the workplace, the findings indicates that 29% of the respondents strongly agreed, 58% of the respondents agreed on the same, 7% of the respondents were undecided and 6% of the respondents disagreed on
the issue of whether EABL implements health and safety standards at the workplace. Hence, the findings indicate that 58% of the respondents agreed that EABL implements health and safety standards at the workplace. The findings are presented in Table 4.10.

Table 4.10: Impact of EABL Corporate Social Responsibility among Employees

<table>
<thead>
<tr>
<th>Statements</th>
<th>Frequency</th>
<th>1= Strongly Agree</th>
<th>2= I Agree</th>
<th>3= Uncertain</th>
<th>4= Disagree</th>
<th>5= Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce diversity and equal opportunities</td>
<td>Frequency</td>
<td>1</td>
<td>5</td>
<td>21</td>
<td>44</td>
<td>5</td>
</tr>
<tr>
<td>Local employment</td>
<td>Frequency</td>
<td>12</td>
<td>46</td>
<td>14</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Attraction and retention of high quality staffs</td>
<td>Frequency</td>
<td>1</td>
<td>1</td>
<td>23</td>
<td>43</td>
<td>7</td>
</tr>
<tr>
<td>Welfare of employees</td>
<td>Frequency</td>
<td>3</td>
<td>56</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attractive remuneration</td>
<td>Frequency</td>
<td>5</td>
<td>26</td>
<td>33</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Employee morale and motivation</td>
<td>Frequency</td>
<td>2</td>
<td>7</td>
<td>10</td>
<td>35</td>
<td>22</td>
</tr>
<tr>
<td>Personal development plans and career progression</td>
<td>Frequency</td>
<td>2</td>
<td>2</td>
<td>14</td>
<td>56</td>
<td>5</td>
</tr>
<tr>
<td>Training and multi-skill</td>
<td>Frequency</td>
<td>4</td>
<td>3</td>
<td>26</td>
<td>34</td>
<td>10</td>
</tr>
<tr>
<td>Health and safety standards</td>
<td>Frequency</td>
<td>22</td>
<td>45</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

4.5.10 Evaluation of EABL CSR on the Employees

Among the employees, EABL played a key role in promoting workforce diversity and equal opportunities among the employees, attracting and maintaining high quality staffs, having a welfare policy for the staff, providing attractive pay and remuneration system, enhancing employee morale and motivation, being committed to employee personal development plans and career progression, providing staff training and multi-skills, implementing health and safety standards and promoting local employment. The findings are presented in Table 4.11.
Table 4.11: Evaluation of EABL Corporate Social Responsibility among Employees

<table>
<thead>
<tr>
<th>Impact of EABL Corporate Social Responsibility on the Employees</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Index (Coefficient of Variation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EABL promoting workforce diversity and equal opportunities</td>
<td>3.80</td>
<td>0.401</td>
<td>0.1055</td>
</tr>
<tr>
<td>EABL promoting local employment</td>
<td>1.44</td>
<td>0.499</td>
<td>0.3465</td>
</tr>
<tr>
<td>EABL attracting and maintains high quality staffs</td>
<td>2.86</td>
<td>1.128</td>
<td>0.3944</td>
</tr>
<tr>
<td>EABL having a welfare policy for the staff</td>
<td>2.86</td>
<td>1.134</td>
<td>0.4004</td>
</tr>
<tr>
<td>EABL having attractive pay and remuneration system</td>
<td>2.86</td>
<td>1.148</td>
<td>0.4014</td>
</tr>
<tr>
<td>EABL enhancing employee morale and motivation</td>
<td>2.86</td>
<td>1.152</td>
<td>0.4028</td>
</tr>
<tr>
<td>EABL is committed to employee personal development plans and career progression</td>
<td>2.86</td>
<td>1.154</td>
<td>0.4035</td>
</tr>
<tr>
<td>EABL providing staff training and multi-skills</td>
<td>2.86</td>
<td>1.158</td>
<td>0.4049</td>
</tr>
<tr>
<td>EABL implementing health and safety standards</td>
<td>2.16</td>
<td>1.164</td>
<td>0.5389</td>
</tr>
</tbody>
</table>

4.6 Chapter Summary

A summary of the first specific objective on the impact of Corporate Social Responsibility on the community revealed that the community respondents agreed that corporate social responsibility activities were offered by EABL Company. On the second specific objective evaluated the impact of Corporate Social Responsibility on the market, a summary of the major findings reveals that the market respondents were in agreement that EABL Company showed positive concern for corporate social responsibility activities to its market. A summary of the third specific objective on the impact of Corporate Social Responsibility on the employees at the workplace within EABL revealed that the employee respondents disagreed on the company’s social corporate responsibility behavior towards its employees.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter the summary of the whole project is given and also there is a discussion in which the findings and results of the chapter four are interpreted and compared to the findings in the literature review. Also, in this chapter the whole project are concluded and this is on the basis of the conclusions drawn from the research questions and final recommendations are given on the project and the areas the researcher was not able to cover while doing the project.

5.2 Summary

The purpose of the study was to evaluate the effects of EABL Corporate Social Responsibility on the community, customers and employees. The study tried to answer the following research questions: the first research question looked at the impact of EABL Corporate Social Responsibility on the community. The second research question explored the impact of EABL Corporate Social Responsibility on the customers. The third research question looked at the impact of EABL Corporate Social Responsibility on the employees.

This research adopted a descriptive research design. The total population consisted of approximately 600 employees, approximately 36,000 respondents from the beneficiary communities and approximately 1,500,000 customers based in Kenya as at 31st March 2010. This study adopted stratified and random sampling techniques. The total sample size included 154 employee respondents, 207 customer respondents and 206 community respondents. The study adopted used primary data. A pilot test involving 7 respondents from customers, 7 respondents from employees and another 7 respondents from the community evaluated the completeness, precision, accuracy and clarity of the questions on the questionnaire. Descriptive statistics was adopted and the demographic data was tabulated using frequency and percentages. In order to describe the data, it included means and standard deviation of each variable. The coefficient of variation was used where data was skewed. The results of the study were presented using tables and figures. Data analysis was conducted using the Statistical Package for Social Science (SPSS).
The findings on the impact of EABL corporate social responsibility on the community showed that the community respondents agreed that EABL was concerned with the health and safety of the local community, did not consult with the stakeholders in decision making, participated in community education and social activities, created employment opportunity for the local community, were undecided on the company’s involvement on corporate social responsibility activities, agreed that EABL sourced from the local suppliers, and created employment opportunities for the local community.

The research findings on the impact of EABL corporate social responsibility on the market established that the market respondents agreed that EABL had quality products and services, its products and services were easily accessible, were undecided on whether the company sourced from its local suppliers, agreed that EABL promoted fairness in marketing and advertising, disagreed that EABL provided public information on Corporate Social Responsibility issues, were neither satisfied nor satisfied with the company’s impact to the environment.

The study revealed that the employee respondents disagreed that EABL corporate social responsibility promoted workforce diversity and equal opportunities and that employees came from the local community, promoted local employment, it attracted and maintained high quality staff. The employee respondents were undecided as to whether EABL had any concern for improving the welfare of the staff, were unimpressed with their pay and remuneration packages, and their morale and motivation was low. They also disagreed that EABL encouraged personal development and career progression for their employees, and encouraged staff training and multi-skill. All in all they did agree that EABL implemented health and safety standards at the workplace.
5.3 Discussion

5.3.1 Impact of Corporate Social Responsibility on the Community

A total of 44% of the community respondents strongly agreed and 44% agreed that EABL is concerned with the health and safety of the local community. This has been one of the key community issues identified by Caroll (1999) as an effective measure of corporate social responsibility involvement by companies.

On the local planning and stakeholders’ consultation, the findings indicated that 56% of the community respondents were undecided on the stakeholders’ participation in decision making. Such indifference could mean that the community respondents are not consulted, the company does not share information with them or the company consults with some stakeholders but not all. Archie (2001) argues that the involvement of a company in the community provides the opportunity to create an image of a company as one that cares about the welfare and well being of both its people and the community in which they live. This would maintain and expand their reputations and standings in the community, thereby having unlimited flexibility to respond to what happens in the outside world.

On EABL participation in community education and social activities it was indicated that 56% of the community respondents agreed that the company participated in community education and social activities. Corporate Social Responsibility initiatives indicate that corporations have responsibility that go beyond the production of goods and services at a profit, and helps solve important social problems. These serve a wider range of human values that can be captured by a sole focus on economic values as explained by Rogene (2000).

On employment opportunities for the local community, the research findings indicated that 45% of the respondents agreed that the EABL created employment opportunity for the local community. According to Caroll (1999), this is a good indicator of corporate social responsibility involvement by a company. Local employment is one of the effective measures of key community issues on corporate social responsibility to the community.

Of the nine community respondents 44% of the respondents were undecided on EABL employees involvement in community service work. According to Ferell et al, (2003), the communities working for a company should be encouraged to volunteer and play a
critical role in demonstrating the organization’s citizenship. Such communities would become stronger, healthier and safer places to live and work. Based on the issue of whether EABL sources from local suppliers, 56% of the respondents agreed that EABL sources from the local suppliers. This shows that the company demonstrates the importance of community partnership by investing community programs (Epstein, 1998).

The findings on the degree of satisfaction with the EABL community corporate social responsibility involvement indicated that 44% of the respondents were undecided. According to Caroll (1999), corporate social responsibility on key community issues include the general health and safety of the local environment, local planning and stakeholder consultation, education and social awareness, local employment, local partnerships and employee involvement in community volunteering. However, the respondents were undecided on the stakeholders’ consultation and employee involvement in community volunteering.

5.3.2 Impact of Corporate Social Responsibility on the Market

The findings on whether EABL provides quality products and services to its market indicated that 63% of the customer respondents agreed to that. This is in line with Leo (2002) that when an organization has a strong ethical environment it focuses on the core value of placing the stakeholders’ interest first. This requires taking the interest of everyone in consideration while making and implementing decisions of the market. This therefore builds a strong competitive position.

Based on the issue of whether EABL products are easily accessible, 66% of the respondents agreed that the company’s products and services were easily accessible. This is further emphasized by the findings on the concept of local sourcing by EABL that indicate that 56% of the respondents agreed that EABL sources from the local suppliers. There is an indication of partnerships with the local community. The findings on whether EABL sources from the local suppliers, 51% of the market respondents were indifferent. Such indifference could mean that the community respondents are not consulted, the company does not share information with them or the company consults with some stakeholders but not all. Archie (2001) argues that the involvement of a company in the community provides the opportunity to create an image of a company as one that cares about the welfare and well being of both its people and the community in which they live.
This would maintain and expand their reputations and standings in the community, thereby having unlimited flexibility to respond to what happens in the outside world. Morley (1998) further provides that a company that sources from the local supplies that establish partnership, has a chance of a successful relationship and this helps to improve its own reputation in the market.

The findings on whether EABL provided consumer education, 51% of the market respondents disagreed on this. This could be as a result of poor consumer education on provision of goods and services. It also shows security of company information, against competitor market information and intelligence. Based on whether EABL proves fairness in marketing and advertising its products and services, 56% of the market respondents agreed that the company promotes fairness in marketing and advertising. EABL places clear instructions on the content and ingredients that make up their product. This is inline with the Marketing Society of Kenya regulations. In a highly competitive environment as EABL finds itself in it can be a shield for the company against rumors and allegations that affect organizations in a negative way and threaten the sustainability and survival (Michael, 1998).

The reaction to whether EABL caused any damage to the environment was mixed. Thirty five percent (35%) of the respondents were undecided and 34% strongly disagreed on the issue. According to Bryant (1998), environmental protection and preservation refers to the protection of soils, waters, mountains and lakes. Therefore, EABL has a role to play in environment protection and preservation to ensure constant supply of its major raw material which is water. This is further emphasized by the major findings based on the customers overall degree of satisfaction on the company’s impact to the environment and safety matters where 46% of the respondents agreed on the issue.
5.3.3 Impact of Corporate Social Responsibility on the Employees

The findings indicated that 58% of the respondents disagreed that EABL promoted workforce diversity and equal opportunities at the workplace. Corporate Social Responsibility in this essence serves as anti-discrimination policy against race, color, age, religion, sex, national origin, gender or disability status or any other legally protected characteristic (Harvey and Brown, 1998). This forms the ethics of human resource management.

On local employment, 60% of the respondents agreed that employees came from the local community and therefore EABL promoted local employment. According to Caroll (1999), this is a good indicator of corporate social responsibility involvement by a company. Local employment is one of the effective measures of key employee issues on corporate social responsibility at the workplace.

On attraction and retention of high quality staff, 56% of the respondents strongly disagreed that EABL attracted and maintained high quality staff. Bennet (1998) argues that retaining and developing the very best talent is vital for any success of a company and this can be achieved through important aspects of the employee well-being through focused efforts on including diversity and inclusion, development and training and work life balanced programs.

On whether EABL has any concern for improving the welfare of the staff, 73% of the respondents were undecided that the company was committed towards improving the welfare of the staff. This could be due to varying perceptions to the term welfare as it incorporates a number of areas to include the physical conditions at the workplace. There is a perception that employees are looking beyond financial benefits and seeking out employers whose philosophies and operating practices match their own principles (Desimone, Werner and Harris, 2002).

The findings on whether EABL was providing attractive pay and remuneration packages, from the total of fifty five employee respondents, 44% of them disagreed on that. This shows that the employees were not happy with their pay and remuneration packages. Caroll (1999), on key workplace issues shows that fair pay and remuneration as a good indicator of corporate social responsibility involvement by a company.
The findings on whether EABL was giving morale and motivation to its staff, 46% of the respondents disagreed on this. Even though it has been argued that one of the strong recognitions of business potential is morale and motivation of staff (Desimone, Werner and Harris, 2002), EABL is not scoring highly on that. Companies can benefit from good corporate social responsibility practices that also improve on morale and motivation levels of staff. This results into increased efficiency and enhanced ability by companies to attract and retain qualified staff.

Based on whether EABL encourages employee personal development and career progression, findings indicated that 73% disagreed to this and hence, the findings showed that most of the employees disagreed that EABL encouraged personal development and career progression for their employees. Dollinger (1999) emphasizes the need to provide a work – life balance for all employees, development and training programs so as to contribute to a successful organization culture. Personal development and career plans also assist in succession management and survival for companies.

Based on whether EABL encourages staff training and multi-skill, again 44% of the respondents disagreed and therefore, the findings indicated that most of the employees disagreed that EABL encouraged staff training and multi-skill. As compared to Kenya Airways (Kenya Airways Company Report, 2007), where commitment to quality has resulted to skills based training and transfer of technology, EABL is lagging behind. Personal development plans and career progression builds effective organizations in this innovative and creative environment and sustains business.

The findings on health and safety standards at the workplace at EABL indicated that 58% of the respondents agreed and thus showed that most of the employees agreed that EABL implemented health and safety standards at the workplace. A health and safety management system is a reflection of corporate social responsibility. It actually forms part of the community investment programs which focus on education, health and human services and the environment (McShulshis, 1999).
5.4 Conclusions

5.4.1 Impact of Corporate Social Responsibility on the Community
The extent of the impact of EABL corporate social responsibility has not been effective among the members of the community. Though, there was recognition for health and safety concern by the company and the opportunity for local employment, the employees failed to offer volunteer community work. This affected the relationship between the company and the community. As a result, there was a relatively low level of overall impact to the community.

5.4.2 Impact of Corporate Social Responsibility on the Market
The view on the impact of EABL corporate social responsibility on the market was considerable. The company placed the stakeholders’ interest first and therefore built a strong competitive position in the market. With efficient distribution systems the company was able to make its products available to the existing and potential consumers. In addition, the fair marketing and promotion strategies provide a shield to the company against rumors and allegations that might affect the organization in a negative way. The overall degree of customers’ satisfaction on the company’s impact to the environment and safety matters was generally agreed upon.

5.4.3 Impact of Corporate Social Responsibility on the Employees
The impact of EABL corporate social responsibility on the employees at the workplace was negatively significant. On the key workplace issues the company generally showed poor indicators on corporate social responsibility. However, there was good indication on corporate social responsibility involvement by the company on local employment and health and safety matters at the workplace which are effective measures of key employee issues on corporate social responsibility initiatives.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Impact of Corporate Social Responsibility on the Community
EABL needs to create a system for stakeholders’ participation in decision making. This will enable the community to have a positive image of the company as one that cares about the welfare and well being of both its people and the community in which it operates. The employees of EABL should be involvement in community service work to
demonstrate organization’s citizenship and foster stronger organization and community relationship.

5.5.1.2 Impact of Corporate Social Responsibility on the Market
EABL should continually place the stakeholders’ interest first and therefore built a strong competitive position in the market. In addition, the company should continue make its products available to the existing and potential consumers and offer fair marketing and promotion strategies to the company against rumors and allegations that might affect the organization in a negative way. Also, EABL should encourage strong partnerships with the local community. This will improve its own reputation and success in the market.

5.5.1.3 Impact of Corporate Social Responsibility on the Employees
The company needs to embrace the Employment Act 2007 on workforce diversity and equal opportunity. This will form the values of their people policies in the organization. This will provide for high attraction, recruit and retention of the best talented employees within the company. EABL should also develop a dependable and competitive pay structure, provide for personal development programs and career development plans for employees so as to contribute to a successful organization culture. This will assist EABL in succession management and its survival.

5.5.2 Recommendations for Further Studies
Since not all the stakeholders were included in this study, future researchers should focus on other stakeholders such as: the government, shareholders, creditors and competitors. In addition, the criteria for measuring the impact of corporate social responsibility on the stakeholders should be developed and improved for objectivity.
REFERENCES


APPENDICLES

APPENDIX A: LETTER OF INTRODUCTION

To Whom It May Concern

Dear Sir/Madam,

We are pleased to inform you that the bearer of this letter is a graduate student at United States International University pursuing a Masters degree in Business Administration, with a bias on strategic management. As partial fulfillment of her degree, Chris is conducting a research on the Impact of Corporate Social Responsibility on EABL stakeholders.

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

Yours Faithfully,

Dr. Paul Katuse
(Project Supervisor)

Chris Gitau
(Student)
APPENDIX B: QUESTIONNAIRE

SECTION A: BIODATA OF THE RESPONDENTS

1. Gender:-
   Male □  Female □

2. Educational Level
   Primary school □  Secondary school □
   College level □  University level □

3. Are you aware of EABL CSR?  Yes □  No □

4. Have you ever benefitted from EABL CSR? Yes □  No □
SECTION B: THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON THE COMMUNITY

Indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where 1 = strongly disagree and 5 = strongly agree. Circle (O) which best describes your opinion of the statement.

<table>
<thead>
<tr>
<th>Factors of Considerations</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is EABL strongly concerned with the health and safety of the local community?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. EABL consults the affected stakeholders in decision making?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. EABL participates in community education and other social activities?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. EABL creates employment opportunity for the local community?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. EABL employees are involved in community service work?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. EABL sources from local suppliers?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7. As a member of the community, there is a high degree of satisfaction with the company’s community corporate social responsibility</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

8. As a member of the community in what other ways not mentioned above have you been affected by EABL Corporate Social Responsibility?
SECTION C: THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON THE MARKET

Indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where 1 = strongly disagree and 5 = strongly agree. Circle (O) which best describes your opinion of the statement.

<table>
<thead>
<tr>
<th>Factors of Considerations</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. EABL products and services are of quality</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. EABL products and services are accessible</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. The company sources from local suppliers</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. Marketing and advertising tools used promote fairness in the market</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. The public is well informed on all the corporate social responsibility issues that relate to health, wellbeing and economic status of the stakeholders</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. EABL has caused any degradation to the environment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7. As a customer of the company I express a high degree of satisfaction with the company's impact on environmental and safety matters</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

8. As a customer, what other ways not mentioned above have you been affected by EABL Corporate Social Responsibility?

________________________________________________________________________________________
________________________________________________________________________________________

59
SECTION D: EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON THE EMPLOYEES

Please indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where 1 = strongly disagree and 5 = strongly agree. Circle (O) which best describes your opinion of the statement.

<table>
<thead>
<tr>
<th>Factors of Considerations</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. EABL promotes workforce diversity and equal opportunities?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. ABL promotes local employment?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. EABL attracts and maintains high quality staffs?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. EABL has a welfare policy for the staff?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. EABL has attractive pay and remuneration system?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. EABL enhances employee morale and motivation?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7. EABL is committed to employee personal development plans and career progression?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8. EABL has staff training and multi-skill?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>9. EABL implements health and safety standards?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

10. As An employee, what other ways not mentioned above have you been affected by EABL Corporate Social Responsibility?

________________________________________________________________________
________________________________________________________________________