

**IMPACT OF CORPORATE SOCIAL RESPONSIBILITY PROGRAMMES
ON CUSTOMER PERCEPTIONS TOWARDS EQUITY BANK: A CASE
STUDY OF WINGS TO FLY PROGRAMME**

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DECLARATION

I hereby declare that this project is my original work and has not been presented for a degree at any other University.

Signature

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This research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

To my parents, Mr. & Mrs. Ezbon Kimani Muthungu. You never ceased to believe that I would finally make it.

ACKNOWLEDGMENT

I start by acknowledging the Almighty God for His immense blessings and for guiding me throughout this study. Surely, I can do all things through Christ who strengthens me and with God in place all things are possible. I would also like to sincerely thank my fellow students whom together we have walked a similar journey and for their encouragement they have accorded me along the way. I would also not forget my supervisor Dr. Silas Oriaso who not only guided me while undertaking my research but who has always been my mentor. Lastly, I would like to acknowledge my spiritual father Dr. Joseph Kayo and the entire Christian Family Church for always praying for me. May almighty God richly bless you.

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LIST OF ABBREVIATIONS AND ACRONYMS

C	-	Customer
CEO	-	Chief Executive Officer
CR	-	Corporate Responsibility
CSR	-	Corporate Social Responsibility.
E	-	Employee
EBS	-	Equity Building Society.
ISCT	-	Integrative Social Contract Theory.
MAC	-	Most Admired Companies
NDEKA-		Ndaka-ini Dam Environmental and Conservation Authority.
NGO	-	Nongovernmental Organization.
PO	-	Post Office
RBV	-	Resource Based View
RQ	-	Reputation Quotient
SPIRIT-		Stakeholder Performance Indicator and Relationship Improvement Tool.
SPSS	-	Statistical Package for Social Sciences.
USA	-	United States of America.

ABSTRACT

This study sought to investigate the role of corporate social responsibility, a case study of the Wings to Fly Programme in shaping customer perceptions in Equity Bank Kenya. Specifically, the study aimed to achieve the following specific objectives: to explore the role played by Wings to Fly as corporate social responsibility program; to examine the benefits of Wings to Fly in shaping customer perceptions; to investigate the awareness of Equity Bank brands due to the Wings to Fly Programme; and to examine the perception of customers of the Equity Bank brand after the Wings to Fly Programme was rolled out. The study was conducted based on a theoretical construction made up of the stakeholders, corporate citizenship and integrative social contract theories. Descriptive cross-sectional research design was applied for the study. The study relied on a mixed method with both qualitative and quantitative approaches being used collect data from a sample of 100 respondents drawn by cluster random method from four Equity Bank Branches in Embakasi, Kasarani, Westlands and Nairobi central business district (CBD). Results indicate that Equity Bank's Wings to Fly has created a sense of purpose for beneficiaries and a reason for customer loyalty among those directly affected by the programme. The results also indicate that the programme has a potential to recruit and retain many customers in the bank. Apart from creating high level of awareness of the bank products and services, results also show that the bank through Wings to Fly Programme has had positive image and perception among most stakeholders. In conclusion, results agree with literature that a corporate social responsibility programme by a banking institution increase the company profile often evident by high number of customers. The study recommends that companies employing corporate social responsibility are supposed to set up policy guidelines to ensure continuity and proactivity.

CHAPTER ONE

INTRODUCTION

1.0 Overview

This chapter gives background information to the study of the Impact of Corporate Social Responsibility Programmes on Customer Perceptions towards Equity Bank: a Case Study of Wings to Fly Programme and a description of the problem statement that anchors the need for this research project. It also outlines the objectives of the study, the research questions, justification, and operational definition of terms.

1.1 Introduction

Corporate responsibility (CR) is a concept with roots in society and in business (Andriof and Waddock, 2002). In this study, it is employed as a broad term to describe the issues that relate to the responsibilities of business. CR is largely linked to other concepts in the business and society literature, of great relevance is the concept of Corporate Social Responsibility (CSR) (Lockett *et al.*, 2006; Windsor, 2006; Moir, 2001), however it has been cited as different from CSR as being wider and relating each and every day operating strategies and practices of business as well as impacts on society and the surroundings (Andriof and Waddock, 2002).

The name CR does not include the word social from prior conceptualizations to highlight an emerging sense that responsibilities are crucial to all actions, decisions, behaviors and impacts of business (Waddock, 2003). CSR, on the other hand, can thus usefully be seen as relating to the particular social, philanthropic and community focused responsibilities of business.

It was Harrison Shirley (1995), who famously quipped that companies are not the state and they are not there to provide services and facilities which should properly be provided by the welfare agencies and paid for out of taxation. But companies are part of the society in which they carry out their duties and they need to consider their corporate behaviour as part of their role in society.

Davis (1967), believes that if there is no responsibility there is no power. If organizations wish to maintain their positions of power in a pluralistic society they must accept their societal responsibilities. There are other reasons for the growth of social responsibility in companies, including the wish of companies to maintain a favorable reputation, and public opinion is in favor of more responsible action.

Friedman's (1962), view that the business of businesses is, simply, business requires some clarification, in the 1990s the rise of consumerism; the increasing public awareness of environmental and ethical issues supported by sophisticated pressure groups, the understanding by business that a competitive edge can rely on reputation and not simply on products, price and services; all these factors translate to the conclusion that companies ignore corporate social responsibilities on at their own peril.

So what exactly are the social responsibilities of organizations? What are the reasons that organizations should consider their social responsibilities? How can they discharge them effectively? What are the ethical impacts for companies in undertaking social responsibility programs? The discussion of these issues forms the basis of this study. It contends that major corporates engage in corporate social responsibility without a proper framework to deal with their corporate reputation and image.

1.2 Background of the Study

The question as to whether business has broader responsibilities to society than creating profit for shareholders can be traced back for centuries (Corroll and Shabana,2010). At different times, this term has been appraised as one that can be considered as, contextual, pragmatic, multifaceted, evolving, integrative and singularly focused; in some cases, all or combinations of these features have been in existence in tension. Garriga and Mele, (2004) note that the field of CSR presents not just a landscape of theories but in addition, a proliferation of methods which are majorly controversial, complex and unclear. Theories and practices around notions such as society and business, social issues management, public policy and business stakeholder management and corporate accountability have led to definitional variations (Garriga and Mele, 2004). More recently, related but alternative concepts have gained currency, including corporate citizenship and corporate sustainability. Confronted with this complexity some writers have concluded that a one definition is elusive. Nevertheless, there is broad agreement that social responsibility is now a core business issue no matter how it is described (Montiel, 2008). This study examined the role of CSR in the perceptions that public hold about banking institutions that use it such as Equity Bank in Kenya.

1.2.1 CSR Programmes at Equity Bank in Kenya

Equity Bank Limited Kenya is incorporated registered based on the Kenyan Companies Act Cap 486 and domiciled in Kenya. The postal address of the Bank that is registered is 9th Floor, Equity Centre, P.O. Box 75104 – 00200 Nairobi. The Bank has a license under the Kenya Banking Act (Chapter 488), and shall always offer retail banking, microfinance and other related financial services. The Bank has its subsidiaries in different countries

including; Kenya, Uganda, South Sudan, The Republic of Rwanda and Tanzania. The Bank's shares are among those listed on the Nairobi and Uganda Securities Exchanges.

Equity Bank was initiated as Equity Building Society (EBS) in October 1984 and was initially offering financial services like mortgage financing for the majority of customers whose status was under into the very low-income population. The society's logo, was an average house that has a brown roof, that clearly resonates with the people it was targeting in the market and their determination to achieve small but steady gains that lead towards an improved life, that seeks security and advancement of its members dreams. The majority of Africans have historically been excluded from being able to access to financial resources.

It was declared officially technically insolvent in 1993, Equity's transformation to a quickly growing microfinance and then to a commercial bank is widely regarded as an inspirational triumph narrative. Currently, Equity Bank has more than 8 million customers making it the largest bank in terms of customer base in Africa and having by percentage nearly half of bank accounts in Kenya. The company envisions being the champion of the socio-economic prosperity among the people of Africa.

Equity Bank has held over the years a passionate commitment to strengthen its customers to change their lives and livelihoods. By using a business model that is anchored on access, convenience and flexibility, the Bank has grown to become a comprehensive financial services provider with a growing pan African footprint.

Equity Bank's business model and its visionary leadership have continued to earn local, regional and global accolades and recognitions. The model is also under study in some of the leading business learning institutions globally, as other Developing Countries in the Africa Continent and Asia Continent always seek to learn from Equity's low margin, high-volume model.

Equity Bank in the year 2010 developed the Equity Group Foundation. This development and creative vehicle has totally transformed the conception of philanthropy and corporate social responsibility. While Equity Group Foundation champions the socio-economic changes in the lives of African People and seeks partnerships within cluster thematic sectors, Equity Bank provides the channels of delivery hence lowering the operational costs for the Foundation and raising the rate of return on all social investment. The areas of social thematic areas of focus include: educational programs and leadership development; increasing financial literacy and access; promoting entrepreneurship, developing agriculture, promoting great health, innovations and environment. Equity Group Foundation (EGF) and Mastercard Foundation (MF) with other funding support from USAID, UKAID, KFW, Equity Bank, persons, organizations and established institutions under the Wings To Fly Program has been executed an all-inclusive Secondary Scholarship Support Program for best performing but extremely needy students who are orphans in the Sub-Counties formerly Districts across Kenya. In offering this chance to Kenyan students who may have otherwise never be noticed, the Wings to fly Program relates with Kenya's vision 2030 to transform The Republic Kenya into a middle-income stable economy that is headed by well-educated and skilled citizens.

The main aim of the scholarship program is to provide financial support and leadership empowerment tools to needy pupils. The scholars who are beneficiaries of this program get support for all their needs such as tuition fees, money for accommodation, purchase of books, school uniform, and money to cater for transport to and from school, a shopping of items they require while at school and extra money for their use during secondary school for the 4 years. The program in 2016 sponsored 2000 students bringing the total number of beneficiaries to 10,377 in five years. This is above the program target of 10000 which the foundation and its Wings to fly program partners had laid down during the start of the program.

1.3 Problem Statement

In today's world, most organizations participate in corporate social responsibility as a tool to hide their wrongdoings and get favorable publicity from the media rather than fulfilling their role of serving the public interest. This notion by most corporates has resulted into corporates engaging in Corporate Social Responsibility without proper policies in order to get favor with media and keep the profit margins on the higher side (Harrison, 1995).

The influence of the motive is exemplified by the opinion that it no matter what the motivation of the company is, as long as the outcome is desirable, to the opposite extreme actions taken purely for the self-interest of the company are worthless. Never the less, the importance of public opinion and the maintenance of good stakeholder relationships might lead to a conclusion that the perceived motivation of a company is vital. In similarity, companies can be accused of cherry-picking, that is taking on the most attractive causes and not supporting those that are low profile and unpopular. Marks and Spencer support

those charities which do not regularly generate major public support but which reflect the wishes of the communities where it has stores (Clutterbuck *et al* 1992).

The company which is seen to be using philanthropy as a cloak to cover up misdeeds, or as a way of buying itself out of regulatory control will, generally, get the reputation it deserves: that is a poor one (Harrison, 1995). It is not well outlined however; whether these issues are similar or different to stakeholder conceptualizations of the social elements of responsibility, let alone what the views of stakeholders would be regarding a bigger notion of responsibility (Dawkins and Lewis, 2003). As a result, the indicators currently used by companies to demonstrate CR are often said to be pragmatic or public relations-based reactions to pressure from non-governmental organizations (NGOs) (Sumner, 2004) and are seen to lack credibility with stakeholders (Barone *et al.*, 2000; Mohr *et al.*, 2001). Due to the fact that many corporate organizations have embraced CSR to build their reputation and image, which are eventually seen as capable of increase sales and get the attention of publics, it is important to determine what influence CSR, especially, the Wings to Fly Programme contributes to the Equity Banks image and perception.

1.4 Objectives

1.4.1 General objective

This study's general objective is stipulated as to investigate the role of corporate social responsibility on customer perceptions towards Equity Bank Kenya.

1.4.2 Specific objectives

- i. To explore the role Wings to Fly programme as corporate social responsibility plays in Equity Bank in Kenya.
- ii. To examine the benefits of Wings to Fly as a corporate social responsibility programme to the customers of Equity Bank Kenya.
- iii. To find out the customers' level of awareness of Equity Bank caused by Wings to Fly as corporate social responsibility programme.
- iv. To examine the perception of customers to the Equity Bank brands due to the Wings to Fly programme.

1.5 Study Justification

Kenya is a pluralistic society, where many diverse groups exist and where power and responsibility are shared, every business institution has some power over, and thus is responsible to, a number of groups of which its stakeholders are only one which includes staff and the wider community. A company's reputation can be defined as the sum total of its public's beliefs about it, based on their own experience of its products or services, what they have read or heard about it from others, and the means in which its front line and top-level management is seen to behave (Harrison, 1995).

So, an organization may have a reputation of helping the children from poor families access education through their scholarship, for instance, Equity Bank Wings to Fly which sponsors children from poor families all over Kenya access education; participating in environmental conservation programmes, for instance, UAP insurance who sponsors the Ndaka-Ini Dam Environmental Conservation Program (NDEKA). The dam offers 75% of water to Nairobi residents; providing social amenities to the community e.g. conserve the

environment near the Ndaka-inidam. Safaricom Foundation also digs boreholes to residents of Turkana who have no access to clean water; good quality and consumer care with its customers and for fair-dealing with its suppliers. Companies may have a good reputation, a bad reputation, or no reputation at all. However, a good reputation has to be earned (Harrison, 1995).

A good reputation is to be earned, companies may have a good reputation, a bad reputation, or no reputation at all for the reason that they are not well enough known. In a survey carried out by Loughborough University for the Economist in 1991, 1800 British business people were asked what qualities contributed to a good, positive reputation. They resulted to community and environmental responsibility (Harrison, 1995).

1.6 Significance of the Study

This study addresses the gap that majority of corporates encounter while engaging in corporate social responsibilities. It further helps corporate communication managers with requisite skills necessary to spearhead CSR programs efficiently to gain favorable publicity from the media. Further the study acts as a manual to young companies which would be interested in engaging in CSR programs in future but lack knowledge on how to do so. Lastly, this study seeks to expand knowledge horizons to public relations and communications students on key tenets required to execute effective CSR programs in any corporate.

1.7 Scope and Limitations of the Study

The research will involve Equity Bank customers in Kenya more so in the Nairobi region. They will fill questionnaires to try and study their perceptions towards the institution. A number of employees will also be engaged in the study. Limitations of this study includes financial constraints, non-cooperating bank staff who may not wish to be interviewed for fear of being victimized, reluctant respondents who just fills the questionnaire without keen interest and insufficient time to carry out a thorough research.

1.8 Operational terms

Corporate: a corporate company or group.

Customer: a person or organization that buys goods and or services from a store or business.

Managing: having supervisory control or executive or authority.

Perception: the ability to become aware, see or hear of something through the senses.

Reputation: the beliefs or opinions that are generally held about someone or something.

Responsibility: the fact or the state of having control over someone.

CHAPTER TWO

LITERATURE REVIEW

2.0 Overview

This chapter provides a review of different authors' standpoints on Corporate Social Responsibility and its role in shaping customer perceptions.

2.1 Introduction

Literature review begins by summarizing and evaluating the research, access and assist in understanding the current state of knowledge about the topic. The literature also acts as a guide for developing questions not yet answered by the published research literature (Rubin, 2010). The chapter also justifies why organizations are required to consider their social responsibilities to gain favorable reputations and discuss the ability of corporate social responsibility programs to enhance customer perceptions. It also analyses the theoretical and empirical literatures on corporate social responsibility. Towards the end of this chapter three theories illustrating the study are presented. Lastly a conceptual framework is also provided to show the relationship of variables.

2.2 Corporate social responsibility, customer perception and corporate reputation

This section analyses theoretical literature from various scholars who have already published on Corporate Social Responsibility, corporate reputation and customer perceptions, which are central in the understanding of the nexus between the concepts and variables.

2.2.1 Frameworks for Defining Corporate Social Responsibility

There have been many attempts to clarify and simplify this compound conception. Carroll's early modelling of the social responsibility of business was focused at a broad macro level, defining corporate social responsibility (CSR) as that which encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a particular point in time. Garriga and Mele (2004), observe the shifts in Frederick (1994/1998), evolutionary movements in CSR practices from 1987 to 1998, a practice that has since been accepted as common in explaining the stages of CSR development.

Frederick, (1994) described CSR as progressing from being in the state of a philosophical-ethical relationship among business and society what he refers to as CSR Stage One towards a realistic organizational response by business to the social- economic environment and pressures The Second Stage of CSR, to a further stage where business expands a normative approach that relates to ethics and values The Third stage of CSR. In a last iteration, he rejected firm-centric models of CSR and accepted a model that considers the cosmos, or harmonious world, as the normative position for managerial concerns about business effects of society the Fourth stage of CSR, that brings in a new concept of science and religion into the examination of CSR.

Dahlsrud (2006), perceived CSR as a social construction particular to context. By the use of content investigation of existing CSR definitions, he found new groupings of CSR as follows; the first being the dimensions of stakeholder, social, economic, voluntariness and environmental. Based on of these findings he drew a conclusion that, despite various uses of the terminology, the definitions of CSR are widely congruent, hence diminishing the requirement for a single definition. In addition, he highlighted that definition of CSR tend

to describe CSR rather than support knowledge of ways in which to manage it, concluding that the problem for business is not to define CSR, but to comprehend how CSR is socially developed in a specific context and ways of taking this into account when coming up with business strategies (Dahlsrud 2006).

Garriga and Mele's (2004) model of CSR is clued up by parsons (1961), who projected that in any social structures four elements can be discerned, developing an adaption to the environment that relates to resources and economics, goal achievement that links up with politics, social integration, and upholding pattern or latency that relates to culture and morals on this ground they hypothesize four groups of CSR theories.

The first group, with a description *instrumental* is directed to the use of CSR as a way of wealth development or maximizing shareholder value by applying competitive advantage, this kind of approach may take into account leveraging from collective investment as a competitive edge, bearing in mind the value of dynamic capability which is in line with the resource based opinion of the firm, as well as also appreciating premeditated chances such as meeting the wants of clients at the low level economically as well as social pyramid and applying cause related marketing.

The second group, described as *political theories*, is in line with a corporation's communal and political roles as a result of its social influence and impact on society, that rely on Social Contract Theory which states that companies that do not utilize their social power efficiently and responsibly they will not retain their social power. This grouping are part of theories around global corporate citizenly, seen as increasingly important in an area in which resources at a state level are required to meet the basic social, welfare and other infrastructural needs of citizens.

A third theoretical grouping identified as *integrative theories*, examines the alignment of business and society and the desirability for business to react to community needs, standards and pressures. This area of inquiry entails the process by which organizations react to community concerns, often identified as issues management the level to which management may without limits be involved in recent social policy; stakeholder organization; and corporate social achievements.

The fourth group of ethical theories is involved with the nature of ethical values, perspectives, decisions and responsibilities that is underlying in the links that connect business and society. Garriga and Melé (2004), imply that this latter grouping may take into consideration stakeholder normative theory, human rights, sustainable development and the common good approach.

2.2.2 Reasons Why Corporates Should Consider Their Social Responsibilities

According to Biddicombe (1971), a company has specific responsibilities which it can either discharge or not. This needs to be a question of quite conscious decision and, like other business choices; it is a matter of weighing the risks. Thus, it could be conceived that certain situations a company might decide not to discharge a responsibility, having considered the cost to be too great, aware though it may be of the implications.

The patterns of responsibility are changing, minimum being in the open world in which we are increasingly living a new awareness of responsibility is becoming apparent. It is no longer possible for a company simply to say it is responsible to its shareholders, to make a profit even though the shareholders have more legal rights in a company than all or any other party to it. To make a profit is only one of a number of responsibilities and it may well even be that shareholders will expect their company to make a profit in this or that

way and not at the expense, say of trading with poor products simply for quick returns (Keyster, 1971).

A global brand brings threat and opportunities. Many commentators agree that the key to acceptance or rejection of CSR is its measurability and the application of the triple bottom line. In parallel with this society's expectations have changed; corporations are no longer just about money making. Some corporations have already drawn up their own checklist on how the value of CSR can be changed. The Royal Dutch Shell Group claims that the application of CSR policies can reduce risk by meeting expectations, reduce cost of being more eco-efficient, evolve portfolios by anticipating market changes, influence creativity, attract more loyal customers, recruit and keep the brightest brains and overall enhance the overall reputation of the brand (Schwartz, 1999).

Aguilera et al. (2007), puts across the fact that there is enough evidence of both theoretical and practical support for CSR to move on from description concerns to a consideration of a more relevant and urgent question of what catalyzes organizations to engage in increasingly robust CSR initiatives and consequently impart social transformation (2007, 837). Their model examines CSR from multidisciplinary perspective at micro or individual level, meso or organizational level, macro or country level and supra or transnational level, suggesting how actors at every level might be motivated to behave in a socially responsible or irresponsible manner. Behaviour at each level is regarded from an instrumental relational and moral perspective with the intention of shifting the debate from a focus on relative social change associated with CSR, to a consideration of the motives and challenges that are directly associated with positive and proactive approaches in context.

2.2.3 Customer Perceptions and How it Affects Corporate Reputation

According to Oxford English dictionary third edition perception is the awareness or consciousness, point of view of something. For example, advertising has impacts on the customers' perception of a product. It is also the process through which an organization detects and interprets information from the external world by means of sensory receptors.

Wood (2002), describes perception as our sensory experience of the world around us. This is the mental procedure by which we interpret that which was seen, hear, smell, feel or taste. It is a process of getting to know world phenomena. Our perception of events and people determine if we shall in turn communicate. The means we use to communicate and the means in which we feel about the experience ahead, during and following the event.

In recent years, practitioners and academics have all become largely concerned in reputation and how it relates to other concepts such as responsibility (Brammer and Pavelin, 2006; Fombrun, 2005; Andriof and Waddock, 2002). In part, this is as a result of elements of responsibility having been interpreted as key drivers of reputation. Antecedents of a good reputation have been proposed to consider embracing CSR criterias (Fombrun, 2005), philanthropic sharing (Brammer and Millington 2005), and the growing of trusting relationships that are directly involved with stakeholders (MacMillan *et al.*, 2004; Waddock, 2002; Jones, 1995).

On the contrary, some theorists suggest that other than being an antecedent of reputation, issues relating to the responsibilities of a business are key aspects in terms of which an organization's reputation is judged. Schertz and Epstein (2005), for instance, describe Social Responsibility as a key aspect of reputation; Tucker and Melewar (2005), view Social Responsibility as a crucial element of reputation important to crisis management

and Lindgreen and Swaen (2005), describe matters directly linked to responsibility are embedded within the operational relationships that underpin business undertakings. Hence, they suggest, that there is likely to be a significant overlap in between the reputation for these undertakings and the reputation for issues relating to responsibility.

Corporate reputation is a multi-sectoral concept that is shown clearly in the believe that stakeholders have of an organization (Smidts *et al.*, 2001). There is a lot of evidence that reputations with various sectoral groups interact. Very specific, reputation with employees is observed to have a great effect on reputation with customers and communities (Carmeli, 2005). When managing their corporate reputation, organizations must therefore take into consideration account of not just their relationships with stakeholders but also observe how stakeholders relate with each other (Dutton *et al.*, 1994).

A review of the current models of corporate reputation shows a relatively small number of widely used models, the most outstanding of which is likely to be variations of Fortune's largely Admired Companies List (MAC) and the Reputation Quotient (RQ) (Fombrun and Van Riel, 2004; Fombrun, 1996). Further famous but to a lesser extent are models include the Corporate Personality Scale (Davies *et al.*, 2003) and the Stakeholder Performance Indicator and Relationship Improvement Tool (SPIRIT) (MacMillan *et al.*, 2004). These models are completely different considerably in ways of their underlying methods, the stakeholder they survey and what they put into consideration (Mahon, 2002).

For instance, the MAC List Surveys Chief Executive Officers (CEOs) and financial analysts concerning their perception of listed companies by ways of issues such as innovativeness, financial soundness, utilization of corporate assets and social responsibility. Fortune's editorial panel came up with the list during discussion with leaders

in business and experts in financial analysis where they were seeking to identify characteristics that seniors and financial experts like most in companies. The examination of the data showed that all components led to one underlying dimension, which can be detailed as a financial dimension (Fryxell and Wang, 1994).

Perception entails both the recognition of environmental stimuli and action in reaction to these stimuli. Through the perceptual process, we gather information about properties and elements of the environment that are crucial to our existence. Perception develops our experience of the world around us and in addition it gives us an opportunity to act within our knowledge of the environment and the world that surrounds us (Wood, 2002).

Perception is an individual's conception of the objects as well as his environment; it may or may not conform to reality. An individual perception is ascertained by this sensitivity to stimuli and his or her bias. Bias on the other hand is brought about by his values, which are widely acquired in his environment. Bias is analogous to a filter it allows certain details and stops other data. An individual is bombarded by various stimuli way above what they can assimilate. The degree to which a stimulus such as radio commercial or a bill board advertisement will register with a person is a duty of its relative intensity the respondent's sensitivity, and his bias. Therefore, the perception of an item stipulates the firm's product shall be determined not just by physical properties of the objective but by the nature of the stimuli, the person's sensitivity and his or her bias (Walter, 1970).

Positive perception leads to an increase in the number of customers, increased customer loyalty, and great viewpoint of the firms' product. While on the centrally, negative perception leads to lower numbers of customers, negative activities and negative perception. This research therefore endeavors to examine how various customers of Equity

Bank perceives the company's reputation and whether their perception has any relationship with the Corporate Social Responsibility Programs carried out by the bank.

2.3 Research Gap

Harrison (1995), alludes that in today's world, majority of organizations are involved in Corporate Social Responsibility as a tool to cover up their wrongdoings and get favorable publicity from the media instead of fulfilling their obligation serving the common interest. This notion has resulted into corporate engage in CSR without proper foundations in policy so as to curry favor within media houses and maintain the profit margins at high levels. Similarly, corporates are accused of cherry picking that is relating to the most attractive causes and failing to assist those that are of low profile and unpopular (Clutterbuck *et al* 1992).

Beddlecombe (1971), claims that each company has certain responsibilities which it can either discharge or not. This resulted to question of quite conscious determination and like other business positions, it is a question of weighing the risks, hence, it could be perceived that certain circumstances a company may choose not to carry out a responsibility, having considered the cost to be higher, aware though of the impacts.

Fombrum (2005), reiterates that elements of responsibility have been described as key determinants of reputation, previous circumstances of a better reputation have been suggested to take into consideration embracing CSR standards. There are a lot of confirmations that reputations with various sectoral groups in particular, reputation with employees impacts greatly on reputation with customers and societies (Carmeli, 2005).

However, to what extent is the responsibility of stakeholders in the corporate responsibility programs executed by corporates? The understanding of reputation constructed by MacMillan *et al.* (2004), and Fombrun (1996), reviewed in the reputation literature engaged stakeholders in their development. They drew upon the key tenants of stakeholder theory. The explanations in the previous sections, current conceptualizations of responsibility are enveloped void of systematically and rigorously involving stakeholders in their construction. Current measures in many cases focus majorly on the social activities of a business such as charitable donations, community involvement and focus mainly on the social undertakings of a business that includes charitable donations, community involvement and employee volunteerism (Maignan and Ferrell, 2004).

There is confusion in the fact that issues are similar or different to stakeholder conceptualizations of the social elements of roles, ignoring opinions of stakeholders would be considering a larger notion of responsibility (Dawkins and Lewis, 2003). Thus, the indicators in the meantime are utilized by companies to demonstrate CR are often perceived to be pragmatic or public relations-based responses to pressure from non-governmental organizations (NGOs) (Esrock and Leichty, 1998; Sumner, 2004) and are viewed as lacking in credibility with stakeholders (Barone *et al.*, 2000; Mohr *et al.*, 2001). There exists a consensus between practitioners and academics that is similar and that it is of great significance to understand and respond to stakeholder anticipations of CR (Wood *et al.*, 2006; MacMillan *et al.*, 2004; Waddock, 2002). It is the aim of this study therefore to explore the approaches and rigor around which reputation measures were developed to the field of CR. In particular to apply similar techniques used by (Fombrun and Van Riel, 2004). This study therefore set out to define responsibility from the perspective of

stakeholders to fill this gap. Equity Bank customers and employees were the participants and sources of data in this study. As such the study provides a first step to conceptualize responsibility from a stakeholder perspective.

2.4 Theoretical Framework.

This section presents the corporate social responsibility theories which will support the literature review. These theories were developed and discussed by Garriga and Mele in 2004. They include stakeholder theory, social contract theory and corporate citizenship theory.

2.4.1 Stakeholder Theory

The stakeholder theory stipulates that a corporation is not supposed to consider the shareholders' expectations but the all stakeholders' as the main item (Freeman, 1984). A stakeholder is described as any group or persons who can impact or is impacted by the attainment of the organization's aims (Freeman, 1984). Core stakeholders are shareholders, investors, customers, employees, natural surroundings, Non-Governmental Organization (NGOs) and all other sectors whose lack of participation in very key activities of the firm is likely to result total failure. The success of any corporation is determined by its capacity to deal with the correlations with its stakeholders (Van Beurden & Gossling, 2008).

The World Business Council for Sustainable Development (TWBCSD) (2000), describe CSR as the commitment by corporations to conduct themselves in an ethical manner and make contributions to growth economically as well as raising the quality of life of the employees and the society. The literature often examines CSR in descriptions and creates Corporate Social Performance (CSP) related advantages or costs. One viewpoint, a

relatively old viewpoint, emphasizes the classical economic basis and alludes that only one Social Responsibility of business can exist which is to use available resources and participate in undertakings whose objective is to raise profits (Friedman, 1970). The Scholar claims that if there is no specific mission provided by shareholders, CSR undertakings cannot increase profits hence, should not be allocated any funds. Davies (1973), states that management regularly put their efforts on finance and operations likely to lack experts who can make public appealing decisions. Participating in CSR can explore sectors that a company may have ignored in their main goals (Hayek, 1969).

Stakeholder Theory was propelled by of Donaldson and Preston (1995). They suggest that work conducted with stakeholders could be viewed as descriptive, instrumental and normative. Put simply, descriptive approaches seek to investigate and describe 'how' organizations and stakeholders relate to each other. Instrumental approaches investigate 'what happens if' organizations relate to stakeholders in certain ways. Normative approaches suggest how a firm 'should' relate to its stakeholders. When applied to a research setting, it seems reasonable that the Donaldson and Preston taxonomy could in some ways be viewed as sequential. This is because it follows that concepts first need to be described before their instrumental or normative value can be established.

Another key tenet of stakeholder theory is that concepts, such as responsibility, are multifaceted and possess multiple criteria that can change over time (Harrison and Freeman, 1999) this is because concepts should reflect the different views and needs of stakeholders (Mitchell *et al.*, 1997). It is thus suggested that criteria should be established and measured in a process of consultation and engagement between organizations and stakeholders (Wood *et al.*, 2006; Jones, 1995). This is supported by Neville *et al.* (2005),

who state that the extent of an organization's responsibilities is framed within the context of an organization's relationship with its stakeholders. It is in this content that this study uses the Stakeholders Theory.

2.4.2 Integrative Social Contract Theory

Donaldson (1982), considered the business and society relationship from the social contract tradition, majorly from the thoughts of a scholar by the name Locke. He assumed that a sort of implicit social contract among business and society exists. This social contract implies some indirect duties of business towards society. This approach would overcome some limitations of deontological and teleological theories applied to business. Afterwards, Donaldson (1994) and Dunfee (1999), extended this approach and proposed an Integrative Social Contract Theory'' (ISCT) in order to consider the socio-cultural context and also to incorporate empirical and normative aspects of management.

These scholars argued that two levels of consent existed. The first one being a theoretical macro social contract that appeals to all rational contractors. The second being a real micro social contract by members of enormous localized communities. Based on these authors, this theory offers a process in which the contracts among industries, departments and economic systems can be legitimate. In this process, the participants will agree upon the ground rules defining the foundation of economics that will be acceptable to them.

The Macro Social Contract gives guidelines for all social contracting. These guidelines are called hyper-norms. They take precedence above any other contracts. These hyper-norms are very important and basic to an extent that they are discernible in a convergence of religious, political and philosophical thought (Donaldson & Dunfee, 2000). Micro Social Contracts show explicit or implicit agreements which are binding within an identified

community. These Micro Social Contracts, are likely to generate authentic norms, are founded on the attitudes and behaviors of the members of the norm-generating community and for them to be legitimate, they must accord with the hyper-norms.

2.4.3 Corporate Citizenship Theory

Despite the fact that citizen a is not new term, there has been established a new interest in this concept among practitioners. This is because certain factors that have had an impact on the business and society's relationship. These factors include are the crisis of the Welfare State and the globalization phenomenon. According to (Davis 1973), these, together with the deregulation process and decreasing costs with technological improvements, have dictated large multinational companies have greater economic and social power compared to local governments. The corporate citizenship framework intends to give an account of this new reality, as it is explained in the Equity bank phenomenon.

Corporate Citizenship came into the business and society relationship majorly by practitioners in the 1980s. Beginning from the late 1990s and early 21st century this term is very popular in business and increasing academic work has been carried out (Altman and Vidaver-Cohen, 2000). Although an academic reflection on the term corporate citizenship and on a similar one referred to as business citizen are very recent, this notion has always connoted a sense of belonging to a community.

Carroll (1999), believes that the relationship between CSR and Corporate Social Responsibility is very common and Corporate citizenship seems a new conceptualization of the role of business in society and based on which way it is described, this notion widely overlaps with other theories on the responsibility of business in society.

Finally, in the extended view of corporate citizenship (Matten et al., 2003, Matten and Crane, in press), corporations enter the arena of citizenship when government fails to protect its local citizenship. This view arises from the view that some corporations have gradually come to replace very powerful institution in the traditional concept of citizenship, namely government.

2.5 Conceptual Framework

Independent variables

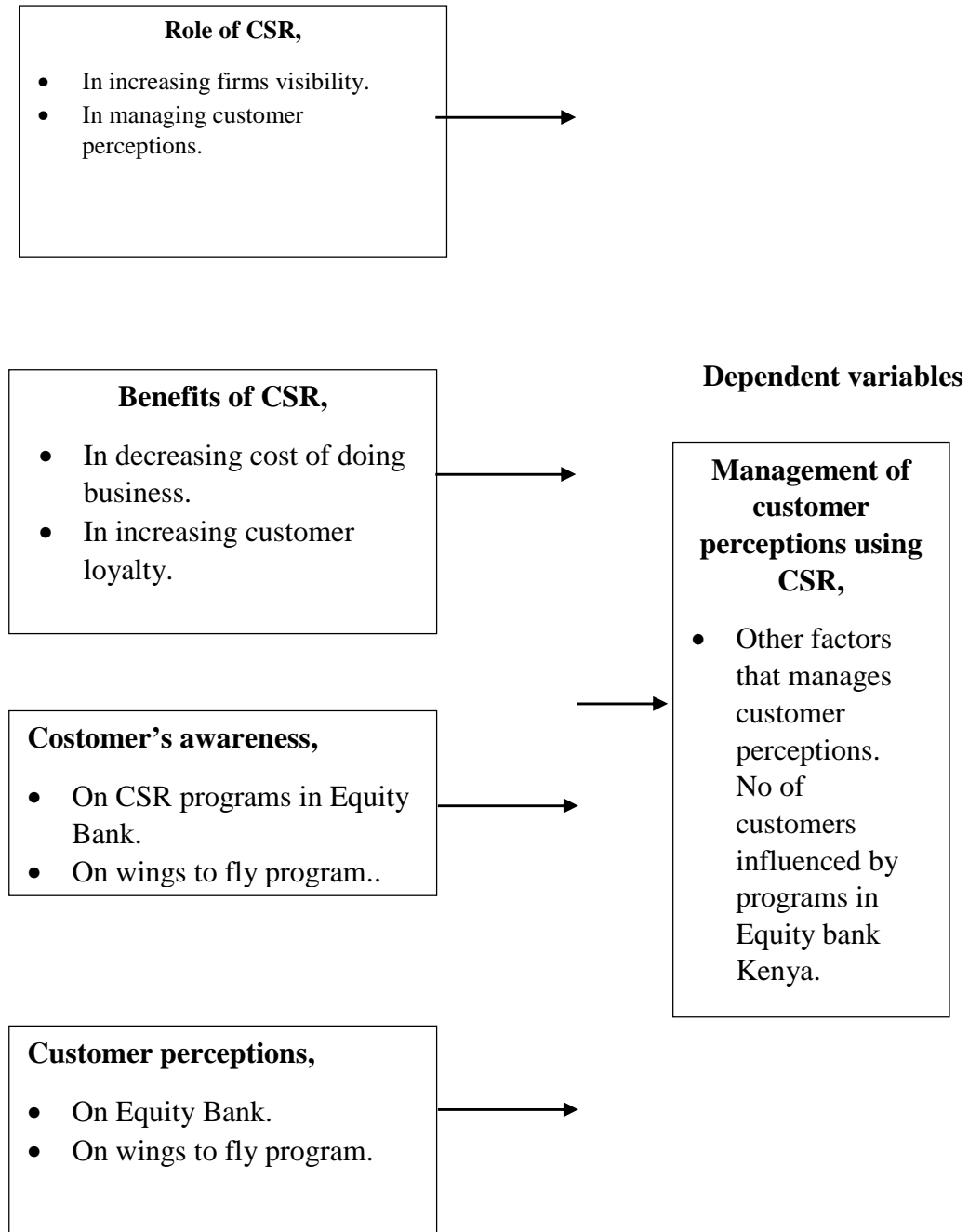


Figure 2.1: Conceptual Framework

Source: researcher 2017

The study aimed to investigate the role of corporate social responsibility in shaping customer perceptions in Equity Bank Kenya. In part, this is because elements of responsibility have been viewed as key drivers of reputation. Antecedents of a good reputation have been suggested to include embracing CSR standards (Fombrum, 2005), philanthropic giving (Brammer and Millington, 2005) and the development of trusting relationship with stakeholders (MacMillan et al., 2004; Waddock, 2002; Jones, 1995). On the other hand, some theorists suggest that rather than being an antecedent of reputation, issues relating to the responsibilities of a business are key terms of which an organization's reputation is judged. Schertz and Epstein (2005), for example, identify social responsibility as a key dimension of reputation.

The study was guided by the role of corporate social responsibility as the dependent variable and corporate responsibility and customer perceptions as the independent variables. The patterns of responsibility are changing, at least in the open world in which we are increasingly living a new awareness of responsibility is becoming apparent. It is no longer possible for a company simply to say it's responsible to its shareholders, to make a profit even though the shareholders have more legal rights in a company than any other party to it. To make a profit is only one of a number of responsibilities and it may well even be that shareholders will expect their company to make a profit in this or that way and not at the expense, say of trading with poor products simply for quick returns (Keyster, 1971).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Overview

This chapter has details of specific methods that were used in the study including data collection and data analysis in addressing the research questions including research site, study population, research design, sample size and sampling procedure, data collection methods, and data analysis and data presentation.

3.1 Introduction

According to lindlof (2011), research methodology involves the methods and procedures that the investigator use in addressing the research questions. This chapter involves description of methods that were used to answer the research question. It includes research design, study site, target population, sample size and sampling methods, data collection method and tools as well as how research data were analyzed.

3.2 Research Design

This study applied a descriptive cross-sectional design which is the most widely used research design. Its common means of obtaining information which includes the use of a questionnaire, personal interviews with the aid of study guide or interview schedule, and observation, either participatory or not (lindlof 2011)

3.2.1 Research approach

Mixed method approach where both qualitative and quantitative research approaches were used. According to Qualitative Research Consultants Association (2015), qualitative research is designed to reveal a target audiences range of behavior and the perceptions that

drive it with reference to specific topics or issues. It uses in-depth studies of small groups of people to guide and support the construction of hypotheses. The results of qualitative research are descriptive rather than predictive. On the other hand, quantitative approach is a form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. To conduct this research, survey method was used. Survey study is research conducted to describe or to explain peoples current attitudes, opinions thoughts and perhaps reports of behavior such as whether they voted or what news programs they viewed surrounding an issue or event. Survey researchers try to obtain the needed information systematically and efficiently i.e. in a short test period of time and as inexpensively as possible. Alongside survey, qualitative data were also collected using interviews to augment and triangulate the quantitative data collected using the questionnaires.

3.3 Study Location

The study location included four Equity Bank branches within Nairobi City i.e. in Embakasi, Westlands, Kasarani and Central Business District (CBD). The reason for this was to have different views from audiences across Nairobi to reduce regional bias.

3.4 Target population

Since the study examined the role of corporate social responsibility on perception of customers on Equity Bank brand, the target population consisted of beneficiaries of one CSR programmes, Wings to Fly and general customers of the bank, especially located within Nairobi. From statistics available in the Website of Equity Bank, approximately over ten thousand students have benefited from the programme, from a bank with customer base of about eight million people.

3.5 Sample Size and Sampling Procedure

A sample is a subset representative of the entire population. The study employed cluster random sampling technique to recruit respondents from the four regions in Nairobi City. Convenient sampling technique was applied in each cluster which only allowed willing respondents to fill up the questionnaire. A total sample of 100 respondents were selected using Yamane Formula. Yamane (1967) provides a simplified formula to calculate sample sizes at 90 percent confidence level based on varied populations. The formula also aids selection of disproportionate sample representative of the entire population. This formula was used to calculate the sample sizes and is shown below.

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

$$n = \frac{10,000}{1 + 10,000(0.10)^2}$$

$$n = 100$$

3.6 Data Collection tools

The instruments best suited for data collection for this study were both questionnaires (see appendix 1) and interviews (see appendix 2). According to Popper, (1959) a questionnaire is a convenient tool especially where large numbers of respondents as it is practical, large amounts of information can be collected for a large number of people in a short period of time and in a relatively cost-effective way, can be carried out by the researcher or by any number of people with limited effect to its validity and reliability. The results of the questionnaire can usually be quickly quantified by either a researcher or through the use of a software package can be analyzed more scientifically, and objectively than other forms of research, when data has been qualified it can used to compare and contrast other research

and may be used to measure change and lastly positivists believe that qualitative data can be used to create new theories or test existing hypothesis.

Interviews are more flexible and provide more in-depth data than questionnaire. They do take longer than questionnaire but they bring out honest information due to probing nature and empowerment of respondents.

3.7 Data Analysis Techniques

Qualitative and quantitative data analysis methods were used as the research hoped to make progress on three data fronts ie data management, data reduction and conceptual development, gaining some control over data that tend to grow rapidly in a project is the goal management (Lindlof, 2011). Data was analyzed using statistical package for social sciences (SPSS) version 10 where data were expressed in form of frequencies and percentages. Qualitative data were analysed using thematic analysis techniques and used to triangulate the quantitative data.

3.8 Pretesting of Questionnaire

Lindlof & Taylor (2002), argue before implementing a study it is important to ensure that the measurement procedures and the measurement instrument had acceptable levels of reliability and validity. Validity is the capacity of an instrument to measure what it is supposed to measure. Reliability as the degree of consistency of an instrument to measures the attribute it is designed to measure. To determine the validity and reliability of questionnaires, it is necessary to pretest it before actually using it. Pretesting helps to establish the strengths and weaknesses of your questionnaire concerning question format, wording and order (Kombo & Tromp, 2006).

Kothari (2004), explains that there are two types of participating pretests and undeclared pretests. Participating pretests require that the respondents be informed that the pretest is a practice run; rather than asking the respondents to simply fill out the questionnaire, participating pretests usually involve an interview setting where respondents are required to explain reactions to question form, wording and order. This kind of pretest helps in determining whether the questionnaire is understandable. In an undeclared pretest, respondents are not informed that it is a pretest. This type of pretest gives room for the researcher to check your choice of analysis and the standardization of questionnaire. This study will apply both participating pretests to five people and undeclared pretests to five people among the study sample.

3.9 Data Analysis and Presentation

According to Kombo & Tromp (2006), data analysis refers to evaluating what has been collected in a survey and making deductions and inferences. It entails scrutinizing the acquired information and making inferences. Data will be analyzed using descriptive statistics which will involve use of frequencies and percentages for quantitative data. This research will also use SSPS data analysis approach for quantitative data. It allows for tabulation of data and representation in pie-charts and graphs.

Qualitative data will be analyzed through documentation, then use a colour-coding and numbering system to select text about the different themes, grouping together ideas and gathering evidence about views on each theme (Lindlof & Taylor, 2002).

3.10 Ethical Considerations

The University of Nairobi School of Journalism and Mass Communication provided a Certificate of Fieldwork on the study allowing the researcher to embark on data collection (see appendix IV). The certificate had an explanation that will be given to the respondents on the purpose of the study and seek their consent to participate. The respondents were guaranteed of confidentiality regarding the information they are to give. Certificate of Originality was also issued (see Appendix V). Finally, Certificate of Corrections was issued after all the corrections were effected (see Appendix VI).

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Overview

This chapter entails the presentation, analysis and interpretation of data. The data collected are presented in tables. The data presented is discussed at the end of each presentation.

4.1 Introduction

This chapter entails the presentation, analysis and interpretation of data. The data collected are presented in tables. The data presented is discussed at the end of each presentation. The study was conducted between the months of July to September 2017. A mixed method approach was used gather both qualitative and quantitative data which involved the use of questionnaires and interviews which were specifically guided by the research questions. To guarantee equal distribution of respondents and avoid bias, the study was conducted from Embakasi, Westlands, Kasarani and the Central Business District (CBD). The data collection procedure allowed each segment of the population an equal chance of being selected and therefore guarantying the researcher to have 100% response rate. The analysis of the data was premised on the research objectives. These objectives acted as the guide in forming the questionnaires. In this presentation, therefore each objective has been used to represent themes with questions in the questionnaires being sub-themes.

4.2 Demographic Information of Respondents

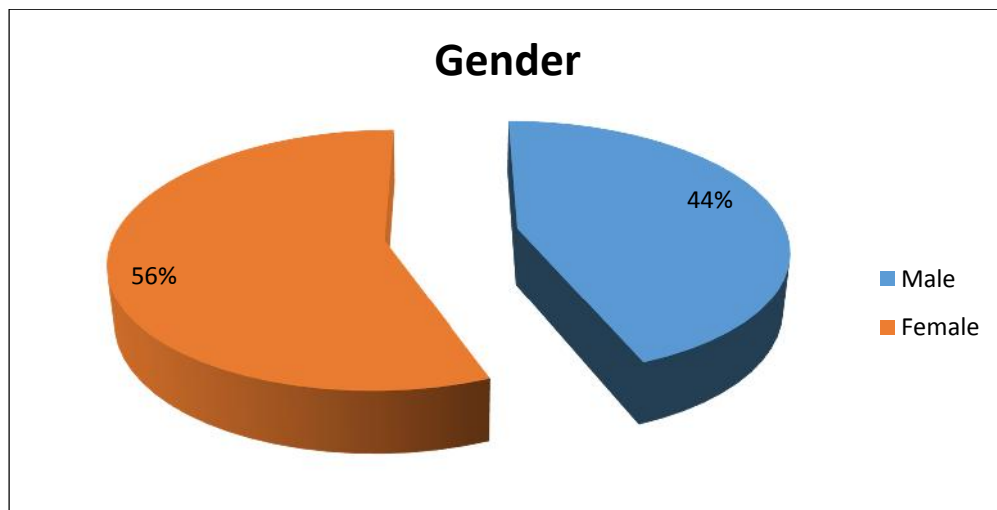
The researcher sought to find out the demographic characteristics of respondents in terms of gender, age, customer duration, education and marital status. This was important to demonstrate the influence of demographic factors on perceptions of customers towards

Equity Bank brand due to the Wings to Fly programme. The following sub-sections provide results.

4.2.1 Gender of Respondents

Gender information of the respondents helped the researcher understand the perception of customers regarding the corporate social responsibility by Equity Bank. The response is presented in Figure 4.1.

Figure 4.1: Gender of respondents



The findings presented in Figure 4.1 show that majority of the respondents (56%) were female and the remaining 44% of the respondents were male. This is to indicate that both gender contributed to the study almost equally. This also demonstrates the representativeness of the sample where the findings will cover both perceptions of males and females.

4.2.2 Age of the Respondents

The respondents' age helped the researcher to assess the role of age groups of customers because age is an important variable in determining perception. The findings are presented in Table 4.1 below.

Table 4.1: Ages of the Respondents

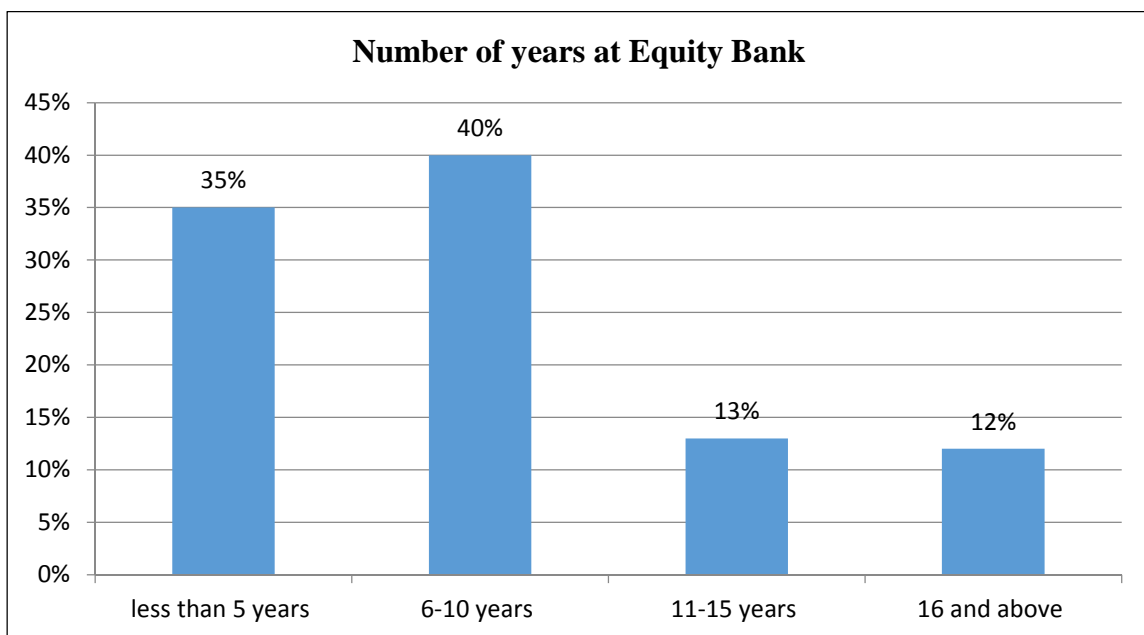
Category	Frequency	Percentage
18-25 years	10	10%
26-35 years	25	25%
36-45 years	30	35%
46-55 years	17	17%
56-65 years	18	18%
Total	100	100%

Most of the respondents (30%) were between 36-45 years, 25% between 26-35 years, 18% between the ages of 56-65 years, 17% between 46-55 years and 10% were between the ages of 10-25 years. This implies that all the age categories were represented participating in the study. Again, any bias occasioned by over representing an age group was satisfactorily sorted.

4.2.3 Number of Years as Customer in Equity Bank

The study sought to find out the number of years the respondents had been customers at equity bank. This was helpful information since it would mean their knowledge about the corporate social responsibility programs offered by the bank was high. The findings are presented in the Figure 4.2.

Figure 4.2: Number of Years as Customer in Equity Bank

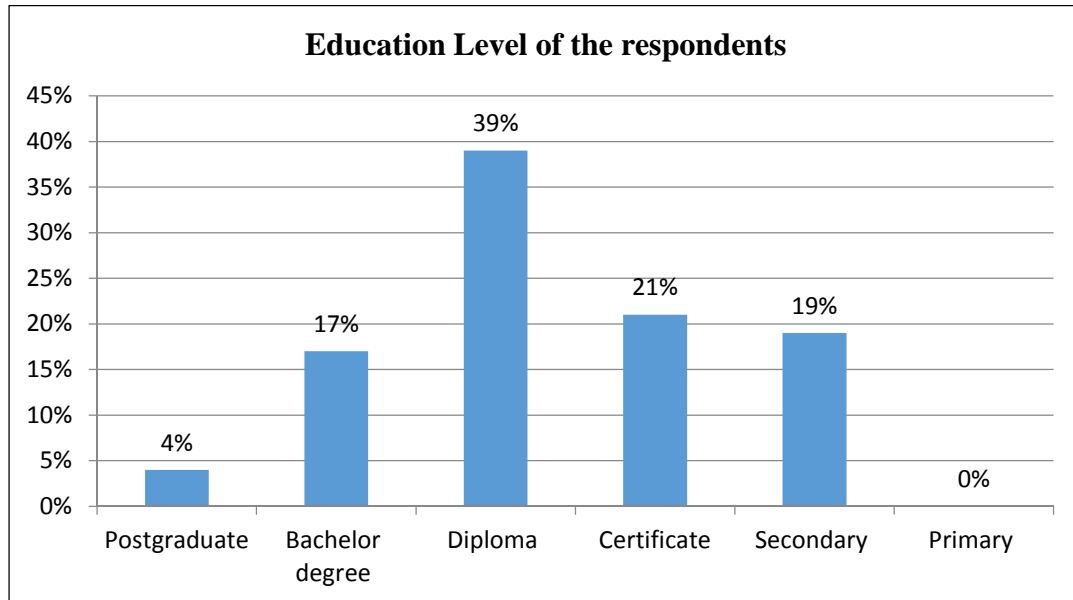


The findings show that 40% of the respondents have being equity bank customers for between 6-10 years, 35% have been customers in Equity Bank for between less than 5 years, 13% between 11-15years and 12% for more than 16years.

4.2.4 Education Levels of the Respondents

The study sought to find out the education level of the respondents. Education level would show whether the customers were educated hence their knowledge on corporate social responsibility by Equity Bank. The findings are shown in Figure 4.3.

Figure 4.3: Education Levels of the Respondents

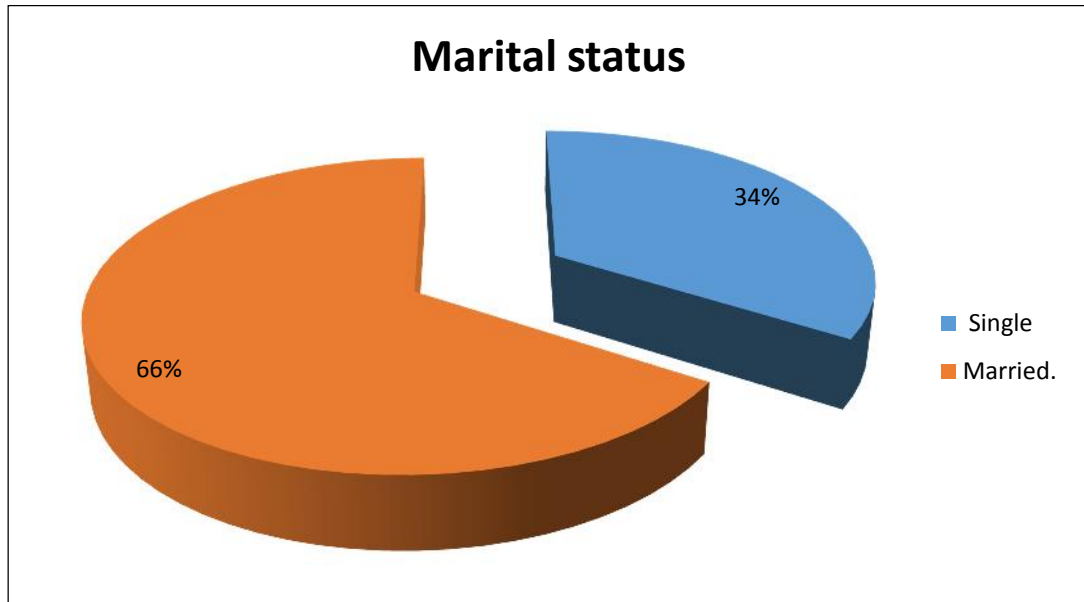


From the findings in Figure 4.3, majority of the respondents 39% holds diplomas, 21% holds certificates, 19% holds secondary school qualifications, 17% holds bachelor's degrees, 4% of the respondents hold postgraduate qualifications and none of the respondents holds primary school qualifications. This is to imply that the respondents had sufficient level of education to be able to understand the concept and application of perception, reputation, image and CSR as a public relations strategy. Additionally, all the respondents were mature enough to have accounts with Equity Bank or relate with activities of Wings to Fly programmes.

4.2.5 Marital Status of the Respondents

The study sought to find out the marital status of the respondents. This was important because marital status as a variable affects perception and interpretation of issues happening in the society, such Wings to Fly programme. The findings are shown in Figure 4.4 below.

Figure 4.4: Marital Status of the Respondents



From the findings presented in Figure 4.4, a total of 66% of the respondents were married while the rest 34% of the respondents were single. This implies that the study relied on a balanced view from those in marriage and those outside it.

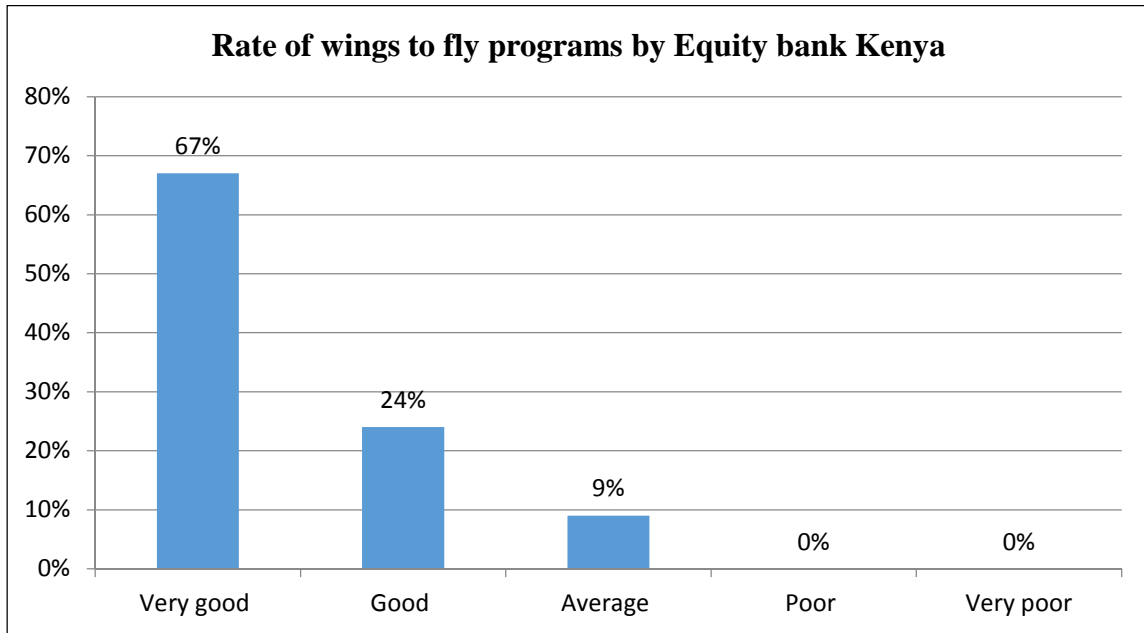
4.3. Findings Based on The Research Objectives

This section covers findings for all questions in the questionnaires that were constructed based on the research objectives. The sub-sections below capture the findings based on research objectives.

4.3.1 Role of Corporate Social Responsibility

The first objective sought to examine the role of corporate social responsibility in Equity bank Kenya. The first question required the respondents to rate the Wings to Fly programmes by Equity bank Kenya. The graph below presents the findings.

Figure 4.5: Customers' Rating of wings to fly programs by Equity Bank Kenya



As indicated in Figure 4.5, majority of the respondents (67%) rated the Wings to Fly as very good, 24% as good while 9% as average. This shows that the wing to fly was highly regarded by customers at equity bank. Additionally, majority of respondents by this response confirmed knowledge of the Wings to Fly programme. In summary, the respondents who are customers approved the programme as being helpful. This confirm literature indicating the need for corporate to venture in corporate social investments.

The respondents were further required to indicate their level of agreement on the given statements regarding the role of wing to fly program as a corporate social responsibility by Equity Bank. The responses were placed on a five Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The findings are presented in the Table 4.2.

Table 4.2: Role of Corporate Social Responsibility

Role of Corporate Social Responsibility	Mean	Mean %	Std dev.
Equity Bank wings to fly educate needy students to create a sense of purpose.	4.75	95%	0.179
Equity Bank wings to fly initiative leads to unwavering customer support.	4.45	89%	0.285
Equity Bank wings to fly initiative establish a public presence	4.65	93%	0.231
Equity Bank endeavors to increase the future potential of the children education	4.20	84%	0.345
Wings to fly empowers families who in turn remain loyal to the bank	4.30	86%	0.166
Wings to fly gives equity bank a positive publicity and image	4.00	80%	0.483

Table 4.2 shows how respondents viewed the role of CSR at Equity Bank. Most of the respondents 95% (mean=4.75) agreed to a very great extent that Equity Bank wings to fly educated needy students to create a sense of purpose. The respondents agreed to a very great extent 93% (mean=4.65) that Equity Bank wings to fly initiative establish a public presence. They further agreed to a great extent that 89% (mean=4.45) that Equity Bank wings to fly initiative leads to unwavering customer support. They agreed 86% (mean=4.3) that Wings to fly empowers families who in turn remain loyal to the bank. Additionally, Equity Bank endeavors to increase the future potential of the children education at 84%

(mean=4.2); Wings to fly gives equity bank a positive publicity and image 80% (mean=4.00). On answering to this question in an interview, one participant had this to say:

“CSR helps in fostering firm’s visibility to its target customers, reduces the cost of doing business as money that could be invested in conducting massive advertising is saved through CSR programs, promotion of corporate citizenly where a firm is seen as being responsive to the needs of the environment surrounding them, harnessing of a concrete relationship between a firm and its stakeholders, promotion of a firm’s reputation and corporate image,” (E01, June 2017)

Another indicated that

“The wings to fly program has cemented the firms relationship with the state through partnership to growing the economy and creating job opportunities, eradication of societal ills e.g. illiteracy where the wings to fly programs which has provided scholarships to over 10,000 beneficiaries since its inception and manifestation of a conducive business environment as a firm is perceived to be ethically congruent to the customer needs,” (E02, July 2017)

The findings concur with Kim, Kim and Kim (2014) whereby the majority of respondents indicated that companies engage in CSR for self-gain and not as a way of genuinely helping the public. According to a study by Lamberti and Noci’s (2012) corporate credibility significantly affected the buying decisions of consumers and their attitude towards a brand while the contributions of a firm to charity and environmental protection gave a reflection of positive company credibility.

4.3.2 Benefits of Corporate Social Responsibility

The second objective sought to examine the benefits of corporate social responsibility. The question required the respondents to indicate their level of agreement on the given statements regarding the benefits of wing to fly program as a corporate social responsibility by Equity Bank using a five Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The findings are presented in the Table 4.3.

Table 4.3: Benefits of Corporate Social Responsibility

Benefits of Corporate Social Responsibility	Mean	Mean %	Std dev.
Equity Bank wings to fly have positive impact in the community	4.35	87%	0.158
Equity Bank wings to fly supports public value outcomes	4.10	82%	0.245
Equity Bank wings to fly increases the number of community members willing to work with equity bank	4.25	85%	0.282
Equity Bank encourages both professional and personal development	3.40	68%	0.345
Wings to fly enhances relationships with customers at equity bank	4.15	83%	0.125

Findings in table 4.3 show how respondents viewed the benefits of CSR by Equity Bank. Most of the respondents 87% (mean=4.35) agreed to a very great Equity Bank wings to fly have positive impact in the community; Equity Bank wings to fly increases the number of community members willing to work with equity bank 85% (mean=4.25); Wings to fly enhances relationships with customers at equity bank 83% (4.15); Equity Bank wings to fly supports public value outcomes 82% (mean=4.10). A total of 68% (mean=3.40) agreed that Equity Bank encourages both professional and personal development. The findings correspond to Jayakumar (2013) who indicates that positive CSR relations have the likelihood of resulting in the positive evaluation of a firm and this has the capability of

affecting consumers' reaction to a product or service positively. The findings are also in agreement with Aouina and Bhatli (2014) indicating that firms have to go beyond the expectation of consumers as well as consumer points of reference which in this case refers to industry standards for the purpose of differentiating themselves among rivals in terms of CSR.

In an interview, one participant said that:

My desire to open bank accounts in the institutions was informed by the number of corporate social responsibility programs executed by the bank. I feel that the Bank is more concerned in responding to the needs of the environment in which it operates, and not just profit making. (C01, June 2017)

The findings agree with Jayakumar (2013) who posits that consumers have the tendency of choosing a firm with ethical conduct over another that is regarded as unethical when both the firms offer excellent product attributes.

Another respondent indicated that

The bank is not just out there to make huge profits but it is cognizant of the societal needs. I feel much proud being associated with an organization that's extends its magnanimity to the less fortunate in the society and claim that organizations can only ignore their social responsibility at their peril. (C02, July 2017)

Among the small minority who were opposed to the notion of other banks and financial institutions emulating the "Wings to Fly" program noted that such may amount to manipulation of the people to take up their products and the increase in the level of interest charged on loans given the anticipated rise in the cost of the banks. One participant was of the opinion that:

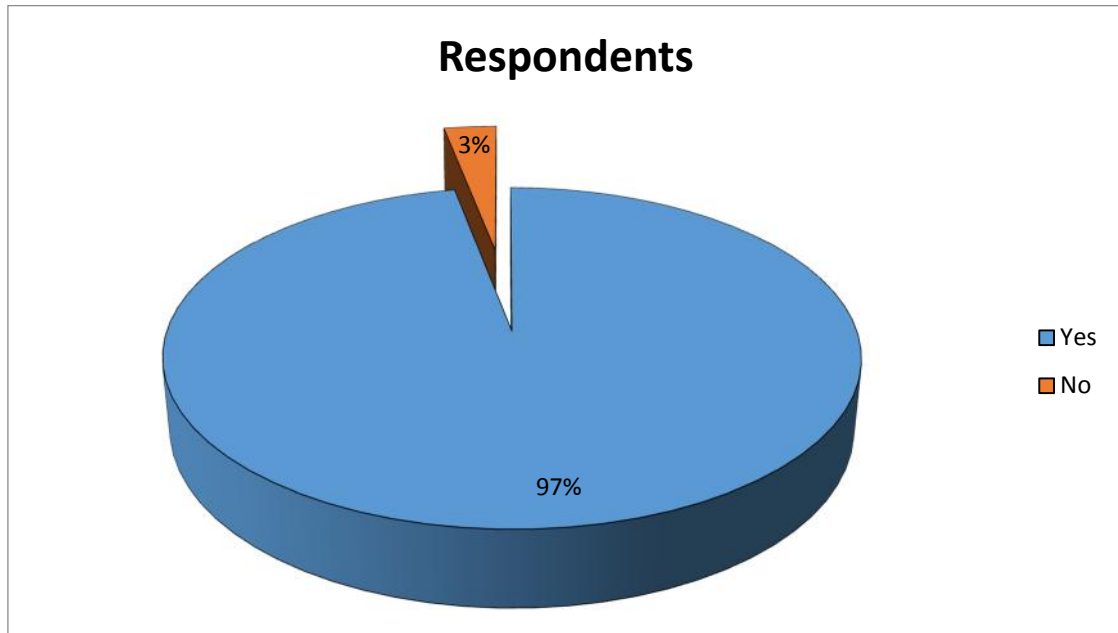
Equity bank can either chose to engage in corporate social responsibility activities or not depending on a number of reasons including the organizational culture, the nature of the business, financial muscle and the government policies on the practice (E3, August 2017)

Other respondents noted that this will help expand entry into institutions of higher learning to the poor. Overall, it appears that a majority of the respondents would like to see an increase in the activities aimed at opening up opportunities for learning especially targeted to the poor in the society and are appreciative of the program. According to Pérez and Rodríguez del Bosque (2013) the experiences of consumers with firms affect their individual's assessment of firms and help in setting beliefs and expectations.

4.3.3 Awareness of the Wings to Fly program

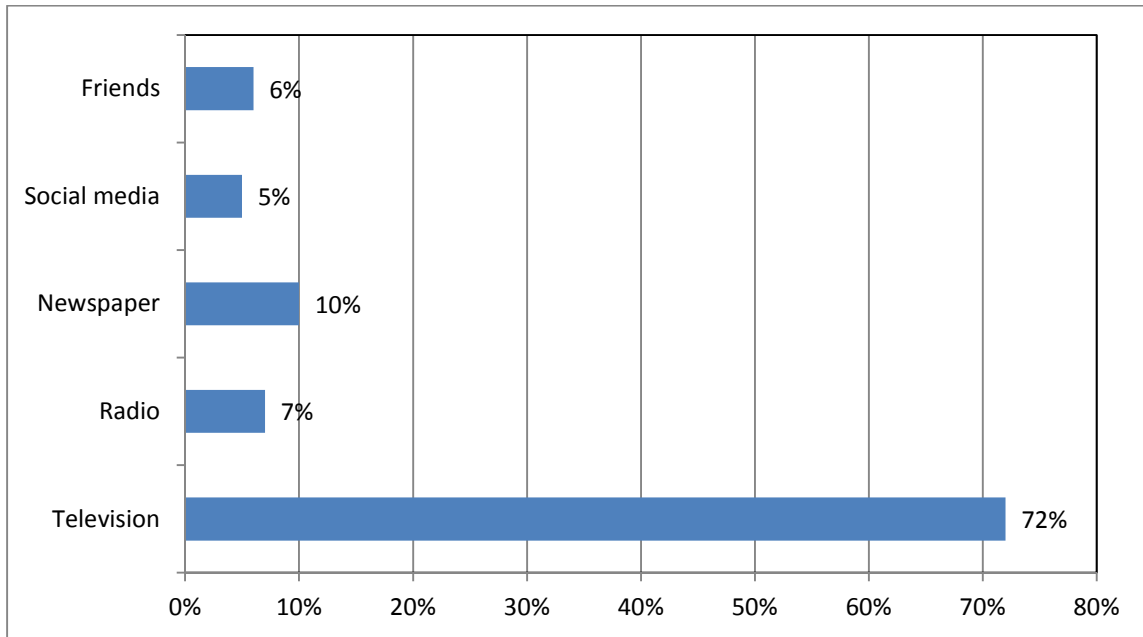
The third objective sought to establish awareness of customers of corporate social responsibility programs in Equity bank Kenya. The questions were: Are you aware of equity banks wings to fly? How did you get to know of wings to fly? What do you know about the wings to fly program? In what ways are you involved in CSR programs in Equity bank? The figures below present the findings.

Figure 4.6: Whether Customers Were Aware of Equity Bank’s Wings to Fly



The findings in the graph show that 97% of the respondents are aware of the Wings to Fly educational assistance programme run by the Equity Bank. Only three percent of the respondents were not aware of the programme. This implies that there is widespread awareness of the programme among the public and that this CSR activity has been well communicated to the public. Additionally, this confirms the information on the Equity Bank website to the effect that about ten thousand students have benefited from the programme. In congruence to the reports that Equity Bank has over eight million customers in their website, the awareness of Wings to Fly at a whopping 97 percent is a confirmation that its penetration rate is high in Kenya. On how the respondents got to know about the programme, the graph below presents the results.

Figure 4.7: How the Customers Got to Know About Wings to Fly Programme



The findings shown in Figure 4.7 shows that 73% came to know about the program via the television followed by the newspaper at 15%. This makes sense since most of the advertisements regarding the program has mostly targeted these two channels of communication. Other channels of communication included the radio at 7%, friends at 6% and social media at 5%. The above information clearly shows that the wings to fly program has been largely communicated through the television and newspapers and as a result, majority of respondents have come to learn about the program through those two channels of communication. Quite worrying though, is the fact that the presence in the social media might not be intense yet this is the channel which is increasingly becoming a way to connect with many people easily and cheaply.

Many respondents were able to correctly point out the link that the program is an initiative of Equity Bank which aims at promoting education among the needy students in the society through giving them some kind of sponsorship such as paying their tuition fees in higher

institutions of learning such as secondary schools and universities both locally and abroad. Additionally, since the respondents comprised of both beneficiaries and the general customers of the bank, it was expected that despite the programmed targeting the youth, most do not have direct link with the banks, but the general customers had. This explains where social media did not win as the dominant media for creating awareness on the Wings to Fly programme. A closer look at the website of Equity Bank shows confirms the findings in that customer analysis indicates shows middle age as majority age for their customers.

4.3.4 Customer Perception Towards Equity Bank

The fourth objective study sought to investigate how Equity Bank customers perceived corporate social responsibility programmes Wings to Fly. The question required the respondents to indicate their level of agreement on the given statements regarding the benefits of wing to fly program as a corporate social responsibility by equity bank using a five Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The findings are presented in the Table 4.4.

Table 4.4: Customer Perception Towards Equity Bank

Customer perception towards Equity Bank	Mean	Mean %	Std dev.
I consider myself a loyal customer of Equity Bank	4.85	97%	0.092
Equity Bank is my first choice, compared to others in the sector	4.50	90%	0.385
I will continue to be a customer of Equity Bank	4.00	80%	0.231
In the future I plan to purchase more services from Equity Bank	4.60	92%	0.345
I would recommend Equity Bank to my friends and acquaintances	4.40	88%	0.172
I wouldn't give up being a customer even if a competitor came up with a better offer	4.45	89%	0.273

Most of the respondents agreed to a very great extent 97% (mean=4.85) that they consider themselves loyal customers of Equity Bank. In the future, they planned to purchase more services from Equity Bank 92% (mean=4.60). They opined that Equity Bank was their first choice, compared to others in the sector 90% (mean=90%). They agreed to a great extent 89% (mean=4.45) they would not give up being customers even if a competitor came up with a better offer; they would recommend Equity Bank to their friends and acquaintances 88% (mean=4.40) and they will continue to be a customer of Equity Bank 80% (mean=4.00).

One of the participants had this to say during an interview:

Wings to fly is adequately involved in Equity bank as CSR programs especially on the choice of activities. The bank can do more by adopting all-inclusive approach to address the real issues affecting the common citizens. The bank will end up sponsoring the programs that gives them positive publicity at the expense of the diverse needs of the communities they operate in. (C03, August 2017)

Another participant also had this to say:

Equity Bank involves its customers in deciding which programs to sponsor. The forms are well distributed in all its branches across the country. The local communities are involved in selecting the needy and vulnerable candidates who qualifies for the program. (E4, August 2017)

Additionally, another participant claimed that:

Employees and volunteer members of the community are widely involved in the execution of the various corporate social responsibility program. Government of Kenya and other corporate are also involved as equal partners e.g. the Master Card Foundation. (E5, August 2017)

Most respondents opined that corporate social responsibility is the main ingredient to positive customer perceptions. This is because most potential customers will always want to be associated with organizations that engage in CSR programs. They argued that Equity bank commands a big market share because it engages in corporate philanthropy, which according to them is a prerequisite to the banks success. On the contrary a few number of respondents opined that CSR programs executed by Equity bank is not the key ingredient to the banks success. There could other factors like the banks customer service, customer congruent services like internet banking, adoption of paperless banking, no ledger fees is charged, accessibility of the bank across Kenya and the entire eastern Africa and the banks competitive advantage over its rivals.

The findings concur with Inoue and Kent (2014) that consumers tend to select products with added CSR characteristics, but in the case that a trade-off between CSR and price or performance is introduced, consumers have the tendency of going for products that are cheaper or with better performance. According to Zaharia and Zaharia (2013), CSR initiatives of a company have the capability of helping in achieving repeated purchases.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Overview

This chapter gives a summary, conclusions and recommendations of the study.

5.1 Introduction

The study sought to examine the role of the Wings to Fly as a CSR on customer perceptions on Equity Bank brands. The summary and conclusions are presented based on the findings.

5.2 Summary of the Findings

The study found that Equity Bank wings to fly educate needy students to create a sense of purpose. Equity Bank's Wings to Fly initiative establish a public presence. The initiative leads to unwavering customer support and empowers families who in turn remain loyal to the bank. Equity Bank endeavors to increase the future potential of the children education. Wings to fly gives equity bank a positive publicity and image.

The study also found out that Equity Bank Wings to Fly has positive impact on the community. Equity Bank wings to fly increases the number of community members willing to work with Wings to fly enhances relationships with customers at equity bank. Equity Bank "wings to fly" supports public value outcomes. Equity Bank "wings to fly" also encourages both professional and personal development.

The study established that Equity bank customers are aware of the "Wings to Fly" educational assistance program run by Equity Bank. Many came to know about the program via the television followed by the newspaper. Other channels of communication included the radio, friends and social media. Many respondents were able to correctly point

out the link that the program is an initiative of Equity Bank which aims at promoting education among the needy students in the society through giving them some kind of sponsorship such as paying their tuition fees in higher institutions of learning such as secondary schools and universities both locally and abroad.

The study finally established that many respondents consider themselves loyal customer of Equity Bank. In the future, they plan to purchase more services from Equity Bank. Equity Bank is their first choice, compared to others in the sector. The customers will not give up being a customer even if a competitor came up with a better offer; they would recommend Equity Bank to their friends and acquaintances and they will continue to be a customer of Equity Bank.

5.3 Conclusions

From the findings, it is generally concluded that it is inconclusive to draw a link that would specifically attribute corporate social responsibility to the customer perception towards Equity Bank. Nevertheless, the following conclusions are made based on the findings.

5.3.1 Role of Corporate Social Responsibility in Equity Bank Kenya

The study concludes that that Equity Bank wings to fly serves numerous roles, specifically, they educate needy students to create a sense of purpose and establish a public presence. The initiative leads to unwavering customer support and empowers families who in turn remain loyal to the bank. Equity Bank endeavors to increase the future potential of the children education. Wings to fly gives equity bank a positive publicity and image.

5.3.2 Benefits of Corporate Social Responsibility

The study also concludes that Equity Bank wings to fly have positive impact in the community. Equity Bank wings to fly increases the number of community members willing to work with Wings to fly enhances relationships with customers at equity bank. Equity Bank “wings to fly” supports public value outcomes. Equity Bank “wings to fly” also encourages both professional and personal development.

5.3.3 Awareness of the Wings to Fly program

The study further concludes that Equity bank customers are aware of the “Wings to Fly” educational assistance program run by Equity Bank. Many come to know about the program via the television followed by the newspaper. Other channels of communication include the radio, friends and social media. Many customers are able to correctly point out the link that the program is an initiative of Equity Bank which aims at promoting education among the needy students in the society through giving them some kind of sponsorship such as paying their tuition fees in higher institutions of learning such as secondary schools and universities both locally and abroad.

5.3.4 Customer Perception Towards Equity Bank

Finally, the study concludes that many customers consider themselves loyal customer of Equity Bank. In the future, they plan to purchase more services from Equity Bank it is their first choice, compared to others in the sector. They wouldn't give up being a customer even if a competitor come up with a better offer; they recommend Equity Bank to their friends and acquaintances and they will continue to be a customer of Equity Bank. Therefore, CSR shapes public opinion and perception.

5.4 Recommendations

Based on the findings the study gives the following recommendations:

Corporate social responsibility should have a long-term policy; it should not just take opportunities as they arise. This mainly to avoid the footloose sponsors who just sponsor projects for a short period leaving the beneficiaries more susceptible than they were before e.g. sponsoring a bright student to join forms one then stopping the sponsorship at form two. Its now clear that organizations can only choose to be socially irresponsible at their own peril. From the respondents views it is clear that Equity Bank Kenya enjoys positive reputation from the CSR programs it engages in. most customers want to be associated with organizations they perceive are socially responsible to the need of the community in which they operate.

It is also worth noting that CSR is expensive and therefore the pursuit of competitive advantage solely through engaging in CSR activities for instance corporate philanthropy may not be sustainable. We would suggest that the best way to orient CSR to stimulate consumer retention is through the availability of CSR information to the consumer through localization of CSR activities alongside product excellence and competitive product pricing.

Corporate social responsibility programs should also be undertaken in partnership with other stakeholders like the government to avoid letting others off the hook. Companies are not the state and they are out there to provide services, which citizens pay for in taxes. However, companies cannot just watch as their publics wallow in poverty when they can offer help. Therefore, the services should be offered in partnership between corporate and the state.

Any company that want to engage in CSR program should conduct a though research to have its priorities right. It will be a waste of time and resources if a company engages in corporate social responsibility and end up gaining nothing. This there means that corporate should only select programs that are in line with their business model and hence get positive publicity.

5.5 Suggestions for Further Research

More research should be conducted on the area of CSR to discover new ways of executing it. The research should also act as manuals to companies that want to engage in the practice but lacks skills on how to do it. It will also help corporate communications expand their knowledge base on CSR and corporate philanthropy.

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APPENDICES

Appendix I: Questionnaire to Equity Bank Customers

Dear Respondent

I am a student at the University of Nairobi School of Journalism and Mass Communication, College of Humanities and Social Sciences pursuing a Master of Arts degree in Communication studies specializing in Public Relations and currently, doing my project on *the impact of corporate social responsibility on customer perceptions on Equity bank Kenya: a case of wings to fly*. I would like to request you to fill this questionnaire. Information obtained will be used purely for academic purposes. Please mark approximately in the following parenthesis.

SECTION A: DEMOGRAPHIC DETAILS.

1) What is your gender?

Male [] Female []

2) What is your age?

18-25 [] 26-35 [] 36-45 [] 46-55 [] 56-65 []

Other specify.....

3) For how long have you been a customer at Equity Bank Kenya?

Less than 5 years [] 5-10 years [] 11-15 years [] Over 15 years []

4) What is your level of education?

Postgraduate [] Bachelor degree [] Secondary []

Diploma [] Primary [] Certificate []

Other (Specify).....

5) What is your marital status?

Married []

Others (Specify)

Single []

Section B: Role of Corporate Social Responsibility

6) How would you rate wings to fly programs by Equity bank Kenya?

Excellent []

Very good []

Good []

Poor []

Very poor []

7) To what do you agree with the following statements on the role of wings to fly by equity bank as a corporate social responsibility? Rate using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= undecided, 4= agree, 5= strongly agree

Role of Corporate Social Responsibility	1	2	3	4	5
Equity Bank wings to fly educate needy students to create a sense of purpose.					
Equity Bank wings to fly initiative leads to unwavering customer support.					
Equity Bank wings to fly initiative establish a public presence					
Equity Bank endeavors to increase the future potential of the children education					
Wings to fly empowers families who in turn remain loyal to the bank					
Wings to fly gives equity bank a positive publicity and image					

8) In your own views what do you think is the role of corporate social responsibility in Equity Bank Kenya?

.....

.....

.....

Section C: Benefits of Wings to Fly program

9) To what do you agree with the following statements on the benefits of wings to fly by equity bank as a corporate social responsibility? Rate using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= undecided, 4= agree, 5= strongly agree

Benefits of Corporate Social Responsibility	1	2	3	4	5
Equity Bank wings to fly ability to have positive impact in the community					
Equity Bank wings to fly supports public value outcomes					
Equity Bank wings to fly increases the number of community members willing to work with equity bank					
Equity Bank encourages both professional and personal development					
Wings to fly enhances relationships with customers at equity bank					

10) In your own opinion how has the wings to fly benefited equity bank and its customers?

.....
.....
.....

Section D: Awareness of the Wings to Fly program

11) Are you aware of equity banks wings to fly?

Yes [] No []

12) How did you get to know of wings to fly?

Television []

Radio []

Newspaper []

Social media []

Friends []

Others (specify)

13) What do you know about the wings to fly program?

.....
.....I

In what ways are you involved in CSR programs in Equity bank?

.....
.....
.....

Section E: Customer perception towards equity bank

14) Indicate your perception towards equity bank for based on its involvement in the “wings to fly” program. Rate using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= undecided, 4= agree, 5= strongly agree

Customer perception towards equity bank	1	2	3	4	5
I consider myself a loyal customer of Equity Bank					
Equity Bank is my first choice, compared to others in the sector					
I will continue to be a customer of Equity Bank					
In the future I plan to purchase more from Equity Bank					
I would recommend Equity Bank to my friends and acquaintances					
I wouldn't give up being a customer even if a competitor came up with a better offer					

15) In your own views do you think CSR program executed by Equity bank have the ability to influence customer perceptions?

.....

.....

.....

Appendix II: Interview Guide

I'm student at the University of Nairobi School of journalism and mass communication perusing a Master of Arts degree in communication studies. My research topic is on *the impact of corporate social responsibility on customer perceptions towards Equity bank Kenya. A case of the "wings to fly" program*. I'm kindly requesting for your input on the following research questions. Information obtained will only be used for research purposes.

- i. How would you rate wings to fly programs by Equity bank Kenya?
- ii. In your own views what do you think is the role of corporate social responsibility in Equity Bank Kenya?
- iii. In your own opinion how has the "wings to fly" benefited equity bank and its customers?
- iv. What do you know about the wings to fly program?
- v. In what ways are you involved in CSR programs in Equity bank?
- vi. In your own views do you think CSR program executed by Equity bank have the ability to influence customer perceptions?

Appendix III: Introduction Letter

Michael Waweru Kimani,

PO BOX 233-01000,

THIKA.

20/07/2016.

Equity Bank Kenya Limited,

PO BOX 75104 -00100,

NAIROBI.

Dear Sir,

RE: LETTER OF INTRODUCTION

I'm student at the University of Nairobi, school of Journalism and mass communication pursuing a Master of Arts Degree in communication studies.

As part of the requirements to my studies I'm conducting a research project titled *the impact of Corporate Social Responsibility on customer perceptions towards Equity bank Kenya. A case of the "wings to fly" program.*

I'm kindly requesting for your permission and useful information on the above topic. The data gained from the study will only be used for academic purposes.

Any assistance accorded will be highly appreciated.

Yours faithfully,

Michael W. Kimani.

Appendix IV: Certificate of Fieldwork



**UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
SCHOOL OF JOURNALISM & MASS COMMUNICATION**

Telegram: Journalism Varsity Nairobi
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Director's Office: 254-02-2314201 (Direct Line)
Telex: 22095 Fax: 254-02-245566
Email: director-soj@uonbi.ac.ke

P.O. Box 30197-00100
Nairobi, GPO
Kenya

REF: CERTIFICATE OF FIELD WORK

This is to certify that all corrections proposed at the Board of Examiners' meeting held on 08.07.2016 in respect of M.A/Ph.D final Project/Thesis defence have been effected to my/our satisfaction and the student can be allowed to proceed for field work.

Reg. No: KSO/75199/2014
Name: MICHAEL WAWERU KIMANI
Title: THE IMPACT OF CORPORATE SOCIAL

RESPONSIBILITY IN MANAGING CUSTOMER PERCEPTIONS
IN EQUITY BANK KENYA

Dr. S. Onass
SUPERVISOR

[Signature]
SIGNATURE

3/8/2016
DATE

Dr Samuel Siringi
ASSOCIATE DIRECTOR

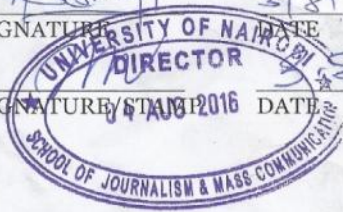
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DIRECTOR

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Appendix V: Originality Report

Turnitin Originality Report

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Kenya

REF: CERTIFICATE OF CORRECTIONS

This is to certify that all corrections proposed at the Board of Examiners meeting held on 21.09.2017 in respect of M.A/PhD. Project/Thesis defence have been effected to my/our satisfaction and the project/thesis can be allowed to proceed for binding.

Reg. No: KSO175199/2014

Name: MICHAEL LAUREN KIMANI

Title: IMPACT OF CORPORATE SOCIAL RESPONSIBILITY

PROGRAMMES ON CUSTOMER PERCEPTIONS TOWARDS
EQUITY BANK: A CASE STUDY OF WINGS TO FLY PROGRAMME

DR. S. O. RIASO
SUPERVISOR

[Signature]
SIGNATURE

14/12/2017
DATE

Dr Samuel Siringi
ASSOCIATE DIRECTOR

[Signature]
SIGNATURE

18/12/2017
DATE

Dr. Ndlovu Ndlovu
DIRECTOR

[Signature]
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