

**INSTITUTIONAL FACTORS INFLUENCING FINANCIAL
INSTITUTIONS UPTAKE OF CORPORATE SOCIAL RESPONSIBILITY
IN KENYA: A CASE OF FINANCIAL EDUCATION PROGRAMMES IN
NAIROBI CITY COUNTY**

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**A Research Project Report Submitted in Partial Fulfillment of the Requirements for the
Award of Degree in Master of Arts in Project Planning and Management, University Of
Nairobi**

2018

DECLARATION

I declare that this is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi.

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This Research Project Report has been presented for examination with my approval as the appointed supervisor.

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DEDICATION

I dedicate this research project to my parents the late Mr. and Mrs. Ongira.

ACKNOWLEDGEMENT

Without the will of God I would not have done this, Glory and honor to him always!

To my family, for giving me all the support, especially my brother Hesbon, I give thanks for having such a strong pillar in my life, Thank you.

Special recognition to my Supervisor Dr. Kyalo, for always creating time and guidance throughout my project, I appreciate your leadership, Thank you

TABLE OF CONTENT

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
LIST OF ABBREVIATIONS AND ACRONYMS	ix
ABSTRACT	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the Study.....	1
1.1.1 Corporate Social responsibility	3
1.1.2 Commercial Banks in Kenya.....	4
1.1.3 CSR initiatives by Kenyan Commercial Banks.....	5
1.1.4 Financial Education in Nairobi County	6
1.2 Statement of the Problem.....	6
1.3 Purpose of the Study	7
1.5 Research Questions	8
1.6 Significance of the Study	8
1.7 Delimitation of the Study.....	9
1.8 Limitations of the Study.....	9
1.9 Assumptions of the Study	10
1.10 Definition of Significant Terms	10
1.11 Organization of the Study	11
CHAPTER TWO	12
LITERATURE REVIEW	12
2.1 Introduction.....	12

2.2 The Uptake of Corporate Social Responsibility by Commercial Banks.....	12
2.3 Organization Culture and the Uptake of Corporate Social Responsibility	13
2.4 Corporate Strategy and Uptake of Corporate Social Responsibility	15
2.5 Strategic Leadership and the Uptake of Corporate Social Responsibility	18
2.6 Marketing Strategy and the Uptake of Corporate Social Responsibility	23
2.9 Summary of the Literature	32
CHAPTER THREE	33
RESEARCH METHODOLOGY	33
3.1 Introduction.....	33
3.2 Research Design.....	33
3.3 Target Population.....	33
3.4 Sample Size and Sampling Procedures.....	34
3.4.1 Sample Size	34
3.4.2 Sampling Procedure.....	35
3.5 Methods of Data Collection	35
3.6 Research Instruments	36
3.7 Validity of the Instruments	36
3.7.1 Validity of the Research Instrument.....	37
3.7.2 Reliability of the instruments	37
3.8 Data Collection Procedure	38
3.9 Ethical issues.....	39
3.10 Operational definition of Research Variables.....	40
CHAPTER FOUR.....	41
DATA ANALYSIS, PRESENTATION AND INTERPRETATION	41
4.1 Introduction.....	41
4.2 Questionnaire Response Rate	41
4.3 Demographic Details	41
4.3.1 Age distribution	42
4.3.2 Education Level.....	42
4.3.3 Department	43
4.3.4 Job Experience.....	43

4.4 Organization Culture and the uptake of CSR initiatives.....	44
4.5 Corporate Objectives on the uptake of CSR programs.....	46
4.6 Leadership Strategy on the uptake of CSR programs.....	48
4.7 Marketing Strategy and the Uptake of CSR programs	50
4.8 Uptake of Corporate Social Responsibilities	51
4.9 Multivariate Regression Analysis of the Institutional Factors affecting uptake of CSR.....	53
CHAPTER FIVE	56
SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS.....	56
5.1 Introduction.....	56
5.2 Summary of the Findings.....	56
5.2.1 Organization Culture and the Uptake of Corporate Social Responsibility.....	56
5.2.2 Corporate Objectives and the Uptake of Corporate Social Responsibility	57
5.2.3 Leadership Strategy and the Uptake of Corporate Social Responsibility	57
5.2.4 Marketing Strategy and the Uptake of Corporate Social Responsibility.....	58
5.3 Discussion of findings.....	58
5.4 Conclusion	60
5.4.1 Organization Culture and the Uptake of Corporate Social Responsibility.....	60
5.4.2 Corporate Objectives and the Uptake of Corporate Social Responsibility	61
5.4.3 Leadership Strategy and the Uptake of Corporate Social Responsibility	61
5.4.4 Marketing Strategy and the Uptake of Corporate Social Responsibility.....	61
5.5 Recommendations.....	62
5.6 Suggestions for Further Studies	62
REFERENCES.....	63
APPENDICES	72
APPENDIX I: TRANSMITTAL LETTER.....	72
APPENDIX II: RESEARCH PERMIT	73
APPENDIX III: QUESTIONNAIRE.....	74

LIST OF TABLES

Table 2.1 Research Table.....	30
Table 3.1 Target population and sample size distribution	35
Table 3.2 Reliability test result	38
Table 3.2 Variables Definition.....	40
Table 4.1 Questionnaire Response rate.....	41
Table 4.2 Distribution of respondents by age	42
Table 4.3 distribution of respondents by academic attainment.....	42
Table 4.4 Department at the bank	43
Table 4.5 Distribution of respondents by job experience	44
Table 4.6 Organization culture and the uptake of CSR	45
Table 4.7 Corporate objectives on the uptake of CSR.....	46
Table 4.8 Leadership strategy on the uptake of CSR programs	48
Table 4.9 Marketing Strategy and the uptake of CSR programs	50
Table 4.10 Uptake of Corporate Social Responsibilities	52
Table 4.11 Model Summary	53
Table 4.12 ANOVA for the Regression Test.....	54
Table 4.13 The Coefficients for the regression test	54

LIST OF ABBREVIATIONS AND ACRONYMS

- CSR** : Corporate Social Responsibility
- CBK** : Central Bank of Kenya
- KBA** : Kenya Bankers Association
- KCB** : Kenya Commercial Bank
- ICT** : Information Communication and Technology
- BIFU** : Banking Insurance Union Kenya

ABSTRACT

Corporations across the globe understand that all their operations wield a certain effect to the society and the community from which they operate. In sectors such as oil and gas, drilling activities aimed to extract the raw material from the ground surface results in massive emission of toxic chemicals which destroy the surrounding environment. As such, many corporations undertake Corporate Social Responsibility (CSR) initiatives which are geared towards, giving back to the society. In the financial sector, players in the industry engage in numerous CSR initiatives, which include, offering bursaries, sponsoring sports and medical camps. However, there doesn't exist a comprehensive guideline on the models through which CSR programs can be implemented. In addition, there is limited information on the contributing factors that influence players in the financial sector integrate CSR initiatives within their operational framework. The study focused on the implementation of financial education within Nairobi County. The study examined factors, notably; organization culture, corporate objectives, leadership style, marketing strategy and the influence they have on the uptake of CSR by commercial banks in Kenya. The target population for this study included all the active field employees attached to top 5 commercial banks in Kenya that have registered foundations which have actively participated in CSR initiatives for the past 3 years. The study will adopt descriptive statistics research methodology. The study established that organization culture forms a critical determinant for the uptake and subsequent success of corporate social responsibility initiatives by commercial banks. The study found that organization culture anchors the organizational value system in line with objectives to implement initiatives that gives back to the society. The study found that consideration and subsequent embrace of CSR initiatives is implemented is based on the organizations strategic operational goals. The study concludes that organization culture, corporate objectives, leadership strategy and marketing strategy wield a positive correlation with strategic commitment by commercial banks integrate strategic initiative like commercial social responsibility within its operational framework. The study recommends for the professionalization of the CSR programs and the institutionalization of the CSR projects.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Businesses all around the world, across all economic sectors, thrive on the basis through which they formulate their operational strategies. One fundamental component of executing business strategies, is the interconnection established between the business and its stakeholders, be it internal employees, shareholders or the customers, but also the people who are in one way or another impacted by the operations of a particular business organization (Graaf & Van, 2008). Corporate Social Responsibility (CSR) falls at the heart of interconnections between all the stakeholders involved or affected by business organization operational strategies (Chapagain, 2008). CSR is centered on the interests and commitments of business organizations readiness to give back to the communities within which they operate as a compensation for the business organizations operations in the area.

There have been efforts in the past few years to expand financial inclusivity amongst the unbanked Kenyans through media driven awareness programs. Numerous commercial Banks in Kenya explored this financial inclusivity drive, through embracing community focused models aimed at educating many small scale business owners on ways to effectively manage their finances to ensure they have sound financial accountability standards (Mbithi, 2015; Ngaari, 2016). Commercial Banks with structured and well run foundations have been at the for front in educating many small scale business owners and many ordinary citizens in opening up bank accounts to help in managing their financial transactions and easily track their expenditures. Foundations have been efficient in reaching out to many unbanked Kenyans since they are formally involved in many social welfare issues in the communities and understand the ways to reach out to ordinary people and educate them on the importance of prudent financial management as a strategy of achieving financial independence (Mbithi, 2015).

There are far valuable returns to be gained when business organization pursues measures that demonstrate concern for the well being of the society (Smith, 2007). CSR initiatives helps to

demystify the perception that business organizations are purely profit-making ventures. Embracing CSR demonstrates that a company cares for the society and it's affirmed by the organizations actions aimed at empowering the local communities (Achua, 2008). By choosing to pursue extramural initiatives, the communities that benefit from these programs open up new possibilities for cooperation hence expanding the business organizations network. Eventually this network can form a critical pedestal that the business organization can use for future growth (Peter & Kramer, 2006; Achua , 2008).

Over the years, the concept of CSR initiatives has been changing with time. From the 1970s, there was a fundamental shift from this philanthropy-based CSR to stakeholder engagement-oriented CSR (Visser & Tolhurst, 2010). This period was characterized by globalization and international trade, which fostered the introduction of CSR policies by multinational corporations (MNCs). Traditionally, the external stakeholders who are communities in which the corporations operate expect the internal stakeholders, including; organization administration, shareholders and its employees to give priority there welfare (Chan, 2014; Mensah, 2015).The World Business Council for Sustainable Development views CSR in corporate lenses as continued commitment by a corporate entity to undertake its operations within a legal and ethical scope with considerable commitment towards contributing in enhancement of the economic development of society positively impacting on the quality of life of the present generation without compromising that of the upcoming generation (CBSR, 2012).

Firms use CSR to fulfil their public responsibilities and meet the economic goals of the organizations. The practice ensures that firms utilize their resources in a reasonable manner to meet the communities' needs consistently. Ahmed (2015) explains that CSR are wide ranging collection of procedures and policies incorporated into the company's business operations, distribution channels, and decision-making activities in the company. The scholar further noted that CSR involves granting sufficient attention to potential impacts that the firm's activities has on the society. As a result, it is prudent for commercials banks to establish their place in the industry, comply with all rules and regulations as well as sufficiently satisfy the needs of their stakeholders. Banking institutions in developing nations need to observe sound financial practices that will address concerns like irresponsible financial behaviours, weakening moral values, environmental degradation, scarcity, and joblessness in the society (Dorosamy, 2013).

The uptake and subsequent implementation of CSR initiatives, is largely dependent on numerous organizational aspects notably; organization culture, corporate objectives, operational strategies and marketing strategies. Jaakson, Vadi and Tamm (2009) identified organization culture as the underlying determinant of the CSR programs dimension for a corporate organization such as commercial banks. Corporate objectives underline business goals for an organization, whereas operational strategies, lay the frame work for the realization of the business objectives. According to Porter and Kramer (2006) core intention for undertaking CSR is to enhance strategic operational direction of the firm to give it a surmountable competitive edge. Further, CSR can enhance the brand of a corporate organization through demonstration of their moral responsibility in caring for welfare of the society (Czubala, 2016).

1.1.1 Corporate Social responsibility

Kibas (2004) while working on his paper at Federation of Kenya Employees workshop in Kenya, on the impact of CSR, defined CSR as company involvement in the responsibility practices in separating and balancing the social economic and environmental components of the business while building the stakeholders value. This definition suggests a balancing of stakeholders profit motivation, economics, and environmental contribution. CSR ensures that banking institution use reasonable means to achieve a balance between their financial goals, social responsibilities, and environmental conservation efforts (Gekania, 2011).

According to Werther & Chandler (2010) present day CSR determines the manner of interaction between the society and an organization. The concept charges organizations to consider the welfare of the society by being accountable on the effects of their activities on consumers, suppliers, human resources, shareholders, the society, and the environment. The obligation also ensures that organizations take voluntary steps in compliance with the law to improve the welfare of the community and the firm's stakeholders (Njeri, 2013).

Furthermore, CSR relates to corporate accountability, community and business shared citizenship, responsible business practices, and environmentally responsible business in recognition of the responsibility a company bears to the community and environment which it operates (Carol, 2003). Organizations show shared citizenship by instituting prudent waste management practices, contributing towards community educational programs, and by netting reasonable profits from their workforce. The current approach to CSR requires organizations to

embrace a balance between profits, customer welfare, and the environment. The modern day feature of CSR shifts firms away from not only focusing on the shareholders but also the on the other stakeholders (Porter & Kramer, 2006).

Globally, the purview of CSR is constrained within four fundamental responsibilities (Ngari, 2016). These include the economic responsibility, the philanthropic responsibility, the legal responsibility and the ethical responsibility. Economic responsibility is about making more earnings or profits for enterprises. Legal responsibility involves obeying the law and rules of the land in which an enterprise operates in. In light of the foregoing, there are many firms that have flouted the legal codes when profits they are bound to make are more than the penalty they can pay by breaking the law. Ethical responsibility touches on persuasion to do what is right at any time even when it's contrarily on the law. Philanthropic responsibility is about contributing to community's development projects even if they are independent to an enterprise activities and objectives or goals (Matteson & Metivier, 2016).

1.1.2 Commercial Banks in Kenya

Commercial banks operating in Kenya are licensed by the Central bank of Kenya (CBK). In other sections of the world reserve banks or central banks, take the regulatory role. Obure (2016) noted that the several legislations enacted in Kenya to regulate the banking industry are the companies act, the CBK Act, and the Banking Act. The legislations are used in tandem with the policies issued by the CBK from time to time to effect necessary changes in the industry. The Kenyan government liberalized the Kenyan Banking industry and subsequently the tight control it had on Kenyan banking industry in 1995. The CBK plays several important roles in the country's banking industry. For instance, the CBK formulates monetary and economic policies as well as acting as the banking industry's bank of last resort. Additionally, the CBK ensures that the various actors in Kenya's banking industry prudently manage and run the sector in line with the established laws and policies. In recognition of its role as the government bank, the CBK ensures that the Kenyan currency is solvent as well as stable economy. The CBK falls under the treasury docket in the country.

The commercial banks in Kenya, came together to form Kenya Bankers Association (KBA), which would help in addressing the pertinent concerns in the Kenya's banking industry. (Ngari, 2016) observed that the Kenyan baking sectors has grown remarkably well in the past five years

and has seen the expansion of several banks into the neighbouring countries. Commercial banks in Kenya has been open to change and as such have heavily incorporated technology and adopted a customer-based approach in their operations (Irungu, 2013). The banks have CSR programs that are run under own established foundations within the organization.

1.1.3 CSR initiatives by Kenyan Commercial Banks

The past decade numerous commercial banks in Kenya have engaged in different CSR initiatives. Some of the CSR activities of some commercial banks in Kenya are quite popular and easily connect with ordinary citizens (Ngaari, 2016). Commercial banks such as Equity Bank, (Wings-to-fly foundation), Family Bank, the Co-operative Bank, KCB, and Standard Chartered Bank have been at the for-front in the past few years launched high profile CSR-based foundations.

Equity bank has significantly participated in numerous CSR initiatives. According to Obure (2008), Equity bank growth has occurred alongside its widening CSR activities in the region. The institution is known for key investment in CSR activities such as education, career development, and relief activities in the region. In 2010 Equity Group Foundation (EGF) was formed through which the bank offers its CSR undertakings. According to Kiura (2011), EGF is involved in a wide array of CSR activities. Key among them is their investment in education and career development such as the secondary school sponsorship and the extended University Scholarship to top students spread across Kenya.

Further, other commercial banks such as the Standard Chartered Bank aim to supplement the efforts of the government in providing universal health care for Kenya's population. The Standard Chartered Bank of Kenya seeks to improve the eye health of minors in the country by ensuring that enough human resources are available to attend to children's eye problems in the country. The firm sponsors "Seeing is believing" programs, by holding the standard chartered yearly marathon (Standard Chartered Bank, 2016). Despite numerous, CSR programs launched by many of the commercial banks in Kenya, there is still no existing literature and evidence that support the factors that influence uptake of CSR initiatives by commercial banks. Further, it's not clear on the benefits that compel the commercial banks to upscale activities that bring about implementation of CSR programs that benefit the Local communities.

1.1.4 Financial Education in Nairobi County

Financial education is the foundation of financial enlightenment and literacy which forms the primary basis for financial independence. Financial literacy can mean that people understand the several financial products and can make sound financial related decisions, which include choice of their financial partners as well as coming up with methods of improving their financial health (Miller, 2009; Atkinson, 2005). The most common financial education programs that exist in Nairobi include the table banking concepts where, groups of women are informed and encouraged to combine financial resources under common basket and use this as security to secure loans to run their small businesses.

Commercial banks are bound to benefit from taking a lead role in advocating for financial literacy in the society since by educating the people on the importance of financial management are able to take-up financial products offered by these financial institutions. There is however limited efforts to rollout financial education across all parts of Nairobi, to reach metropolitan areas with many residents eking a living from informal engagements and have no formal understanding of the importance of personal financial performance on the realization of financial independence. This study will therefore investigate the uptake of CSR among commercial banks and how they can formulate CSR programs to facilitate financial education among Nairobi residents.

1.2 Statement of the Problem

There are immense benefits that come with the adoption of Corporate Social Responsibility among corporate organizations. Evidence exists that highlight the impacts of organization culture on implementing new operational initiatives (Ludema, 2012). Organizational culture centers on the organization mission, vision and values (Hakala,2015). This indicates the significant importance of organization culture role in embracing CSR. To effectively integrate CSR within organizational operational scope, it should be compatible with organizational culture.CSR is a strategic undertaking, which requires detailed planning and determination. Operations that require planning in organizational level are subject to organizational business/corporate objectives (Porter and Kramer, 2006). As such considerations on embracing CSR should be based on organizational corporate objectives.

Leadership style in an organization is centralized on the corporate administration approach. Leadership wields influential responsibilities on what organizational operational strategy, such as CSR should be implemented (Cameron, 2006). In addition, implementing CSR programs serves unique roles in promotion and enhancing organizational reputation. Evidence highlight, significance resonance towards CSR among organizational external stakeholders (Czubala,2013).

CSR purview in organizational context links the organizational operations to their impact on the society and how the organization offers to compensate for it. There are gains in reputation derived from adoption of CSR as seen from different jurisdictions. There is limited empirical evidence on the CSR impact on businesses in the Kenyan context. Ngaari (2016), carried out a study on the impacts of CSR on financial performance of commercial banks. The study established that there existed a positive correlation between CSR and financial performance. Further Letangule (2013), Daniel (2014), Mbithi (2015) and Obare (2016) examined the financial outcome for engaging in CSR among financial institutions and determined that there existed a significant level of association between CSR and financial margins of commercial banks.

As noted from the aforementioned studies, they largely focused on financial aspects of post CSR adoption on the performance of financial institutions. Very little data exist highlighting the underlying factors that make it possible to embrace the CSR concept within financial institutions. Thus the subject of CSR adoption factors and integration within organizations is less researched. This study seeks to assess the underlying factors that influence the uptake of CSR, within commercial banks in Nairobi.

1.3 Purpose of the Study

The purpose of this study was to examine the institutional factors that influence financial institutions uptake of CSR initiatives.

1.4 Objectives of the Study

The study was guided by the following objectives;

- i) To establish how Organization Culture influences the uptake of CSR within commercial banks in Nairobi.

- ii) To evaluate the extent to which Corporate Strategy influence the uptake of CSR within commercial banks in Nairobi.
- iii) To assess the extent to which Leadership Strategy impacts on the uptake of CSR within commercial banks in Nairobi.
- iv) To identify the effect of Marketing Strategy on the uptake of CSR within commercial banks in Nairobi.

1.5 Research Questions

The study sought to answer the following questions;

- i) To what extent does Organization Culture influence the performance of CSR within commercial banks in Nairobi?
- ii) What is the influence of Corporate Objectives on the uptake of CSR by commercial banks among commercial banks within Nairobi?
- iii) In which way does Leadership Strategy influence the uptake of CSR among commercial banks within Nairobi?
- iv) What is the impact of Marketing Strategy on the uptake of CSR among commercial banks within Nairobi?

1.6 Significance of the Study

The subject of CSR is a growing phenomenon within the local corporate scene. The past decade, in the bubble boom of the Kenyan financial sector, the subject of CSR has grown to be a significant aspect of the banking industry. However, existing scholarly work on CSR largely focuses on the benefits that financial institutions derive from implementing it. There is less literature on the framework and factors that influence the uptake of CSR among commercial banks. The researcher hopes that these findings will benefit, managers of financial institutions on the influence the uptake of CSR. This could be helpful, as will also highlight the areas through which they can effectively tap into and effectively implement CSR initiatives within their organizations. The government may also benefit as findings of this study and the suggestions could form useful resource that can be used in the formulation of regulatory policies that may guide the CSR activities implemented by different commercial banks. Finally, the findings of

this study may be useful to academicians and researchers as they could gain insights into the organizational factors that determine the uptake of CSR within commercial banks. This will form a resource for referencing in future studies.

1.7 Delimitation of the Study

The subject of CSR is pretty broad as it permeates different levels of economic spheres that beyond the financial sector. This study focused on the factors that are critical in the uptake of CSR by commercial banks, which include; organizational culture, corporate objectives, leadership strategy and marketing strategy. The study was limited to the general aspect of each of the factors listed above and didn't dwell deeply on the underlying components of each factor. This study was undertaken within Nairobi County. The study focused on Nairobi, as the main case study with primary focus on the financial education initiatives that are common among the low income resident who largely work in the informal sector. Nairobi also formed an important area of study as the target population was within proximity of the researcher, thus making it possible to easily reach them.

1.8 Limitations of the Study

The study incorporated senior managers in financial institutions, who are often extremely busy as they are ever focused on meeting their operational targets. The researcher was privy that, this situation would have potentially impeded the potential respondents from allocating time to participate in the study. To avert this scenario, the researcher utilized structured questionnaires that contained close-ended questions to simplify the scope of questioning and make it easier for the respondents to submit their responses. The researcher was also privy to the likelihood of respondents finding it suspect to give honest opinions on the questions for fear of victimization. The researcher overcame this obstacle by affirming the respondents that the exercise was purely an academic undertaking and nothing to worry about. In addition, the questionnaires didn't request for personal information such as names and contacts but just their honest opinion with the condition of anonymity.

1.9 Assumptions of the Study

The study makes an assumption that, all the commercial banks are actively and continuously engaged in the CSR initiatives.

The study also makes an assumption that, the respondents have at one point participated in executing CSR tasks aimed at bettering the communities.

The study makes an assumption that, commercial banks set aside significant budget for CSR initiatives with a portion of the funding coming from the business profits.

1.10 Definition of Significant Terms

Corporate Social Responsibility: Refers to the continued willingness by corporate organizations in embracing initiatives that contribute towards economic development while also improving the quality of life of the workforce and their families as well as that of the local communities and society at large.

Corporate Strategy: Refers to the scope of operational framework that is adopted by an organization in guiding the consolidation of executing critical organizational actions and activities towards the realization of set objectives.

Financial institution: This is an organization whose primary occupation involves monetary transactions such as handling financial accounts, processing loans and deposits, handling investments and currency exchanges.

Leadership strategy: Refers to the concerted approach to tactics and the principles used by organization management to communicate its beliefs and vision towards the realization of its operational goals.

Marketing Strategy: This is a combination of market driven policy actions that highlight the formulation and the approach to the realization of both short term and long term organizational marketing goals of a company.

Organization Culture: This is a combination of shared values, beliefs, common behaviors and overall organizational principles that build an organization psychological environment.

1.11 Organization of the Study

This study was divided into five chapters; Chapter one examines the background information on the institutional factors that influence financial institutions uptake of Corporate Social Responsibility. The section also covered the statement of the problem where the gap in empirical evidence was exposed on the subject of CSR uptake by commercial banks. Other sections covered include, objectives of the study, research questions, significance of the study and the limitations of the study. Chapter two covers the literature review which presents an evaluation of the past studies on the subject of CSR uptake by commercial banks. Chapter three will cover the research methodology which highlights the process that will be undertaken in gathering data for the study. Chapter four will cover data analysis and presentation. Chapter five will explore the summary of findings, discuss the findings, conclude and list down the recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section of the study covers the literature on the factors influencing the uptake of Corporate Social Responsibility by commercial banks. The section shall centralize on the past studies on the factors influencing the uptake of corporate social responsibility among commercial banks across the world. The section shall also look into the existing empirical evidence on the contributing factors to the uptake of CSR and narrow down some of the literature gaps. This chapter will also cover the theoretical framework where existing theories on CSR shall be assessed and analysed in relation to the study topic. Further, the chapter will also make an analysis of the conceptual framework where a diagrammatic presentation will highlight the relationship that exists between the independent and the dependent variables. Finally, the chapter will close with a summary of the literature and the research gaps.

2.2 The Uptake of Corporate Social Responsibility by Commercial Banks

Corporate Social Responsibility (CSR) is widely accepted across the corporate world as an internal norm, through which these corporate entities undertake voluntary initiatives with a principle objective of giving back to the society (Palasso, 2008; Blowfield and Murray, 2008; Kincaid, 2012). Similarly, commercial banks across the globe play an important role in handling financial transactions which form the backbone activity of the corporate world. Commercial banks occupy a critical space within the corporate scene as well as the social fabric (Kodom, 2015). Therefore, as the popular adage goes, to whom responsibility is conferred, much is expected from them, similarly, commercial banks wield surmountable influence to the social-economic welfare of the society, it's only fair they reciprocate such responsibility with a positive objective. Through CSR, commercial banks are able to explore numerous ways of positively impacting the society and also strengthen their business position (Rolland and Bazzoni, 2006).

Evidence indicates that incorporating CSR activities within the organizational operational framework, yields a direct impact on organizational competitiveness, employee motivation,

customer perception and brand popularity (Dazie, 2008; Wall, 2010; Kodom, 2015). According to Hinson et al (2010), CSR initiatives, highlight the organizational commitment towards the better welfare of its community and the attitude towards instilling positive change on the society, without expecting anything in return. Through, expressions of care, through CSR, the customers as well as shareholders, are able to view the organization in a positive light and equally strengthening their commitment towards the success of the organization (Dadzie, 2008).

Kodom (2015) identified CSR as a unique approach that can be used by financial institutions to expand its reach to the ordinary people in the across different social classes. Kodom noted that when CSR programs focus on informing the masses on the importance of financial systems, they are able to tap into these masses as potential future customers, hence consequentially growing the banks market base. Wall (2005) identified that CSR initiatives created an environment that enhances existing levels of cooperation between the commercial banks' employees, its shareholders and also the customers. By engaging staff in extra-mural social initiatives, it helps build their levels of social capacity and impart different approaches to interacting with ordinary people which in-turn boosts their competency in social skills at the workplace which is highly valuable for the organization productivity and growth (Rolland and Bazzoni, 2010).

2.3 Organization Culture and the Uptake of Corporate Social Responsibility

Organizational culture focuses on the strongly held values by an organization and how they impart them on their staff and across the operational framework. The organizational culture influences the approaches and models a corporate organization executes its important operations, and it informs the ways of accomplishing each operational activity in accordance with the vision and mission of the organization. Therefore, organizational culture is critical in determining whether an organization such as a financial institution can uptake CSR programs and initiatives, and the way through which firms can implement initiatives

According to Ning (2010), the concept of culture has been greatly been is linked with places and people with strange practices and rites. Scholars have since established that people within the community or organizations are also involved in distinct cultural practices, which come in the form of passing corporate myths and use slang language. Researchers note that such informal habits exhibited by company employees can enhance or obstruct the management from attaining

certain goals for the organization. Galbreath (2010) describes culture as an acquired behaviour by the organization reacting to challenges faced by the organization. In most scenarios organizations integrate the acquired manner of doing things with the internal policies. Hakala (2015) suggested that organizational culture is a revealing manner of how an organization feels or thinks about its internal issues.

According to Galbreath (2010), organizational culture mirrors the character of the firm founded on its beliefs, values, and expectations. The attributes are manifested in employee behaviour and attitudes as well as their ability to make decisions on behalf of the company. Additionally, the attributes determine that ability of the organization to conduct its business operations in a responsible and accountable manner (Melo, 2012; Galbreath, 2010). As a result, the positioning of organizational culture affects the organizational perception of CSR and sustainability (Galbreath, 2010).

Because of the refined regulatory structure and multifaceted nature, managers assume an essential part while starting a social change in an organization and making a culture of maintainability (Galpin et al., 2015; Linnenluecke & Griffiths, 2010). The top company leadership plays a critical role in stimulating positive changes towards sustainability (Galpin et al. 2015; Stoughton & Ludema, 2012). They are in a situation to convey supportability inside organizations by adjusting manageability into the organization's central goal, qualities, and objectives (Galpin et al, 2015). In addition, the administration has a role in making and underlining supportability needs and conveying and complementing CSR or manageability within and external of the organization (Stoughton & Ludema, 2012). According to Linnenluecke & Griffiths (2010), change agents such as the lower echelons of organization administration and other stakeholders can influence organizations to adopt sustainable practices.

Employee behaviour and decisions making practices demonstrate organizational culture and CSR. This is because employee behaviour and decision-making patterns are derived from the organizational culture, custom and beliefs besides being established trends that describe the organization's manner of running its operations (Kalyar, Rafi & Kalyar, 2013; Galbreath, 2010). According to Melo (2012) and Ralston (2010), the relevant literature indicates that human values and beliefs are linked with CSR and sustainability.

As a result, organizations must align its organizational culture with its humanistic responsibilities when training their organizational culture towards social responsibility and sustainability. Company management plays a critical role in enhancing organizational culture (Galpin et al., 2015; Linnenluecke & Griffiths, 2010). In that respect, a company's top leadership have the ability to implement sustainability in the company by instigating a cultural change in the organization from a visible point to ensure that the organizational culture moves towards sustainability according to Schein's (1984) model of diverse levels of organizational culture (Galpin et al., 2015; Stoughton & Ludema, 2012).

The CSR initiatives form core components of organizational strategies whose implementation need concerted administrative approach. According to Maina (2012), execution of strategy involves instituting programs of diverse organizational activities, budgets for allocating financial resources and putting in place procedures for handling daily activities. Wheelen and Hunger (2008) claimed that a new plan requires the organization to launch a series of new programs and activities that may vary from the current practices and activities. Organizational Managers continually face challenges when deciding the speed of change implementation and the order of instituting culture change in the organization. Managers also need to decide whether to launch new programs besides determining the stability and rationality of the proposed systems (Maina, 2012).

2.4 Corporate Strategy and Uptake of Corporate Social Responsibility

Corporate strategy informs the fundamental business goals which an organization pursues in all its transactional activities. Therefore, the need for adoption of CRR programs by a corporate organization will be informed by the impact such initiative will have on the fundamental business goals of the organization. An organizational CSR strategy mirrors the human side of companies as well as the organizational leadership. The management of personal commitment to play an active role in the community, which the firm is part of, arises due to CSR. Most organizational leaders show commitment to community values and practices by sponsoring CSR activities that support community values as well as serving the society in the course of business practices. According to Smith, Anset, and Erez (2011), business leaders recognise the need to gain goodwill from the society to enable the firm run its business operations smoothly within the community. Additionally, civil society organizations (CSOs) and nongovernmental institutions

push organizations to operate in a manner that upholds the community's values and does not threaten the environment.

According to Sousa Fillo et al. (2010), critical strategic decisions of larger organizations portend social and economic repercussions to the community. Porter and Kramer (2006) explained that there should be between corporations and the public as a company's activities have a direct effect on the society that it operates. The company leadership should take into consideration the expectations of the community and any decisions made by the organization should reflect such initiative. Business entities should ensure that the resolutions arising from strategy implementations take into account the positive and the negative impact such a move could have on the community and the stakeholders.

According to Gazzola and Colombo (2014), the organizational management systems offer instruments allowing company leaders to elect, organize, implement, and oversee the strategies. For instance, organizational leaders use management systems to initiate strategy regeneration in the organization. Gazzola and Colombo (2014) add that the difficulties that face a company intent on introducing corporate social responsibility in the organization's system involve providing demonstrating the company is dedicated to incorporating CSR into their plans. Additionally, the firm should provide the methods it would employ to initiate operational changes to make allowance for CSR in their operations. Mensah (2015) while explaining the significance of incorporating strategy and the society as well as balancing competitive edge with corporate responsibility proposes an analytical model founded on the societal effect on the value chain and the role of CSR in enhancing the company's competitive advantage.

Swift and Zadek (2012) identified five phases describing the process of incorporating CSR into corporate responsibility. Sharp and Zaidman (2010) analysed the processes by employing Jarzabkowski's model (2005) with the incorporation of social responsibility into an organization's corporate policies. The triangular model proposed by Jarzabkowski stresses the interconnected interaction within the organization, society, and the policy. The correlation among factors is entrenched in the firm's policies and practices with the purpose of integrating the social values of management and social policy into the organizational activities.

Additionally, Dilling (2011) posits that it is evident that despite most managers agreeing on the significance of CSR to organizations strategic interests, most of the company leaders fully integrate CSR when planning and launching company projects. The move means that firms never fully integrate CSR into the company leadership system rendering any implemented CSR strategies inadequate. Berland & Essid (2009) noted that despite the significance of incorporating CSR into management systems, scholars have not extensively explored the subject. Since corporate social responsibility keeps on evolving, it assumes a strategic position in the company's operational priorities. According to Rangau, Chase and Karim (2012) organizations view corporate social responsibility as part of the corporate projects which hence allocation of financial resources to the initiative.

Husted and Salazar (2006) explored the CSR policies in various organizations using the strategy to maximize earnings and organizational performance. Using comparative investigation of several organizations, the researchers found three approaches to social investments, which involve humane, self-centered and strategic CSR initiatives. The scholars concluded that social investments lead the company to better financial and corporate performance besides bringing positive benefits to the community. The strategic investments also entail additional advantages to the organization in the form of good reputation, the attraction of highly qualified human resources, successful product differentiation, and the ability to sell goods and services at a premium price. Chan (2014) explains that company's activities and practices should add more value to its products in the public eye besides improving the organizations business environment. In conclusions, an organization's CSR should be implemented in a way that it enhances the firm's competitive edge and adds value to the company. As a result, organizations should implement the initiative strategically and ensure that it tallies with the corporate strategies.

According to Ganescu (2012), an organization should integrate CSR to the firm's corporate policy and ensure that the move is entrenched into practices and values of the organization as well as aligned with the organizations business goals. Additionally, a company developing a business strategy for the purpose of aligning the firms social, economic, and ecological objectives to its business values and social responsibility inadvertently incorporate the initiative into the business operation as well as adds long-term value to the company and the community (Smith et al., 2011). When the public has the negative opinion of the firm and its activities, the

consumer will most likely boycott the company products and move in to punish the parent organization. However, CSR accords the business an opportunity for the firm to redeem its image and adopt new competitive strategies to improve its business profitability (Omuoso, 2013).

Gazzola and Colombo (2014) observed that firms could not employ CSR as a response to problems that they face. It is important for an organization to include CSR in its policies from the point of company inception and development to make it a practice in the organization. The move will enable the company to incorporate CSR with its strategic decision-making in times of crisis. Gazzola and Colombo (2014) stress that the firms should, at the earliest opportunity, align CSR with their objectives for the best results. Organizations incorporating CSR into their activities enhance the value of CSR initiatives. Additionally, firms should carefully choose their partners for implementing CSR as well as specific objectives that need to be satisfied. Firms should also utilize effective reporting tools when integrating CSR into a company strategy.

Gazzola and Colombo (2014) further explained that organizations of the same size and influence are affected by some external factors and as a result should choose dissimilar CSR initiatives and implementation strategies. According to Van Bommel (2011), the competitive environment presented by shared external factors influences the required change in CSR formulation and implementation strategy. In some cases, public perception of the impact of the strategies drives firms to change and adopt different CSR strategies.

2.5 Strategic Leadership and the Uptake of Corporate Social Responsibility

Organization leadership is responsible for steering the organization in a particular direction as set in its operational framework. The strategic leadership in a business organization informs the kind of management decisions that are made by the organization with regard to particular issues affecting the organization operations. For the CSR programs to be adopted and implemented by an organization, the organization's leadership must express confidence and support them comprehensively.

Kjelin (2009) notes that strategic leadership emanates from the organization's ability to empower others to create a likelihood of a sustainable future for the firm. According to Bakan (2008), strategic leadership in a business organization confers on the abilities of the organization

administrators to influence a group of employees to focus on the realization of certain objectives. An organization planning to integrate or adopt a form of CSR programs within the operational framework, the organization leadership makes the most vital anchor make it possible (Kincaid, 2012). While citing Covey (1998), Kincaid (2012) explained that organizations view giving back to the community as a duty that should be integrated into the organization's strategy since interdependence is becoming more apparent globally.

Adoption of CSR is a strategic undertaking within a corporate organization that requires a reasoned leadership guidance, to steer it in accordance with organization objectives (Blowfield & Murray, 2008). Nthini (2013), posited that the strategic leadership is a determinant of the effectiveness with which an organization can adopt and effectively integrate new operational strategies. The major element of strategic leadership is to focus on the future prospects of the company and the community. As a result, strategic leadership is about creating excitement for the future and focusing on current happening in the organization. The main goal of a strategic leader is to understand the business environment better and to identify the factors that threaten the future of the business. While reviewing the leadership literature, Boal and Hooijberg (2001) noted that all leadership theories focused on the leadership within the organizations while strategic leadership focuses on how the organizations are managed. Nthini (2013) further explained that strategic leadership is manifested by universal concern for the wellbeing of the whole organization including its growth and development, and utilization of its resources to achieve the organizational goals.

Thomas (2011) attested that it was vital to comprehend the effect of corporate leadership on the formulation and implementation of CSR policies in the organization. Leadership, according to Abdul, Rashid & Ibrahim (2002) assess the effects of diverse leadership styles on CSR. It is therefore important to continually evaluate the impact of the changing leadership styles on CSR. It is the responsibility of organizations leadership to make decisions concerning CSR. Robins (2008) observed that whoever is in the position of authority in the firm determines the fate of the organization. Waldman, Siegel, and Javidan (2006) criticize existing studies on leadership. The scholar explains that leadership studies should focus on the leadership styles of top-level managers rather than studying the leadership styles of low-level managers.

The moral and ethical standard of the organization is reflected in their handling of CSR. It also permeates the way firms approach sustainable business practices in their organizations. Research by Abdul et al. (2002) pointed out that several factors shape the way managers undertake CSR. The factors include the manager's background, religion, peer influence, and culture. The findings of the study by Abdul et al. (2002) were collaborated by a case study analysis conducted on Anita Roddick of The Body Shop (Pless, 2007). The scholar implemented diverse business practices in line with her core personal customs and believes which included fair business practices, using high-quality additives, and fair human resources practices.

Boseman (2008) postulated that the past research studies failed to take into consideration the organizational factors that affect CSR. In response, Basu and Palazzo (2008) analysed an organization's drive behind commencing CSR from a sensemaking perspective. Ring and Rands explained that sense-making is "a process by which people developmental records of their surroundings" (Basu & Palazzo, 2008, p.123). Therefore, sense-making from an organization's perspective involves the collaboration of three elements including the rational standpoint, the psychological viewpoint, and the linguistic element. The national standpoint deals with what the organization thinks while linguistic and psychological angle focuses on what organizations say and how they behave in that order. The active link between the three attributes determines how the firm will deal with issues relating to CSR. Given that the management of an organization is the key decision maker, their psychological framework affects their sense-making approach. Nevertheless, there are notable balances between the sense-making approach at the personal level and at the organization level despite the interdependence of the two institutions highly (Basu and Palazzo 2008; Thomas, 2011).

O'Dwyer (2003) approaches the managerial style towards CSR from a unique point of view, which the scholar denotes as managerial capture. Managerial capture signifies an organizational alignment towards CSR, which is demonstrated through the actions of its leaders. Most organizations engage in CSR as long as they are profitable and their performance is not in jeopardy. Founded in this premise, O'Dwyer (2003) points out three definite approaches to managerial capture in a research study conducted on twenty-nine top-level business leaders in Ireland's public sector. Thomas (2011) pointed out that hands-on self-interest approach, the sensitive enlightened self-interest method, and obligation.

According to Boseman (2008), CSR programs under the proactive enlightened self-interest approach gain a favourable effect on the economic well-being of an organization. The move increases the value of the shareholders to the organisation. As a result, business leaders adopting the hands-on enlightened self-interest method to CSR are highly steeped to engage in CSR due to the tactical benefits connected with the initiative (Thomas, 2011). Over 85% of the managers involved in O'Dwyer's study admitted that they would actively involve the organization in CSR as long as the firm's profits are not affected by the move. The remaining participants were of the view that organizations should be engaged in CSR activities irrespective of its effects on profits. A few managers who resisted this approach believed that corporate must engage in CSR irrespective of its impact on financial performance. The few managers with a contrary opinion regarding the implementation of CSR programs were forced to adopt the overall firm's approach to CSR to preserve their jobs. Abdul et al, (2002) concluded that advocating for CSR in any organization should start by convincing the company's board and top management.

Pless (2007) elucidated that the organization adopts a reactive enlightened self-interest approach to social responsibility when they come under pressure from their stakeholders. This means that managers have to adopt CSR practices against their will since corporate performance and reputation is at stake when they adopt CSR policies. Only one present of managers involved in the study adopted a proactive enlightened self-interest approach meaning the rest are reactive to CSR implementation needs (Pless, 2007; Thomas, 2011). According to O'Dwyer (2003), managers adopting a reactive enlightened self-interest approach argue that firms should only be socially responsible when they come under pressure from stakeholders in the external environment. The third approach of obligation indicates that firms engage in CSR voluntarily since they believe that it is prudent to engage in such practices.

According to Thomas (2011), a larger number of attempts had been made by scholars to identify the leadership approach that best supports CSR. In that respect, Waldman, Siegel, and Javidan (2006) suggested that transformational leadership style is best placed and compatible with taking up and implementing CSR program. The features of transformational leadership are a requirement for leaders who promote CSR initiatives. For example, transformational leaders' are flexible enough to change the existing organizational goal in favour of shared goals that promote good business practices and is agreeable to all stakeholders. Transformational leaders acquire the

assurance of their associates by using motivation and encouraging them to view issues from a different perspective and align their personal goals with those of the organization. Since transformational leaders are respected as role models, they have more success in encouraging associates to follow their manner of thinking and doing things. As a result, they promote employee loyalty, dedication, and allegiance to responsible business practices. Remarkably, Waldman et al. (2006) found out that American and Canadian firms showed no relationship between a leader trait and uptake of CSR. However, studies by Pless (2007) indicate that the cultural backgrounds, as well as the moral character of managers, largely contribute to the CSR alignment in some organizations.

Bakan (2011) observed that transformational leaders are able to influence organization members to look at matters from a different angle and as such test the viability of existing beliefs. Thomas (2011) noted that the ability of transformational leaders to stimulate different manner of thinking in followers is appropriate for CSR. The study by Waldman et al. (2006) unearthed a positive relationship between intellectual inducement and CSR. Transformational leaders mould and retain talent in the followers through encouragement and continuous coaching. Human resources are the primary stakeholder's hence excellent employer and employee relations is a good corporate practice. Some scholars criticize the move since it focuses on the person rather the whole organization. However, the criticism is unwarranted since several individuals make up an organization and a result they should be developed to make the organization better.

Angus-Leppan, Metcalf, and Benn (2010) associated ethical leadership with CSR since moral leaders tend to be highly committed responsibility based doctrines and have high moral values. Ethical leaders do not settle for less ethical standard and have a high sense of what is wrong and right. Ethical leadership is quite prominent in non-governmental organizations. However, the leadership style has its disadvantages. For instance, ethical leaders are highly judgemental and tend to judge others based on their individual moral standards. Walumbwa, Avolio, Zhu (2008) linked the ideals of authentic leadership and the management of CSR. On the other hand, Angus-Leppan et al. (2010) associated one of the most improbable leadership styles with CSR. The scholars associated autocratic leadership style with the success of CSR. For instance, the scholars noted that autocratic leadership style controls the business-related self-interests, which in turn reduces the social ills for CSR to thrive.

The disadvantages of an autocratic leadership style outnumber its advantages making it very unpopular. Corporate social responsibility relates to the idea of shared and distributed leadership approach.

Carroll (2008), Walumbwa et al (2008), and Thomas (2011) agree that business leaders face several broad challenges concerning the implementation of CSR. The challenges transcend the leadership styles employed by the leaders. The scholars found it challenging to understand CSR, as there was no common, clear, and relevant definition for the term. Additionally, company leaders are appointed to oversee the firms operations as their primary responsibility. As a result, most managers find it hard to involve the firm in CSR initiatives as it goes beyond their mandate besides having no relevant expertise to oversee such initiative. Lastly, according to Robins (2008) business leaders represents the interest of their appointing authority, which the community is a part of and therefore tend to exercise community initiatives only stipulated in the law.

2.6 Marketing Strategy and the Uptake of Corporate Social Responsibility

Marketing involves efforts towards the creating awareness about a product or brand using different methods at disposal. A corporate organization would adopt a CSR program, which enhances the organizations brand and image across the society. Kamiński (2009) describes marketing strategy as an approach and a set of processes of developing, conveying, providing and exchanging offers that have appropriate values with customers, and other stakeholders in the in the firm's external environments.

The marketing strategies are changing to include sustainability aspect. Organizations use marketing strategies to communicate with the external environment information regarding its products. Czubala (2013) noted that marketing approaches are increasingly adopting the triple bottom line initiative due to the growing number of environmentally conscious consumers who would not buy products from organizations that are deemed to harm the environment. The American Marketing Association (AMA) stresses the crucial role that social marketing plays in the organization. Marketing was seen as an activity conforming to social standards carried out by diverse organizations dealing with business-related operations. The AMA's comment on social

marketing indicated that business entities, public and private institutions as well as government agencies can also apply social marketing strategies

According to Lewiatan (2010), embracing CSR contributes to a positive image building for corporate organizations before their external stakeholders. Czubala (2013) posited that CSR entailed integrating the dynamic expectations of the stakeholders on the management strategy as well as examining the effects of such strategy on company competitiveness and overall value of the company in the market. The perspectives by Lewiatan (2010) and Czubala (2013) pointed out that there is a positive correlation between CSR and marketing practices such as brand popularity and expanded market share are some of the positives that are accrued. Consequently, there are significant rewards for corporate organizations in promoting socially responsible causes that benefit the society.

There exists evidence to the effect that, embracing CSR enhances an organizations market position by positively influencing the customer perspectives. Du, Bhattachary, and Sen (2007) noted that has a positive impact on consumer behaviour. The effect changes significantly when the relationship between brand identity and CSR is high. According to Nan and Heo (2007), the sentiments expressed by Du et al are accurate. The scholars assessed the marketing messages that commutate about the CSR and marketing messages with no information on CSR but expressed the company products sold by the organization and noted that CSR related messages elicited positive responses from the target audience while regular marketing messages elicited responses from consumers who were already loyal to the brand. Biggelaar (2010) confirmed that despite a high response rate to regular marketing communication emanated from consumers who were loyal to the firm products and consumers.

Evidence gathered by Czubala (2013) confirmed that CSR is undertaken to improve the reputation of the company as well as conjure images of good deeds done by the company on consumers' minds. This ensures that consumers would want to associate with an organization with a good reputation and positively gives back to the society. CSR approach is considered as a new stakeholder-driven marketing that seeks to utilize social responsibility to as a strategy to build a positive reputation within the society. The primary motivation for the new packaged consumer marketing approach is assumed to be the basis on which CSR theory of provided by stakeholders is based. The stakeholder focused marketing approach is founded on the

relationship management that helps develop and grow benefits for some stakeholders in the organization (Maignan & Ferrell, 2004; Bhattacharya, 2010; Laczniak & Murphy, 2012).

Czubala (2013) further noted that stakeholder-based marketing is linked with the firm's strategic management approach and has a rather practical nature. Since it is concentrated on the company, the strategy must produce a competitive advantage as well as guarantee profits to the organization. Organizations can value some stakeholders above the rest, especially if they bring more value to the organization. In some instances, organizations are forced to consider the expectations of all the stakeholders in its programs due to external pressure, court orders, and administrative decisions (Kamiński, 2015). Organizations use the potential that the stakeholders have on the firms, stakeholder influence, power, and approaches stakeholders use to communicate claims as the basic criteria

According to Bhattacharya (2010), the stakeholder marketing strategy is based on the expectations that the organizations CSR has on all the stakeholders and whether the initiative is beneficial to the organization and the society. The commitment to implementing the stakeholder marketing approach is based on the social obligations that the firm has towards the society, fulfilling stakeholder anticipations, acting morally, and implementing certain social functions. Stakeholder marketing hard forms transcend the organization's needs and aim to create the common welfare for all the stakeholders. Czubala (2013) noted that Marketing leaders are under obligation to carry out activities in a responsible and accountable manner. The marketing managers bear responsibility for adverse outcomes emanating from their decisions towards the stakeholders. As a result, some adjustments are made to some existing stakeholder relationship to reflect the new initiative while at the same time forging stronger and sustainable relationships with all the stakeholders.

Marketers have to meet the relationship expectations of all groups since meeting the expectations of one group will significantly change the relationship with other groups. It is understandable that different stakeholders have different expectations of the organization. But thanks to technological improvements, different interests among stakeholders are more transparent and understandable. Firms can leverage technology to pass relevant information to stakeholders to satisfy their expectations. Additionally, stakeholders can easily participate in company activities using technology hence add value to the company. According to Hillebrand, Driessen and Koll

(2015) organizations focusing on diverse sectors of the economy can use social movements and various customer focus groups to influence the decisions by referring to a company brand, product specifications, distribution channels, and advertising.

2.7 Theoretical Framework

The theoretical framework lays down empirical facts and theories as covered by previous scholars on the subject of the factors, which influence the uptake of CSR among commercial banks.

2.7.1 Traits Theory

The study settled on the traits theory at the first theoretical perspective that wielded significant influence on the organization management. The leadership trait theory emanated from the great man theory during the early stage of the 20th century. This theory indicates the primary traits that a person must have to become a successful leader. For instance, traits like those that high intelligence, self-confidence, traits sets leaders apart from the followers or other leaders. Human resources demonstrating the leadership traits are hired as leaders in the organization. Military use this technique more than any other organization. This technique of recruitment is extremely popular in the military. Despite its use, some leading scholars have criticized the theory.

Firstly, there are many and inconsistent successful leadership qualities. Secondly, people cannot easily measure leadership qualities. Lastly, leadership traits do not conclusively define leadership despite being a good forecaster of leadership (Boseman, 2008). The effective uptake of organizational strategies such as the integration of CSR into the organizational operational framework, it requires positive driven leadership. The traits theory supports these requirements for the organizational leadership, that they should possess specific unique characteristics including; knowledge and integrity to ensure effective and efficient adoption of CSR and bring about the expected benefits.

2.7.2 Stakeholder Theory

The stakeholder theory, primary position suggests that a corporate organization exists for the objective of creating profits and revenue for investors through transforming their held stakes into different goods and services (Clarkson, 1995; Evan & Freeman, 1988). According to the ethical

dimension of international management (2004), stakeholders are people with the interest of an organization and may affect or be affected by the organization in some fashion. The stakeholders are considered the following: customers, supplier, government, competitors, communities, employees, shareholders and government bodies (Carroll,2008).The stakeholder theory has contributed much too how many corporations relates to the society today.

Leadership scholars first presented stakeholder theory as part of managerial theories. Suitably organizations should be managed in a manner that returns benefits to the shareholders, which include its customers, employees, suppliers, community, and owners (Evan & Freeman, 1988). Organizations decision-making initiative is the preserve of the top management and does not include the input of the stakeholders who have no representative at the top decision making organ. The Stakeholder model is tied to the belief that organizations have a responsibility to other groups of stakeholders apart from the traditional company stakeholders, which go beyond stakeholders recognised, by the law or union contact (Jones, 1980). Accordingly, the stakeholder theory holds the premise that an organization has diverse stakeholders and as such should ensure that the interests of the players are observed.

2.7.3 Agency Theory

The agency model seeks to explain the relationship between the principal and the agent in a business setting. The theory, according to Ross (1973) and Daniel (2014) has been dominant in many institutions teaching business courses and goes along well with shareholder viewpoint. The theory recognizes business owners as the principals while the agents are the managers employed to work in the organizations. The managers have the duty of care to the business owners' and earn incentives to enable them to concentrate on the roles as managers and avoid competing with the business owners. It is common in the present times to embrace CSR to maximize profits and the shareholder values since several stakeholders have an interest in the firm. Regarding the matter, Jensen (2000) proposed an 'enlightened value maximization' concept that identifies long-term value specifies long-term value capitalization or value seeking as the company's integral objective that allows trade-offs with relevant areas of an organization.

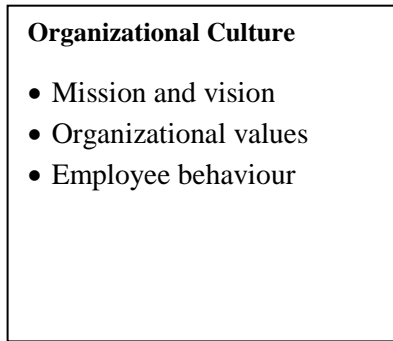
Profitable CSR programs can be easily singled out from unprofitable CSR initiatives. For instance, Melo (2012) recommended the idea of SCSR to refer to policies, programs, and

procedures that yield extensive business-related profits to the firm, particularly by supporting essential business operations and making the business entity more effective in attaining its mission. From this point of view, an ideal level of CSR is determined using tools like cost-benefit analysis and establishing the factors that can affect the smooth implementation of CSR (Maignan & Ferrel, 2004). As a result, firms should calculate the levels at which social outputs maximizes shareholder value.

2.8 Conceptual Framework

The conceptual framework highlights the diagrammatical representation of the relationship between the independent and dependent variables. The dependent variables include; Organizational culture, corporate strategy, strategic leadership, and marketing strategy. The dependent variable is the uptake of CSR in commercial banks.

Independent Variables



Moderating Variable



Dependent Variable

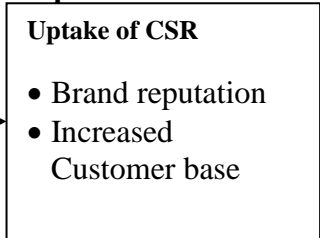


Figure 2.1 the Conceptual Framework

Table 2.1 Research Table

No.	Author	Title	Theme	Findings	Gaps in Knowledge
1.	Boseman, G. (2008)	Effective Leadership in a Changing World :Journal of Financial Service Professionals	Leadership Style	Corporate Leadership sets pace for organizations embracing society changing initiatives through corporate social responsibility and subsequently setting the pace for its implementation within the corporate environment.	The study fails to demonstrate the mechanisms for rating individual contributions that can be attributed to managers of organizations towards the adoption and the eventual success of CSR initiatives. The study also fails to highlight the importance of CSR programs as a critical norm in the corporate scene and the role managers should play in continuing the norms.
2.	Czubala, A. (2013).	The concept and forms of corporate social marketing.	Marketing Strategy	CSR programs wield significant effect on the brand popularity for particular corporate entity and subsequently impacts on the stakeholders perceptions on the way they view the particular organization.	The study concludes that CSR wields impact on the organizations brand popularity but fails to show as to whether such popularization can accrue the organization financial premium and how this can lead to growth in profits.
3.	Jaakson, K., Vadi, M., & Tamm, K. (2009).	Organizational culture and CSR: an exploratory study of Estonian service organizations.	Organization Culture	There exist positive correlation between the successful implementation of CSR initiatives and its integration within organizational operational framework.	The study doesn't show which organizational aspects can be integrated with CSR programs and run concurrently without any form of disruption. Furthermore the study doesn't show the operational benefits derived from integrating CSR programs within the operational framework.
4.	Thomas, S. E. (2011).	Impact of Leadership on the practice of Corporate Social Responsibility A study in the private sector	Leadership style	Managers in corporate organizations are better placed in determining which CSR programs are fundamentally beneficial to organization plans	The study places the role of determining when and which CSR programs and organization should embrace, however the study fails to capture the role of organization workforce in successful implementation of CSR.

5.	Ahmed, T (2015)	Corporate Social Responsibilities (CSR) of Commercial Banks in Bangladesh: An Overview	Corporate Objectives	Commercial Banks are driven by Corporate Agenda when choosing CSR initiatives. Programs that have both positive image building and subsequently can result in positive impact to the society are more likely to be prioritized by Commercial Banks in Bangladesh.	The study was undertaken in Bangladesh and focused on domestic commercial banks. The analysis of data failed to infer the findings to other different contexts beyond Bangladesh. In addition, the study fails to highlight the ways through which impact assessment is undertaken to determine the priority of CSR programs
6.	O'Dwyer, B. (2003)	Conceptions of corporate social responsibility: the nature of managerial capture	-Leadership style -Corporate objectives	The managers of corporate organizations are conferred with free approach to implementation of CSR programs on best possible way that can ensure the realization of organizational operational, marketing and performance goals.	The study fronts the concept of goal driven approach to the implementation of CSR programs and fails to highlight the correlation between motivation to pursue business goals and imparting honest positive effect on the social welfare of the external stakeholders.

2.9 Summary of the Literature

This chapter of the study centralized on the existing studies on the factors that influence the uptake of CSR among the commercial banks. The section demonstrated the impacts of organizational culture, corporate strategy, strategic leadership and marketing strategy on the uptake of CSR. The study integrated theoretical framework, highlighting the importance of trait theory, stakeholder theory and agency theory in the uptake of CSR within corporate organizations.

The literature highlights Pless (2007), who cited Anita Roddick case study on the body shop. His study focused on responsible business practices informed by personal values, which get influenced by upbringing. The study fails to elaborate, the role of personal values towards responsibility for external stakeholders who are affected by business activities.

O'Dwyer (2007) while assessing motivations among the organizations leadership toward embracing CSR programs, found that the financial aspect drove a number of managers and more significant the financial rewards accrued for CSR programs. This study also identified a number of managers who supported the adoption of CSR without consideration of critical underlying factors critical to adoption. The study fails to elaborate the organizational manager's commitment towards the stakeholders who are affected by operations of their businesses. In addition, the study fails to demonstrate the social importance of embracing CSR beneath the purview of financial returns.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research procedure that was used by the researcher in gathering field data. The areas covered in this section include; Research design, target population, Sample size and sampling procedure, research instruments, data analysis techniques and ethical issues.

3.2 Research Design

The research study was based on descriptive survey approach. The approach allows the researcher to collect large volumes of data within a short period. Kerlinger (2008) supports the use of surveys in social economic research as the method yields sufficient and precise data. The researcher preferred the descriptive survey approach, which according to Kothari (2008) is preferred due to its ability to minimize bias during data collection. Kothari (2012) also endorses the use of descriptive research method in situations where the research problem has been sufficiently defined at the investigator seeks to understand certain aspects of the research problem. This study focused on the subject of Corporate Social Responsibility within commercial banks. The study sought to assess the institutional factors that are central to the adoption of CSR within commercial banks. The researcher conducted the survey methodology, which involved an examination into the underlying institutional factors that influence the uptake of CSR within commercial banks.

3.3 Target Population

The study targeted top 5 listed commercial banks operating within Nairobi County which have active registered foundation that undertake financial education programs. These banks include; Barclays Bank of Kenya, Equity Bank, Kenya Commercial Bank (KCB), Standard Chartered Bank (K) and Cooperative Bank of Kenya (Coop) have active financial education programs that are implemented by subsidiary foundations (CBK, 2016). Data from Banking Insurance Union (BIFU) Kenya and Kenya Bankers Association (KBA) indicate that, top 5 banks operating in Nairobi region have a workforce of 5,600 employees (BIFU, 2016; KBA, 2017).

Coopers and Schindler (2014) postulated that a population is the total collection of elements about which we wish to refer. It is the larger cluster from which individuals are chosen to participate in a study.

3.4 Sample Size and Sampling Procedures

According to Bell (1999), a sample is a subset of the population, which represents the characteristics of the population, or a portion of the population selected for analysis. The study derived the sample from the target population.

3.4.1 Sample Size

The study utilized statistical calculation in determining the sample size. In any research, selected sample enables the researcher to generalize about a given population. A sample is a subset of a population (Blumberg, 2014). This is however useful only if it accurately represents the larger population. Barbie (2010) argues that a sample size refers to the actual respondents the researcher aims to interview. To ascertain that the selected sample is representative of a given population, a researcher need to clearly define the characteristics of the population, establish the required sample size, and choose the appropriate method for selecting members from the population. For this study, the sample size was determined using the Yamane (1967), statistical formula. The target population for the study was 5,600 employees.

$$n = \frac{N}{1 + Ne^2}$$

Where, n = sample size, N = target Population, and e^2 = probability error (derived from the confidence interval, 10% = 0.01).

$$n = \frac{5,600}{1 + 5,600 (0.1)^2}$$

$$n = \frac{5,600}{1 + 5,600 (0.01)}$$

$$n = \frac{5600}{1+56} = \frac{5600}{57} = 98$$

Therefore, sample size will be 98 respondents.

3.4.2 Sampling Procedure

The study adopted a stratified random sampling procedure. In this method, the target population is partitioned into non-overlapping groups (stratas) where a sample was drawn from each of the stratum. This technique is valuable as it helps in minimizing the biasness and further leaning the population items such that none is overrepresented or underrepresented. Sampling procedure is defined as the scientific procedures, which are used in selecting a sample in a given set of target population (Barbie, 2010). The groups partitioned included; the corporate affairs managers, Human resources managers, the sales and marketing managers and the credit managers.

Table 3.1 Target population and sample size distribution

Category	Target population	Sample size	Percentage
Equity Bank	1,465	31	26 %
Barclays Bank of Kenya	980	12	18 %
KCB	1,105	16	20 %
Standard Chattered	800	14	14 %
Cooperative Banks	1,250	25	22 %
TOTAL	5,600	98	100%

(Source: BIFU, 2016; Kenya Bankers Association, 2017; Researcher, 2017)

3.5 Methods of Data Collection

The study sought to examine the institutional factors that influence the uptake of CSR among commercial Banks in Kenya. The unit of analysis was the banking employees who have participated in the financial education programs run by the banks where they work. Schindler (2014) observed that data collection procedure is the process of gathering pieces of information that are necessary for research process. The study utilized questionnaires in gathering data for study. The researcher commenced the data collection process by conducting a pilot test of the questionnaires. This process involved distributing 10 questionnaires to respondents who were not part of the final study. The pilot test was carried out for the purposes of ensuring that the questionnaires are complete, precise, accurate and clear. This will assist in assessing the

reliability and validity of the data collection instrument (Mugenda and Mugenda, 2008). The researcher sought an official letter from the institution that was used to request permission to carry out a field survey at the 5 commercial banks participating. The letter explained all the details on the intents and purposes regarding the field survey. Upon acceptance of the request to conduct the survey, the researcher then took the initiative to personally deliver the questionnaire to the respondents. The researcher individually convinced the respondents to answer the questionnaires on the spot if possible. Those who agreed to participate in the study but were busy at the time of questionnaire delivery were given enough time to fill the questionnaires at their own pace. The researcher made prompt follow-up relying on phone calls till a sizeable number of participants contribute to the study.

3.6 Research Instruments

This study used questionnaire as the primary data collection instrument. The researcher developed the questionnaire based on the main objectives of the study. The questionnaire was structured with close ended questions which all represent the research variables. The questionnaires were uniform for all the respondents as the target population. The questionnaire utilized 5-point likert scale to gauge the respondents opinion on the questions raised which include; strongly disagree, disagree, neutral, agree and strongly agree. This scale was valuable for this study as it made it possible to build an equal-interval data which makes it possible to perform numerous statistical tests (Kiess & Bloomquist, 2009). The questionnaire was developed in line with specific research objectives. The questionnaire was developed in line with specific research objectives.

3.7 Validity of the Instruments

Validity in data collection highlights the extent to which an instrument measures what it was purposefully built to measure (Joppe, 2000). Reliability on the other hand refers to the degree to which listed measures are free from any errors to a way that it yields consistent results (Zikmund, 2003). Reliability test is critical in examining the levels of consistency across the items listed in the questionnaire for all the study variables.

3.7.1 Validity of the Research Instrument

To test for the validity of the data collection instrument, the primary research instrument in this study was given to 10 banking staff from different commercial banks and who have actively participated in financial education programs. The study measured content validity for the research instrument. The banking employees were expected to tick if the item in the questionnaires addresses the factors that influenced the uptake of CSR initiatives by commercial banks. From the content of the responses given by the selected bankers, were examined against the study objectives and rated using a scale of 5 (very relevant) to 1 (not very relevant). The Content Validity Index was used to determine the validity through summing up all the items rated using a scale of 3 and 4 by the banking staff dividing the total sum by the total number of items in the questionnaires. The researcher used Statistical Package for Social Sciences (SPSS) to compute the coefficient of the data gathered from the pilot study. The context of validity coefficient index computed in the test, measured above 0.70 which indicated that the questionnaires are valid research instruments to use in this study (Zikmund, 2003).

3.7.2 Reliability of the instruments

According to Joppe (2000) reliability is considered as the extent to which results are consistent over time and an accurate representation of the total population under study. The study used Cronbach's alpha coefficient to measure the reliability of the research instrument. The study measured the internal consistency of the questionnaire items listed for all the research variables. Internal consistency helps in examining the consistency within the instrument and questions how well a set of items measures a particular model or characteristic within the test (Schindler, 2014). All the questionnaire items for each variable were captured in the reliability test using the 5-point likert scale as indicative measure, where responses evaluated on the basis of how strongly they "agree" or "disagree" on the listed questionnaire items.

Table 3.2 below gives the reliability data obtained from SPSS data analysis on Cronbach alpha.

Table 3.2 Reliability test result

Constructs	Cronbach's Alpha Values	Comments
Organization culture	0.891	Accepted
Corporate strategy	0.897	Accepted
Leadership strategy	0.893	Accepted
Marketing strategy	0.895	Accepted

The data presented in table 3.2 indicates that the obtained data was reliable since data obtained from all independent variables had a Cronbach's Alpha values of between 0.891 – 0.897 and this was above 0.70 thereby satisfying Zinbarg (2005) threshold which indicates that an alpha coefficient of 0.75 or higher indicates that the gathered data is reliable.

3.8 Data Collection Procedure

Data collected was first reviewed to detect any possible errors and omissions. All the questionnaires were uniform thus, analysis and evaluation of returned questionnaires will also be uniform. Each questionnaire was numbered in respect to individual respondents who participated in the study to enable easy tracking in case of any clarification needed afterwards. In the instances where the provided data was deemed incomplete or errors noted, the respondents were re-contacted over the phone for further clarification. The levels of measurement that were deemed suitable for this study were ordinal for demographic data and scale/interval intervals for the main research questions in the structured format with a quantitative scale. The collected data was then analyzed using statistical package for social sciences (SPSS) version 22-computer software by finding out the key correlation between various dimensions/parameters of factors critical to the adoption of CSR by Financial Institutions.

3.9 Ethical issues

Ethical issues refer to conduct that guides the researchers behavior while undertaking research (Mugenda and Mugenda, 2009).The researcher treated the information provided by the respondent as confidential and it will only be used for the purpose of this study. Before proceeding with the data collection exercise the researcher sought for approval from the relevant departmental managers of the commercial banks whose staff will participate in the study. These helped the researcher in identifying respondents, explain to them that the research is purely an academic initiative and that the research would maintain the anonymity of the respondents, and not use its findings for any other purposes that the one mentioned. The questionnaires were not require respondents to list their names, which will enable the study to maintain high levels of confidentiality for all the participants.

3.10 Operational definition of Research Variables

Table 3.2 Variables Definition

Objective	Independent variable	Indicators	Measuring scales	Type of analysis	Tools of analysis
To examine the extent to which organization culture influences the uptake of CSR within commercial banks in Nairobi.	Organizational Culture	<ul style="list-style-type: none"> • Success rate in CSR programs • Employee contribution • Consistency in implementation • Budgetary allocation for CSR programs 	Ordinal	Descriptive statistics Inferential statistics	Frequency tables
To evaluate the extent to which corporate objectives influence the uptake of CSR within commercial banks in Nairobi.	Corporate Strategy	<ul style="list-style-type: none"> • Market growth • Client base retention • New clients enlisted • Staff engagement 	Ordinal	Descriptive statistics Inferential statistics	Frequency tables
To assess the extent to which leadership strategy impacts on the uptake of CSR within commercial banks in Nairobi.	Leadership Strategy	<ul style="list-style-type: none"> • Managers commitment • Leadership effectiveness • Improvement on social skills • Enhanced creativity 	Ordinal	Descriptive statistics Inferential statistics	Frequency tables
To examine the extent to which marketing strategy impacts on the uptake of CSR within commercial banks in Nairobi.	Marketing Strategy	<ul style="list-style-type: none"> • Brand popularity • New products success • Stability in competitive edge 	Ordinal	Descriptive statistics Inferential statistics	Frequency tables
To assess the factors that influence uptake of CSR by Commercial Banks	Dependent variable Uptake of CSR	Outcomes in: <ul style="list-style-type: none"> • Brand reputation • Increased Customer base 	Nominal	Descriptive statistics Inferential statistics	Frequency tables

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This section of the study covers the fourth chapter of the study which presents the data gathered from the field survey. The data presentation utilizes diagrammatic model where aggregations and tabulations of the collected data is presented using tables. The study sought to examine the institutional factors that influence the uptake of CSR by commercial banks in Kenya. The case study was the financial education programs offered by commercial banks in Nairobi City.

4.2 Questionnaire Response Rate

The data in table 4.1 presents the tabulations in frequency distribution for the response rate in this study.

Table 4.1 Questionnaire Response rate

Respondent feedback	Frequency	Percentage
Responded Questionnaires	80	81.6%
Non-Responded Questionnaires	18	18.4%
Total	98	100 %

The findings in table 4.1 present the response rate as computed for the questionnaires which were successfully answered and returned in time for data analysis. The data indicates that, 80 questionnaires (81.6 %) were returned in time for data analysis, which subsequently represents the response rate. The data indicates that about 18 questionnaires (18.4 %) were not returned in time for data analysis. Mugenda and Mugenda (2008) noted that a response rate of 70 % and above is extremely good to offer valid representative results. The researcher was therefore satisfied that the results offered were sufficient for data analysis.

4.3 Demographic Details

The demographic data covers the respondent's background information. The demographic details covered include; age distribution, education level, department at the bank and job experience.

4.3.1 Age distribution

The presented data in table 4.2 highlights the tabulated figures on the distribution of respondents by age, computed in frequencies and percentages.

Table 4.2 Distribution of respondents by age

Age distribution	Frequency	Percent
18 - 30 years	10	12.5 %
31 - 35 years	13	16.3 %
36 - 40 years	20	25.0 %
41 - 45 years	24	30.0 %
Over 46 years	13	16.3 %
Total	80	100.0 %

Results presented in table 4.2 indicate that, 10 (12.5%) of the respondents were in the age group 18 – 30 years, 13 respondents (16.3%) indicated to be in the age group 31 – 35 years, and 20 respondents (25.0 %) indicated to be in the age group 36 – 40 years. The findings also indicate that, 24 respondents (30.0%) indicated to be in the age group 41 – 45 years. Finally, about 13 respondents (16.3 %) indicated to be over 46 years of age. The findings imply that an overwhelming majority of respondents were over the age of 30 years, which indicates that commercial banks rely on mature middle aged staff members in implementing CSR programs.

4.3.2 Education Level

The data examined the education level of respondents and aggregated the estimates in tabulated frequencies and percentages.

Table 4.3 distribution of respondents by academic attainment

Education level	Frequency	Percent
Diploma	15	18.8 %
Degree	42	52.5 %
Masters/Post-graduate Diploma	23	28.8 %
Total	80	100.0 %

The results presented in table 4.3, indicates that 15 respondents (18.8%) had attained a diploma, 42 respondents (52.5%) of respondents had attained university degree and about 23 respondents (28.8 %) had attained a postgraduate qualification. The findings imply that, academic attainment is an important consideration for working within commercial banks. In addition high academic attainment indicates that the responses were well educated and competent to handle important duties such as implementation of projects like CSR programs.

4.3.3 Department

The data examined the department which the respondents worked, computed in frequency and percentage tabulations.

Table 4.4 Department at the bank

Department	Frequency	Percent
Corporate affairs Division	28	35.0 %
Sales and marketing department	35	43.8 %
Credit department	17	21.3 %
Total	80	100.0 %

The findings in table 4.4, present the respondents feedback on the department they work at different commercial banks. About 28 respondents (35.0 %) indicated that they worked at the corporate affairs division, 35 respondents (43.8%) indicated that they worked at the sales and marketing department and finally 17 respondents (21.3 %) indicates that they worked in the credit department. The findings imply that commercial banks rely largely on the corporate affairs department and the marketing department in implementing CSR programs and initiatives.

4.3.4 Job Experience

The study examined the aspect of job experience amongst the respondents computed in frequency and percentage tabulations.

Table 4.5 Distribution of respondents by job experience

Experience	Frequency	Percentage
Below 5 years	19	23.8 %
6 - 10 years	21	26.3 %
11 - 15 years	23	28.8 %
16 - 20 years	12	15.0 %
Over 20 years	5	6.3 %
Total	80	100.0 %

Results in table 4.5 present the distribution in terms of job experience among the respondents. The data indicates that 19 respondents (23.8%) had work experience of below 5 years, 21 respondents (26.3%) indicated that they had a work experience of 6 – 10 years, and 23 respondents (28.8 %) indicated to have 11 – 15 years of work experience. Further, about 12 respondents (15.0 %) indicated to have a working experience of about 16 – 20 years and finally 5 respondents (6.3 %) indicated to have a working experience of over 20 years. The findings indicate that majority of the respondents had a working experience of over 10 years. This implies that duties related to CSR initiative are best implemented by experienced employees as they have better understanding of organization culture, objectives and overall operational goals.

4.4 Organization Culture and the uptake of CSR initiatives

The data in table 4.6 present the response rate on the impacts of organization culture on the uptake of CSR programs tabulated in means and standard deviation.

Table 4.6 Organization culture and the uptake of CSR

STATEMENTS	N	Mean	Std. Deviation
The bank has commitment towards establishing programs geared towards giving back to the society	80	3.76	.815
The bank has a culture of integrating all the employees in giving back to the society	80	4.20	.736
The organization has integrated public financial education programs within its operational model	80	4.36	.661
The bank has structured framework for sponsoring community based programs for enhancing awareness on financial education	80	4.31	.706
The banks support CSR programs that are in line with the values of the organization operational mission	80	4.15	.813
The bank has set out within its operational framework a budget for CSR programs involving staff members	80	4.20	.753
Average	80	4.16	0.747

The Findings presented in table 4.6, present the respondents views on the influence of organization culture on the uptake of CSR presented in means and standard deviation. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The study establishes that the commercial banks are willing to commitment towards establishing programs geared towards giving back to the society, with a mean of 3.76 and standard deviation of 0.815. The study establishes that, numerous commercial banks have a culture of integrating all the employees in giving back to the society, with mean of 4.20 and standard deviation of 0.736.

The findings indicate that many commercial banks have integrated public financial education programs within its operational model, with a mead of 4.36, and standard deviation = 0.661. the results indicate that commercial banks have structured framework for sponsoring community based programs for enhancing awareness on financial education, with a mean of 4.31, and a standard deviation of 0.706. The findings indicate that commercial banks support CSR programs

that are in line with the values of the organization operational mission, with a mean of 4.15, and standard deviation of 0.813. The findings indicate that, commercial banks have set out within its operational framework a budget for CSR programs involving staff members with a mean of 4.20 and a standard deviation of 0.753. The findings imply that there exist strategic direction towards adoption and subsequent implementation of CSR, as laid down in the organization framework which is inscribed in the organization culture.

4.5 Corporate Objectives on the uptake of CSR programs

The data in table 4.7 presents the findings on the influence of corporate objectives on the uptake of CSR programs and initiatives.

Table 4.7 Corporate objectives on the uptake of CSR

STATEMENTS	N	Mean	Std. Deviation
The bank has set up CSR programs to support its growth strategy in new markets	80	3.99	.803
The bank uses CSR programs as a strategy of creating a platform to engage its customers outside the banking hall	80	4.20	.753
The CSR programs enables the bank to retain its clients by demonstrating that they appreciate them	80	4.43	.569
The bank structures its CSR programs to attract new clients into the fold	80	4.45	.571
The CSR programs enables the employees and the mangers interact and enhance the levels of work relations within the bank	80	4.47	.616
The bank uses CSR programs to encourage staff engage in extra-institutional activities to motivate them and enhance their passion to serve the community	80	4.46	.572
The bank uses CSR programs to impart community service skills to its employees to enhance their employee-customer interaction skills	80	4.43	.591

The CSR programs enables the banks interact with the community and identify underlying challenges which they can help improve their services to the people	80	4.60	.493
Average	80	4.379	0.621

The findings in table 4.7 present the respondents views on the influence of corporate strategy on the uptake of CSR programs by commercial banks. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The findings show that, commercial banks have set up CSR programs to support growth strategy in new markets, with a mean of 3.99 and standard deviation of 0.803. The findings indicate that, commercial banks use CSR programs as a strategy of creating a platform to engage its customers outside the banking hall with a mean of 4.20 and standard deviation = 0.753. The results computed indicate that, CSR programs enable commercial banks to retain its client base by demonstrating that they appreciate them, with a mean = 4.43 and standard deviation of 0.569.

The findings indicate that, commercial banks structure their CSR programs to attract new clients into the fold, with a mean = 4.45 and standard deviation = 0.571. The results show that the CSR programs enable employees and the mangers interact and enhance the levels of work relations within the bank , mean of 4.47, standard deviation = 0.616. The findings indicate that, commercial banks use CSR programs as a platform to encourage staff engage in extra-institutional activities to motivate them and enhance their passion to serve the community, with a mean of 4.46, standard deviation = 0.572.

The findings indicate that, commercial banks often use CSR programs to impart community service skills to its employees to enhance their employee-customer interaction skills, mean = 4.43, standard deviation of 0.591. The findings indicate that, CSR programs enables the banks interact with the community and identify underlying challenges which they can help improve their services to the people, with a Mean of 4.60 and standard deviation of 0.493. The findings imply that Commercial banks utilize CSR as strategic program that seeks to address both internal and external needs, like creating a channel to encourage staff develop social skills and also entice clients with innovative programs.

4.6 Leadership Strategy on the uptake of CSR programs

The findings in table 4.6 present the data gathered from the field exercise on the influence of leadership strategy on the uptake of CSR programs by commercial banks.

Table 4.8 Leadership strategy on the uptake of CSR programs

STATEMENTS	N	Mean	Std. Deviation
The banks management takes a frontline role in all the implementation of CSR programs supported by the bank	80	4.31	.739
The bank managers are required to formulate budget plans for implementing CSR initiatives	80	4.32	.652
The leadership of commercial bank offers voluntary choices for staff to participate in the CSR programs	80	4.14	.725
The CSR programs success is subject to the effective leadership commitment to CSR adoption	80	4.11	.693
The management use CSR programs to practice their community service skills	80	3.86	.725
The bank management partners with local communities to help in identifying pressing issues that can be sorted through financial inclusion and financial education.	80	4.04	.702
The commercial banks managers are responsible for evaluating the areas of priority in allocating funding for CSR programs	80	4.10	.686
The commercial bank managers use CSR programs to evaluate their employees levels of social skills which are important for customer relations	80	4.17	.742
The commercial banks use CSR programs to enhance their employees levels and creativity in service delivery	80	4.13	.786
The bank managers use CSR programs as the strategies of enforcing bank values and operational virtues ton its staff	80	4.14	.759
Average	80	4.132	0.721

Results presented in table 4.8 highlight the respondent's feedback on the influence of leadership strategy on the uptake of CSR programs presented in means and tables. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The findings indicate that ,The banks management takes a frontline role in all the implementation of CSR programs supported by the bank mean of 4.31, standard deviation = 0.739. The findings indicate that commercial banks managers are often required to formulate budget plans for implementing CSR initiatives, with a mean of 4.32 and standard deviation = 0.652. The findings indicate that, commercial banks leadership often present staff with diverse choices for them to participate in the CSR programs, with a mean = 4.14 and standard deviation of 0.725. The findings indicate that, CSR programs success is subject to the effective leadership commitment to CSR adoption with a mean of mean of 4.11 and standard deviation = 0.693.

The findings of this study indicate that, commercial banks management often use CSR programs to practice their community service skills with a mean of 3.86 and standard deviation = 0.725. the findings indicate that commercial bank management often partner with local communities to help in identifying pressing issues that can be sorted through financial inclusion and financial education, mean = 4.04, and standard deviation of 0.702. The findings indicate that the commercial banks managers are responsible for evaluating the areas of priority in allocating funding for CSR programs, with a mean of 4.10, standard deviation of 0.686.

The results obtained indicate that commercial banks managers use CSR programs to evaluate their employees levels of social skills which are important for customer relations, with mean of 4.17 and standard deviation = 0.742. The findings of this study indicates that, commercial banks use CSR programs to enhance their employee's levels and creativity in service delivery, with a mean of 4.13 and standard deviation of 0.786. Finally, the findings in this study indicate that bank managers use CSR programs as the strategies of enforcing bank values and operational virtues ton its staff, with a mean of 4.14 and standard deviation of 0.759. The findings imply that commercial banks management often uses CSR programs as a platform to bolster service delivery close to the people in the community. In addition, the findings imply organization leadership can determine the overall benefit that an organization can accrue from implementing innovative social programs.

4.7 Marketing Strategy and the Uptake of CSR programs

The data in table 4.9 presents the data on the impact of marketing strategy on the uptake of CSR programs.

Table 4.9 Marketing Strategy and the uptake of CSR programs

STATEMENTS	N	Mean	Std. Deviation
The banks use CSR programs as the platform to create awareness of its products	80	4.14	.707
The organization undertake specific CSR programs that are geared towards launching new banking products	80	4.10	.668
Commercial banks utilize CSR programs as the strategy of imparting small business with financial management skills and ways to empower their credit values	80	4.16	.683
The commercial banks use CSR programs to create awareness on the importance of the people opening bank accounts with the commercial banks in effort to grow its membership	80	4.26	.631
The commercial banks use CSR programs to create awareness on platforms which people can access to express their underlying financial problems and seek financial guide and assistance.	80	3.95	.953
The commercial banks use creative CSR programs as a strategy to enhance their competitive edge	80	4.27	.746
The banks uses CSR programs to create positive image to attract more investors	80	4.45	.525
The banks create CSR programs to resonate with interest of its clients and increase faith in them thus boosting its customer base	80	4.29	.578
Average	80	4.201	.6864

The findings in table 4.9, present the respondent views on the influence of marketing strategy on the uptake of CSR within commercial banks. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The findings indicate that commercial banks use CSR programs as the platform to create awareness of its products mean of 4.14, standard deviation = 0.707. The results obtained show that organizations undertake specific CSR programs that are geared towards launching new banking products with a mean of 4.10 and standard deviation = 0.668. The findings indicate that, commercial banks utilize CSR programs as the strategy of imparting small business with financial management skills and ways to empower their credit values mean of 4.16 and standard deviation of 0.683. The results indicate that commercial banks use CSR programs to create awareness on the importance of the people opening bank accounts with the commercial banks in effort to grow its membership, with a mean of 4.26 and standard deviation of 0.631.

The findings indicate that commercial banks use CSR programs to create awareness on platforms which people can access to express their underlying financial problems and seek financial guide and assistance, with a mean of 3.95 and standard deviation of 0.953. The findings show that commercial banks use creative CSR programs as a strategy to enhance their competitive edge with a mean of 4.27, and a standard deviation of 0.746. The findings indicate that commercial banks use CSR programs to create positive image to attract more investors with a mean of 4.45 and a standard deviation of 0.525. Finally the results obtained show that commercial banks create CSR programs to resonate with interest of its clients and increase faith in them thus boosting its customer base, with a mean of 4.29, and standard deviation of 0.578. The findings imply that financial institutions value having positive image and being close to the customers which is made possible by adoption and implementation of CSR programs.

4.8 Uptake of Corporate Social Responsibilities

The data presented in table 4.10 highlight the drivers to uptake of CSR by commercial banks computed in means and standard deviations.

Table 4.10 Uptake of Corporate Social Responsibilities

STATEMENTS	N	Mean	Std. Deviation
CSR enables banks to enhance social welfare	80	4.34	.615
Finance education to reach the unbanked	80	4.27	.656
Banks embrace CSR to boost staff morale	80	4.50	.503
Budget for CSR programs	80	4.44	.499
CSR helps banks enhance financial inclusivity	80	4.51	.503
CSR helps bank build positive perception to attract investors	80	4.51	.503
CSR programs help banks expand access to financial services	80	3.96	.906
CSR programs helps in innovation of bank products	80	4.46	.615
Average	80	4.37	0.537

The findings in table 4.10, present respondents views on the uptake of CSR by commercial banks, presented in means and standard deviation. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The findings show that commercial banks use integrated CSR programs as ways of reaching out to improve the social welfare of the society with a mean of 4.34, and standard deviation 0.615. The findings indicate that commercial banks consider financial education as an important approach to attracting more unbanked Kenyans into the financial system, with a mean of 4.27 and standard deviation of 0.656. The findings indicates that commercial banks have active operational strategy that seeks to ensure all the bank employees participate in CSR programs to boost their morale and work commitment, mean of 4.50, standard deviation of 0.503. The findings demonstrate that commercial banks commit significant budget towards financing CSR programs with a mean of 4.44 and standard deviation of 0.499.

The findings indicate that commercial banks have made strong commitment towards implementation of CSR programs that seek to impart financial education among the unbanked and those excluded in the formal financial system, with a mean of 4.51 and standard deviation of 0.503. The results show that commercial banks embrace CSR programs as a strategy of building positive image in the society to attract more investors, with a mean of 4.51 and standard deviation of 0.503. The findings indicate that, CSR initiatives related to imparting financial education have helped the banks expand financial services in low income sectors of the economy, with a mean of 3.96, and standard deviation of 0.906. The findings indicate that the CSR programs involving financial education has motivated the commercial banks innovate and create financial products for the low income earners, with a mean of 4.46 and standard deviation of 0.615. The findings imply that commercial banks use CSR as a strategic program that is intended to benefit the formal operational framework and also enhance the brand and reputation in terms of service delivery to the community.

4.9 Multivariate Regression Analysis of the Institutional Factors affecting uptake of CSR

Regression test was carried out to help test linear relationship between independent variables verses the dependent variable.

Table 4.11 Model Summary

Model Summary					
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.833 ^a	.694	.680		1.26136

a. Predictors: (Constant), Organization Culture, corporate strategy, leadership strategy, marketing strategy

The findings in table 4.11 present the model summary for the regression test of the dependent variables influence of the dependent variable. The R Square value obtained for the system for the combined independent variables is 0.694. This indicates that the independent variables, notably; Organization Culture, Corporate objectives, Leadership strategy and marketing strategy account for 69.4% in the variability for the uptake of CSR by commercial banks. This means that 30.6% variability in lean management can be attributed to other factors outside this test.

Table 4.12 ANOVA for the Regression Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	372.363	5	74.473	46.808	.000 ^b
	Residual	163.875	103	1.591		
	Total	536.239	108			

a. Dependent Variable: Uptake of CSR
b. Predictors: (Constant), Organization Culture, Corporate Strategy, leadership strategy, marketing strategy

The findings in table 4.16 presents the ANOVA results for the regression test. The test computes sum of squares for the test variables as 372.362 regression. The t – statistical value, $F(5, 103) = 46.067$, which indicates that regression test offered significant statistical prediction of the variables. The p value tabulated in the study, $p = 0.000$, indicates that $p\text{-value} < 0.01$ significance level. The finding indicates that there exist a significant statistical association between the independent and the dependent variable, at 90 % confidence interval (0.01).

Table 4.13 The Coefficients for the regression test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.424	1.398		3.165	.002
	Organization culture	.134	.041	.240	3.259	.002
	Corporate strategy	.193	.057	.306	3.405	.001
	Leadership strategy	.093	.051	.164	1.813	.073
	Marketing strategy	.141	.046	.293	3.046	.003

a. **Dependent Variable:** Uptake of CSR

The findings in table 4.17 present the variables coefficient results for the regression test. These results were useful in the construction of the regression equation for the system test. The independent variables in the system included; organization culture (X_1), corporate strategy (X_2), leadership strategy(X_3), and marketing strategy (X_4). The dependent variable is uptake of CSR by commercial banks (Y).

The regression equation for the system equation is;

$$Y = A + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + e$$

From table 4.17, the values deduced for the system intercept (constant) is 4.424, and slopes for the independent variables are; $B_1 = 0.134$, $B_2 = 0.193$, $B_3 = 0.093$ and $B_4 = 0.141$, for independent variables, organization culture (X_1), corporate strategy (X_2), leadership strategy (X_3) and marketing strategy (X_4) respectively.

Therefore the regression equation for this test is;

$$Y = 4.424 + 0.134 X_1 + 0.193 X_2 + 0.093 X_3 + 0.141 X_4$$

The study deduces that; a unit increase in organization culture, results to a 0.134 unit increase in uptake of CSR by commercial banks. Similarly, a unit increase for corporate strategy results to a 0.193 unit increase in uptake of CSR, an increase in leadership strategy will result in a 0.093 unit increase in uptake of CSR. Finally, an increase in marketing strategy will trigger a 0.141 unit change in uptake of CSR by commercial banks in Kenya. The regression tests therefore prove that there exists a positive statistical association between institutional factors and the uptake of CSR by commercial banks in Kenya.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This section of the study presents chapter five, which is the final chapter of the report. The areas covered in chapter five include; summary of the findings, discussion of the findings, conclusion, recommendations and suggestions for further studies.

5.2 Summary of the Findings

The study sought to assess the influence of institutional factors on the uptake of corporate social responsibilities with four variables forming the center of study. The variables which are also the institutional factors include; organization culture, corporate objectives, leadership strategy and marketing strategy.

5.2.1 Organization Culture and the Uptake of Corporate Social Responsibility

The study makes a finding that organization culture forms a critical determinant for the uptake and subsequent success of corporate social responsibility initiatives by commercial banks recording an average mean of 4.16. The researcher establishes that organization culture anchors the organizational value system in line with objectives to implement initiatives that gives back to the society. Results obtained have shown that organizational culture confers the organizations ambition to implement initiatives geared towards the realization of a better society and ensure a positive impact to the society. The findings show that, organization culture determines the likelihood of the commercial banks employees integrating within the banks social initiatives and contribute towards the improvement of the social welfare of the neighboring communities.

The researcher makes a finding that organization culture is central to the success of operational initiatives as it sets the conditions for implementation of such initiatives such as the CSR programs aimed at benefitting the society. The findings indicate that, organizational culture factors notably; bank commitment to society, bank culture of staff integration, structured

community sponsorship framework, Bank CSR support and its Values, CSR Budgeting wield significance influence on the successful uptake and implementation of CSR programs.

5.2.2 Corporate Objectives and the Uptake of Corporate Social Responsibility

The findings in this study indicate that, corporate strategy and objectives are central to the effective uptake and implementation of CSR programs, registering an average mean of 4.379. The study establishes that consideration and subsequent embrace of CSR initiatives is implemented is based on the organizations strategic operational goals. The researcher also makes a finding that commercial banks embrace CSR initiatives as part of long-term operational strategy that aims to address the fundamental social gaps in the welfare of the neighboring communities. The researcher establishes that the choice for CSR initiative is based on the convergence and potential mutual benefits that both the community and the commercial banks derive at reasonably operational budget.

The researcher establishes that primary considerations for commercial banks in the uptake of CSR programs is the financial cost and the forecast benefits that will be accrued by the commercial when the program is successfully implemented to the fullest. The study makes a finding that corporate strategy factors, notably; CSR as growth Strategy, CSR as an engagement platform, Client retention strategy, CSR in assessment of community challenges, CSR programs in enhancing work relations, CSR for staff motivation, CSR enhances employee-customer relations, CSR as a client attraction strategy wield significant effect on the uptake of corporate social responsibility.

5.2.3 Leadership Strategy and the Uptake of Corporate Social Responsibility

The study makes a finding that leadership strategy is central to the adoption of CSR by commercial banks, recording an average mean of 4.132. The researcher establishes that present organization leadership inclination and motivations towards determining the operational framework determines the likelihood of the organization embracing CSR. The findings show that commercial bank administration decide on embracing initiative like CSR depending on its perceived impact towards enhancing the execution of critical administrative obligations. Furthermore, the findings indicate that bank leadership use CSR programs as platform to enhance internal and external organizational relations in order to improve the operational efficiency like enhancing internal organizational working relations.

The researcher establishes that favorability of CSR programs must be compelling to the organizational leadership that it enhances the operational efficiency levels for it to gain traction amongst the management team. The findings indicate that, leadership strategy factors, including; recurrent budget for CSR, voluntary choice for staff on CSR, management support for CSR adoption, CSR on social skills, existence of local partnerships, priority of social issues, evaluation for social skills, enforcement of bank values, and CSR programs on employee creativity wield significant influence of the commercial banks willingness to embrace corporate social responsibilities.

5.2.4 Marketing Strategy and the Uptake of Corporate Social Responsibility

The study concludes that marketing strategy preferred by commercial banks wield significant effect on the uptake of corporate social responsibility with a mean of 4.201. The researcher establishes that CSR programs have positive effect on building a positive image for the organization. The findings also show that, embracing CSR programs helps in boosting the external stakeholder's perception on the commercial banks primary operations. The findings indicate that commercial banks utilize innovative CSR programs for public relations exercise in order to create a positive profile in the society that can relied on bringing positive solutions.

The researcher establishes that commercial banks embrace CSR programs that result in mutual benefits with the banks accruing a premium for enhanced brand positivity. The study makes a finding that, marketing implementations notably; CSR for product awareness, CSR as launch platform for new products, CSR helping in enhancing financial skills, CSR encouraging people to open bank accounts, CSR creates avenues to enhance financial access, Bank embrace CSR to create a positive image, CSR enhancement of competitive edge, Banks tap into CSR to build close links with clients, are vital in enhancing positive effect of CSR uptake towards enhancing the brand of commercial banks.

5.3 Discussion of findings

The researcher establishes that organization culture is a critical determinant on the effective implementation of CSR programs. The findings are in agreement with Galpin et al., (2015) and Linnenluecke and Griffiths (2010) who linked organization value systems and culture as the determinant in accommodation of new strategies and programs within an institution. The

findings are in agreement that senior management play a crucial role in inducing changes such as the uptake of CSR programs. The studies support the opinions that, management is in a position to deploy sustainability within companies by aligning sustainability into the company's mission, values and goals (Galpin et al, 2015). The findings also agree that top management has a role in creating and emphasizing sustainability priorities and communicating and accentuating CSR or sustainability internally and externally (Stoughton & Ludema, 2012). Change agents such as middle management and external stakeholders are also in a position to influence the adaptation of sustainable values (Linnenluecke & Griffiths, 2010).

The findings in this study indicate that, there exist critical interrelation between corporate strategy and the uptake of CSR programs. The findings agree with Gazzola and Colombo (2014), who postulated that the organizational management systems offer tools that permit to choose, organize, deploy and monitor the strategy, managers use management systems to drive strategic renewal. Furthermore, Gazzola and Colombo (ibid) posited that the difficulties that face a company intent on introducing the CSR into the companies' management systems include; providing the evidence of the real commitment of companies to integrate CSR into their strategy, and secondly to provide the mechanisms for effectively changing operational practices. The findings also agree with Mensah (2015) consider the importance of the integration between strategy and society, and between competitive advantage and corporate social responsibility, proposing an analytical model based on the social impacts of the value chain and the role of corporate social responsibility in the competitive context.

The findings of this study also support the perspective that organization leadership makes the final decision on the uptake of CSR programs and how they will be accommodated within organizational operational framework. The findings agree with Kjelin (2009), who postulated that strategic leadership is the ability of an organization to anticipate, envision and maintain flexibility, and empower others to create a strategic chance and a viable future of the organization. The findings also converge with Bakan (2008) who opined that, strategic leadership in a business organization confers on the abilities of the organization administrators to influence a group of employees to focus on realization of certain objectives. An organization planning to integrate or adopt a form of CSR programs within operational framework, the organization leadership makes the most vital anchor to make it possible (Kincaid, 2012).

The findings of this study agree that there exist an association between marketing strategy and the adoption of CSR programs as it serves the role of creating awareness and enhancing the image of the company. The findings agree with Lewiatan (2010) who explained that embracing CSR contributes to a positive image building for corporate organizations before their external stakeholders. The findings also support, views by Czubala (2013) who observed that CSR entailed cognizing and including the stakeholder's changeable expectations into the management strategy as well as monitoring the influence of such a strategy on company competitiveness and on the increase of a company value on the market. The perspectives by Lewiatan (2010) and Czubala (2013) indicate that there exist a positive relationship between CSR initiatives and marketing as brand popularity and expanded market share are some of the positives that are accrued. Consequently, there are significant rewards for corporate organizations in promoting social responsible causes that benefit the society.

The study adopted three theories namely the traits theory, stakeholder theory and the agency theory. The findings of this study support all the three theoretical frameworks since at the firm level, organization leadership is responsible for determining and embracing CSR within the organizational context (Boseman , 2008). The findings also supports the theories, in examining the causal relationships and responsibilities of all staff members towards effectively implementing CSR, bring out the theory of stakeholder responsibility.

5.4 Conclusion

5.4.1 Organization Culture and the Uptake of Corporate Social Responsibility

The study concludes that organization culture forms the primary fundamental determinants that enable commercial banks integrate strategic initiative like commercial social responsibility within its operational framework. The researcher concludes that effective execution of CSR programs is dependent on the compatibility of the preferred CSR initiatives with the organization values and operational model. The study concludes that, organization culture factors including; commercial banks commitment to the society, bank culture of integrating CSR with staff programs, structured community sponsorship framework, Bank CSR models and its values wield significant influence on the adoption and integration of CSR within primary commercial banks operations.

5.4.2 Corporate Objectives and the Uptake of Corporate Social Responsibility

The researcher makes a finding that corporate objectives wield a significant influence on the effective integration of CSR programs within the commercial banks operational framework. The study concludes that adoption and effective implementation of CSR programs is dependent on the operational benefits that the organization accrues from implementing the CSR programs. The study concludes that corporate objective dimensions, including; CSR as growth Strategy, CSR as an engagement platform, client retention strategy, CSR in assessing community challenges, CSR programs on work relations, CSR on staff motivation, CSR on employee-customer relations, CSR as a client attraction strategy wield significant influence on the uptake of CSR programs by commercial banks.

5.4.3 Leadership Strategy and the Uptake of Corporate Social Responsibility

The study concludes that leadership strategy builds the necessary administrative framework that is needed to facilitate the implementation of CSR programs. The researcher establishes that CSR framework is a preposition of organization leadership with interest forming the implementation basis. The researcher concludes that, administrative willingness and commitment to push for the adoption of the CSR is central to the integration of CSR initiatives within commercial banks operations. The study concludes that, management budgeting for CSR, voluntary choice for staff on CSR, management support for CSR adoption, CSR in enhancing social skills, bank creating local partnerships, banks identification of priority social issues, evaluation for social skills, CSR platform to enforce bank values, CSR programs on employee creativity influence the uptake of CSR by commercial banks.

5.4.4 Marketing Strategy and the Uptake of Corporate Social Responsibility

The study concludes that CSR programs are shaped in line with support to the official marketing strategy. The researcher concludes that CSR programs are platforms for implementation of programs that bear objective of building a positive image about the commercial bank before its stakeholders both internal and external. The researcher concludes that, CSR initiatives have strategic importance of boosting the image of the commercial banks that aims to attract positive reviews. The study concludes that, CSR implementation factors including; CSR for product awareness, CSR as launch platform for new products, CSR helping in enhancing financial skills, CSR encouraging people to open bank accounts, CSR for creating avenues to enhance financial

access, Bank embrace CSR to create a positive image, CSR enhancement of competitive edge, Banks tap into CSR to build close links with clients, wield influence on the uptake of CSR by commercial banks.

5.5 Recommendations

The researcher recommends the following;

1. Creation of Corporate relations team that coordinates the CSR programs from a centralized office and tasked with obligations of developing and determining the most viable and economically beneficial to the organization.
2. The study recommends for a standardized training of a dedicated team of banking staff that will be responsible for the implementation of CSR programs.
3. There is need for research into the prevailing needs in the society and develop unique CSR programs that will have mutual benefits for both the organization and the targeted community.
4. There is need for soliciting for consultancy services to advise on the creation of bi-purpose, CSR programs that serve as a positive publicity initiative and also a financial development program.

5.6 Suggestions for Further Studies

The study recommends future studies examine varied aspects of CSR implementation and its benefits within commercial banks. The researcher recommends future studies focus on;

- i) An examination into structured implementation of CSR as a marketing strategy by financial institutions.
- ii) A Causal study into the impact of financial gains accrued from financing strategic CSR programs by Commercial banks.
- iii) A study into the importance of administrative management into the successful implementation of CSR programs within commercial banks.

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APPENDICES

APPENDIX I: TRANSMITTAL LETTER

Sylvia Ongira

P. O Box

Nairobi, Kenya

November 25th 2017

Dear respondents,

I'm a post-graduate student pursuing a Master's Degree in Project Planning and Management at the University of Nairobi. As part of my course work, I'm conducting a research study on the Institutional factors that influence the uptake of Corporate Social Responsibility (CSR) initiatives by financial institutions in Kenya. The purpose of this structured questionnaire is therefore to collect data on factors that influence the Uptake of CSR by Commercial banks. I'm therefore requesting that you kindly provide information as per the guideline in the questionnaire.

Your honest in answering the questions is of great importance as it will go far in determining the factors that influence the best way to embrace CSR by commercial Banks. The information that you'll provide will be treated with outmost integrity and will be used only for the purpose of this research study. Your identity remains anonymous as you won't be requested to fill/indicate your name. Your cooperation will be highly appreciated.

Thank you.

Yours faithfully,

Sylvia Achieng Ongira

APPENDIX II: RESEARCH PERMIT



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

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NACOSTI, Upper Kabete
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NAIROBI-KENYA

Ref No. **NACOSTI/P/18/40681/24327**

Date: **7th August, 2018**

Sylvia Achieng' Ongira
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Institutional factors influencing financial institutions uptake of corporate social responsibility in Kenya: A case study of financial education programmes in Nairobi County”* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **7th August, 2019**.

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

DR. STEPHEN K. KIBIRU, PhD.
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.

National Commission for Science, Technology and Innovation is ISO9001:2008 Certified

APPENDIX III: QUESTIONNAIRE

SECTION A: BACKGROUND INFORMATION

1. Age Distribution

- i. 18 – 30 years
- ii. 31 – 35 years
- iii. 36 – 40 years
- iv. 41 – 45 years
- v. Over 46 years

2. Education Level

- i. Secondary School Certificate
- ii. Diploma
- iii. Degree
- iv. Masters/Post-Graduate Diploma

3. Department at the Bank

- i. Corporate affairs Division
- ii. Sales and Marketing Department
- iii. Credit Department

4. Job Experience

- i. Below 5 years
- ii. 6 – 10 years
- iii. 11 – 15 years
- iv. 16 – 20 years
- v. Over 20 years

In the subsequent sections, kindly indicate how much you agree/disagree with the following statements on a scale of 1 to 5 as per the table below:

Level of Agreement				
(1)	(2)	(3)	(4)	(5)
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

SECTION B: ORGANISATION CULTURE						
Please indicate the extent to which you agree with the following statement on the influence of organization culture on the uptake of CSR initiatives by commercial banks						
No.	STATEMENTS	RATING				
		(1)	(2)	(3)	(4)	(5)
1.	The bank has commitment towards establishing programs geared towards giving back to the society					
2.	The bank has a culture of integrating all the employees in giving back to the society					
3.	The organization has integrated public financial education programs within its operational model					
4.	The bank has structured framework for sponsoring community based programs for enhancing awareness on financial education					
5.	The banks support CSR programs that are in line with the values of the organization operational mission					
6.	The bank has set out within its operational framework a budge for CSR programs involving staff members					

SECTION C: CORPORATE OBJECTIVES

Please indicate the extent to which you agree with the following statement on the impact of corporate objectives on the uptake of CSR initiatives by commercial banks

No.	STATEMENTS	RATING				
		(1)	(2)	(3)	(4)	(5)
1.	The bank has set up CSR programs to support its growth strategy in new markets					
2.	The bank uses CSR programs as a strategy of creating a platform to engage its customers outside the banking hall					
3.	The CSR programs enables the bank to retain its clients by demonstrating that they appreciate them					
4.	The bank structures its CSR programs to attract new clients into the fold					
5.	The CSR programs enables the employees and the mangers interact and enhance the levels of work relations within the bank					
6.	The bank uses CSR programs to encourage staff engage in extra-institutional activities to motivate them and enhance their passion to serve the community					
7.	The bank uses CSR programs to impart community service skills to its employees to enhance their employee-customer interaction skills					
8.	The CSR programs enables the banks interact with the community and identify underlying challenges which they can help improve their services to the people					

SECTION D: LEADERSHIP STRATEGY

Please indicate the extent to which you agree with the following statement on the influence of leadership strategy on the uptake of CSR initiatives by commercial banks.

No.	STATEMENTS	RATING				
		(1)	(2)	(3)	(4)	(5)
1.	The banks management takes a frontline role in all the implementation of CSR programs supported by the bank					
2.	The bank managers are required to formulate budget plans for implementing CSR initiatives					
3.	The leadership of commercial bank offers voluntary choices for staff to participate in the CSR programs					
4.	The CSR programs success is subject to the effective leadership commitment to CSR adoption					
5.	The management use CSR programs to practice their community service skills					
6.	The bank management partners with local communities to help in identifying pressing issues that can be sorted through financial inclusion and financial education.					
7.	The commercial banks managers are responsible for evaluating the areas of priority in allocating funding for CSR programs					
8.	The commercial bank managers use CSR programs to evaluate their employees levels of social skills which are important for customer relations					
9.	The commercial banks use CSR programs to enhance their employees levels and creativity in service delivery					
10.	The bank managers use CSR programs as the strategies of enforcing bank values and operational virtues ton its staff					

SECTION E: MARKETING STRATEGY

Please indicate the extent to which you agree with the following statement on the influence of marketing strategy on the uptake of CSR initiatives by commercial banks

No.	STATEMENTS	RATING				
		(1)	(2)	(3)	(4)	(5)
1.	The banks use CSR programs as the platform to create awareness of its products					
2.	The organization undertake specific CSR programs that are geared towards launching new banking products					
3.	Commercial banks utilize CSR programs as the strategy of imparting small business with financial management skills and ways to empower their credit values					
4.	The commercial banks use CSR programs to create awareness on the importance of the people opening bank accounts with the commercial banks in effort to grow its membership					
5.	The commercial banks use CSR programs to create awareness on platforms which people can access to express their underlying financial problems and seek financial guide and assistance.					
6.	The commercial banks use creative CSR programs as a strategy to enhance their competitive edge					
7.	The banks uses CSR programs to create positive image to attract more investors					
8.	The banks create CSR programs to resonate with interest of its clients and increase faith in them thus boosting its customer base					

SECTION F: UPTAKE OF CSR BY FINANCIAL INSTITUTIONS

Please indicate the extent to which you agree with the following statement on the uptake of CSR initiatives by commercial banks

No.	STATEMENTS	RATING				
		(1)	(2)	(3)	(4)	(5)
1.	The bank has integrated CSR programs as ways of reaching out to improve the social welfare of the society					
2.	The bank considers financial education as an important approach to attracting more unbanked Kenyans into the financial system					
3.	The bank has active operational strategy that seeks to ensure all the bank employees participate in CSR programs to boost their morale and work commitment					
4.	The bank has committed a significant budget towards financing CSR programs					
5.	The bank management has made strong commitment towards implementation of CSR programs that seek to impart financial education among the unbanked and those excluded in the formal financial system.					
6.	The bank seeks to use CSR programs as a way of building positive image in the society to attract more investors					
7.	The CSR programs related to imparting financial education have helped the banks expand financial services in low income sectors of the economy					
8.	The CSR programs involving financial education have motivated the commercial banks innovate and create financial products for the low income earners					