

**CORPORATE SOCIAL RESPONSIBILITY IN RELATION
TO GROWTH OF SAVINGS AND CREDIT COOPERATIVE
ORGANIZATIONS IN KASARANI CONSTITUENCY,
NAIROBI**

BY

GEORGE MAINA NJIIRI

D61/62060/2010

**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF
DEGREE OF MASTER OF BUSINESS ADMINISTRATION
SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

2018

DECLARATION

This Research Project is my original work and has not been presented for an award in any university.

Signature:..... Date:.....

George Maina Njiiri

D61/62060/2010

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

Signature:.....Date:.....

Dr Catherine Ngahu

School of Business

University of Nairobi

DEDICATION

This research Project is dedicated to my parents and siblings. I wish to convey my special appreciation to my parents Mr and Mrs Njiiri because of the support that they have extended to me all through.

ACKNOWLEDGEMENTS

I wish to acknowledge God for the life and compassion which saw me through all the achievements in my academic life. I wish to convey my appreciation to my supervisor, Dr Catherine Ngahu for whom I am most indebted for her insightful guidance and helpful comments that assisted in a big way in nurturing and guidance till now. I also wish to thank my Parents, brothers and sister for their comments and criticism which were also useful in one way or the other in the course of this project. The contribution and encouragements they made especially for their caring support. Finally, I wish to appreciate all those who made this research project a success and I will always be grateful to them.

TABLE OF CONTENTS

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENTS	iii
LIST OF FIGURES	vii
LIST OF TABLES	viii
ABBREVIATIONS AND ACRONYMS	ix
ABSTRACT	x
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 Corporate Social Responsibility (CSR).....	2
1.1.2 Business growth.....	3
1.1.3 Savings and Credit Cooperative Organizations (SACCOS).....	4
1.1.4 SACCOs in Nairobi County.....	6
1.1.5 SACCOs in Kasarani Constituency.....	6
1.2 Research Problem.....	7
1.3 Research Objective.....	9
1.4 Value of the Study.....	9
CHAPTER TWO: LITERATURE REVIEW	10
2.1 Introduction.....	10
2.2 Theoretical Literature Review.....	10
2.2.1 Corporate Constitutionalism Theory.....	10
2.2.2 Integrative Social Contract Theory.....	11
2.2.3 Instrumental Theory.....	11
2.3 Determinants of Growth and Development.....	12
2.3.1 Stakeholder management.....	12
2.3.2 Social Performance Management (SPM).....	12
2.3.3 Competitive advantage.....	12
2.3.4 Market share.....	13
2.3.5 Corporate Social Responsibility.....	13
2.4 Empirical Review.....	14
2.4.1 International Studies.....	14
2.4.2 Local Studies.....	15

2.5 Summary of Literature Review.....	17
CHAPTER THREE: RESEARCH METHODOLOGY.....	18
3.1 Introduction.....	18
3.2 Research design.....	18
3.3 Population.....	18
3.4 Data Collection.....	18
3.5 Data analysis.....	19
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION.....	20
4.1 Introduction.....	20
4.2 Profile of Respondents.....	20
4.2.1 Response Rate.....	20
4.2.2 Age of the respondents.....	21
4.2.3 Classification of respondents in this research by gender.....	22
4.2.4 Response as per department.....	22
4.2.5 Years served in the SACCO.....	23
4.3 Impact of CSR practises on SACCO performance.....	23
4.3.1 Influence of CSR on SACCO Profitability.....	24
4.3.2 Influence of CSR on company image.....	25
4.3.3 Influence of CSR on Customer satisfaction.....	26
4.3.4 Influence of CSR on Employee satisfaction.....	27
4.4 CSR as a source of growth.....	27
4.4.1 Assessment of CSR measures and extent of their use in SACCOs.....	28
4.4.2 Importance of CSR in relation to growth factors such as Quality, Value, Cost and Expansion.....	29
4.4.3 An assessment of the use of strategic choices in the market by SACCOs for growth purposes.....	29
4.5 Discussion.....	30
4.6 Summary of the Chapter.....	32
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	33
5.1 Introduction.....	33

5.2 Summary of Findings.....	33
5.3 Conclusion.....	33
5.4 Recommendations.....	34
5.5 Limitations of the Study.....	34
5.6 Areas for Further Research.....	35
REFERENCES	36
APPENDICES	41
Appendix One: Questionnaire.....	41
Appendix Two: List of SACCOs in Kasarani.....	47
Appendix Three: Map of Kasarani constituency.....	49

LIST OF FIGURES

Figure 4.1 Response rate.....	22
Figure 4.2 Gender of the respondents.....	23
Figure 4.3 Growth factors.....	30

LIST OF TABLES

Table 4.1 Age of respondents.....	22
Table 4.2 Response rate by department.....	23
Table 4.3 Years of employment.....	24
Table 4.4 CSR effect on profitability.....	25
Table 4.5 CSR effect on the company image.....	26
Table 4.6 CSR effect on customer satisfaction.....	27
Table 4.7 CSR effect on employee satisfaction.....	28
Table 4.8 Assessment of CSR measures on growth.....	29
Table 4.9 Strategic choices in response to changes in the market.....	31

ABBREVIATIONS AND ACRONYMS

CSR	Corporate Social Responsibility
I-CSR	Internal Corporate Social Responsibility
ATM	Automated Teller Machine
SPM	Social Performance Management
SACCO	Savings and Credit Cooperative Organization
EFQM	European Foundation of Quality Management
ISCT	Integrative Societal Concept Theory
GDP	Gross Domestic Product
MP	Member of Parliament
SASSRA	SACCO societies regulatory authority

ABSTRACT

Corporate Social Responsibility (CSR) is achieving significant visibility in Kenya as organisations are recognizing the vital role it plays on their performance. This is so especially with the large corporations who are using it as a strategic positioning tool and have continued to reap massive profits from positive market perception due to CSR. Whereas CSR is taken to have positive effects on growth, those opposed to it argue that CSR involves carrying out a set of actions which are potentially cost ineffective. Whereas studies on effect of CSR on growth are rigorous and demanding, the findings were contradicting, concentrating on banks and leaving SACCOs out. This study sought to assess CSR in relation to growth of SACCOs in Kasarani constituency. The researcher used descriptive survey research design with data being obtained from primary and secondary sources. The data found was analysed using frequencies, percentages and mean scores with figures and tables being used to show the relationship between the dependent and independent variables. The study found out that CSR has a huge impact on an organization's profitability, customer satisfaction, employee satisfaction and overall image this translating to consistent and sustainable growth. The survey therefore recommends that businesses should embrace CSR in their operations and allocate a budget for operationalization of CSR activities in the long run so that they can realize steady growth.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strong CSR agenda is a prospect for corporations to display their decent organizational obligations and safeguard it from huge risk by looking at the entire social and environmental breath around the enterprise. According to Pirsch, Gupta and Grau (2007) in their study on CSR, they argue that it is simply a technique or tactic for establishments to take control for the social and environmental bearings of their organizational set-ups. Various disciplines occur with regard to the reason following a firm's CSR systems, the global first and perhaps the most widely accepted one notes that CSR routines as a means of enriching customer benefaction (Pirsch, Gupta & Grau 2007).

The global importance of CSR has also identified the three main reasons why CSR is important to firms since it provides social, environmental and economic gains to the society which can promote the business. The CSR report has assumed a global attention today, the outstanding agenda currently is on what comprises CSR, who are the organizations stakeholders and which are the sections of the public that benefit from a firms' CSR endeavour (Maignan & Ferrell, 2004). In Kenya today, social and environmental concerns means monetary considerations for corporations, CSR today is not seen as just a controlling or unrestricted liability but an asset that translates into monetary proceeds. Today, an unexpected number of firms already view CSR as a program for development and progression. The model of CSR incorporates many partners including owners.

There are several theories which were identified explaining the concept of CSR and they include corporate constitutionalism theory, Integrative social contract theory and Instrumental theory. The term SACCO refers to Savings and Credit Cooperative Organization, they are possessed, controlled by stakeholders and have similar concerns. Membership is open to all irrespective of any physical differences or religion. SACCO membership refers to someone admitted after registration as per the SACCOs regulations.

At present, SACCOs are vital divisions of the Kenyan government's economic plans implemented to enhance profit making operations. In the rural areas, SACCOs have been recognised by the authorities as an important venture for the mobilisation of finances for progression in these particular regions where most of the citizens earn their living primarily from farming. Although the SACCO effort in Kenya was agriculturally oriented at the time, a recent diversification of SACCOs has taken place notably in saving and credits. Now, the co-operative undertaking contributes to largely over 45% of the GDP of Kenya, with most citizens deriving their income from a SACCO. The SACCO drive has now diversified by providing loans for sectors such as housing, land, education and agriculture, steeply replacing the roles of banks or even micro-finance institutions. Mwalimu National one of Kenya's largest SACCOs advocates that the co-operative brings a replica of finance. Saving credit cooperative societies being businesses that operate in the financial sector and non-financial sector of the economy require CSR for them to grow and to contribute to the overall social economic wellbeing in the environment where they operate. Increasing evidence is emerging that environmental and social responsibility facilitates industry growth and makes impressive business sense.

1.1.1 Corporate Social Responsibility (CSR)

CSR is important to organizations entirely in every sector of the economy, companies engage in CSR for various reasons which are beneficial including boosting corporate image, increasing revenues, employee retention and customer satisfaction.

CSR denotes the policies which firms handle in business in a manner that is moral and fitting, humanity friendly and beneficial to the community in terms of growth (Maimunah 2013). Wood and Lodgson (2002) found out there has been an alteration in language from the communal obligation of CSR operations. Moreover, this area of business has developed considerably and today involves a wide spectrum of techniques, approaches plus languages. Investor management, business culpability are some of the terminologies referring to a phenomena related to CSR, a reflection of the historical development of CSR and some alternatives such as corporate nationality and generosity in which the Kenyan setting the operationalization of CSR is beginning, hence CSR still remains a misconstrued idea, several CSR functions which

locate its context in terms of Kenyan political and social cultural connection examines CSR at all levels, then it discusses some hindrances to a vibrant CSR program.

1.1.2 Business growth

Business growth is a terminology used to refer to the juncture whereby industries seek expansion and additional openings to generate more revenues and profit. Gross (1968) found out that organizations should see the heart of the corporate lifecycle, industry success trends, and the wish for value creation as growth, profit is the major factor in the minds of most people if you want your establishment to persist and be progressive into the future.

Levine (1993) found out that corporate prosperity can be realized by improving and enhancing the proceeds of the venture, Growth also involves expanding a firm's offerings and its target markets.

Arvanitis and Wörter (2013) observed that CSR and growth has invaded establishments as an innovative way of enhancing its connection with the society, and hence deliberating on the connection observed earlier between humanity and growth. CSR can be viewed as a growth tactic and a mature concept that has been in operation for more than half a century with its discussion dating back to the 1950s and has since continued to mature in significance to organizations (Carroll & Shabana, 2010). Usually companies start small because of limited knowledge of the market, insufficient capital and lack of skilled labor. It is expected that as the owner gains more skills, knowledge and acquire additional finances, the volume of business activities will increase.

Theorists have shown that behavioral traits are a significant impact to business people's desire to grow their trade. In explaining the configuration of corporations' enlargement, many theories rely on the life-cycle approach just as humans go through stages of physiological and psychological change from infancy to adulthood businesses also progress in predictable ways and face same challenges in their growth (Bhide, 2003). It is proposed that businesses pass through infancy, growth, maturity and then there is neither an agreement on the stages nor on how they are connected, the proposition that all businesses follow the same set of arrangement is not at all supported by observable evidence. Largely the main issue is that companies are

started at one point and they need to be nurtured and managed to grow bigger and bigger.

1.1.3 Savings and Credit Cooperative Organizations (SACCOS)

A SACCO is a venture whose major aim is to combine funds for the shareholders and then provide them with credit offerings. The main role of SACCOs is to advance the financial interests of its members. A SACCO is a self-sufficient fraternity of people unified willingly in order to realize their shared interests. Verma (2004) found out that SASSRA has 5,000 registered SACCOs out of a sum of 12,000 registered cooperative movements in Kenya. All these SACCOs operations have been able to marshal over 170 billion shillings and given credit of up to Ksh 120billion, of the 5,000 SACCOs 200 have gone into Front Office Service Activities (FOSA). According to the Ministry of Cooperatives in Kenya (2010), society movements were first registered in Kenya as a saving licensee in 1964 with the role of assembling savings from their clientele. It was until 1969 that the administration promoted the listing of SACCOs to mobilize savings and give credit to the employed population who had the same interests. In Kenya deposits from customers are equivalent to Ksh 170 billion and have given loans of about Ksh 120 billion. 200 SACCOs registered with FOSA have expanded into specialized roles like banking which include taking deposits, facilities saving, processing debit cards, and money transfer locally and internationally.

In the year 2009, the Ministry of Cooperative Development realized the need to have a regulator for the SACCOs which led into the Sacco Societies Act 2010 giving rise to SASRA. It has the mandate of, licensing SACCOs, deposit taking activities, normalizing and handling deposits, managing the deposit security money, and advising the minister. The policy duty of the Kenyan cooperative association is to stimulate sustainable economic progress by concentrating on the realisation of desired outcomes through reinforcing the movement, enhancing association, corporate authority, access to markets and marketing productivity. The enterprises have a massive capacity to provide offerings in the long-term and short-term (Verma 2004). The SACCOs are exemplary in various sectors of the economy for example manufacturing, healthcare and housing and are structured on a shareholder basis formed by particular members. (Bibby & Shaw 2005). SACCOs locally are among the primary sources of loans for economic progress (Alila & Hansel, 1990).

SACCOs in Kenya were launched in 1908 and their members were mainly colonialists, the major parts of the strategic plan aimed at coming up with money making ventures mainly in the countryside setting. The SACCO drive is distinguished as an important establishment for organizing financial assets for involvement mainly in the countryside where most people live, drawing their income primarily from farming. In Kenya, the SACCO industry is considered as one of the well-known bodies of the cooperative sector. This sector has created a long-term impact on the livelihood of many Kenyans with low incomes over the years.

In Kenya SACCOs are classified as the financial and non-financial cooperatives, the financial co-ops comprise of livestock, tea, and coffee. Huppi & Feder (1990) found out that SASSRA is a legal body created in 2009 according to the societies Act, and has played an important duty in giving licenses, controlling, and overseeing deposits from clients. It is a semi-independent administrative Agency in the Ministry of Industrialization created under the SACCO Societies Act 2008 and was unveiled in 2009 with the main role being to authorize and supervise Deposit Taking Societies in Kenya. The creation of SASRA falls within the regime of Kenya's reform practise in the commercial section which has the primary objectives of safeguarding the benefits of SACCO members and ensuring that there is assurance in the public on the SACCO sector and enhancing Kenya's economic advancement through the mobilization of savings. A SACCO is a type of financial organization offering services that have a primary effort of collection of funds and the providing of decent loans. One of the beneficial aspects that Kenyans enjoy from SACCO's operation is that these organizations promote saving among the customers from where they can borrow at reasonable basis decided by themselves in the collective order and by the directors. The other types of monetary amenities in SACCOs involve mobile money transfer, storage of valuable items and ATMs.

Patrick (1966) found out that SACCOs have recently grown from being financial institutions in the countryside to cooperatives that are well structured with huge member savings. Cooperatives have taken an imperative responsibility of improving livelihoods of the populace through financial involvement. They are flourishing because of vibrant economic development opportunities like a youthful society and good legislation, enabling the recruitment of clientele to SACCOs.

The vision of the Kenya government recognizes the significance of SACCO societies as imperative actors in escalating monetary availability to organize money for businesses and individual success. The success of SACCOs shows how imperative they are in harnessing decent monetary services to the public irrespective of Kenya's financial position, SACCOs in the country made the uptake of loans easier and at the same time mobilizing of funds, indicating the need for appreciation of the duty they perform locally.

1.1.4 SACCOs in Nairobi County

There are several SACCOs in Nairobi county where anyone can get the required financial assistance they need and the help from the most dependable and reliable ones. There are several categories of SACCOs including, Diaspora SACCOs, Youth SACCOs, Matatu SACCOs, Housing SACCOs and Education SACCOs. The public transport sector is among the sectors that have created SACCOs for effective business operations which was made mandatory for all those public transporters who want to get the Transport Licensing Board Certification of Members. It enables them to become registered members of the Matatu SACCOs in Kenya. Currently there are 1000 Matatu SACCOs and 400 registered members listed here of which Matatu operators constitute 80% of the transport system in Nairobi. Some of the Matatu SACCOS in Nairobi include the following, Kinjunje Gordon SACCO, Nairobi 12c Transport SACCO, Nairobi Baba Dogo 25 Travelers SACCO, Nairobi Nawasuku SACCO among others.

1.1.5 SACCOs in Kasarani Constituency

Kasarani Constituency is an area within Kenya found in Nairobi County and is one of seventeen electoral areas of Nairobi. Kasarani is located along the Thika Road roughly 16 kilometres by road, northeast of Nairobi city. The neighbouring areas are Juja Constituency in Kiambu County, Mathare, Roysambu, and Westlands among others. Kasarani is home to the United States International University Africa and Pan African Christian Universities. The electoral area was initially called Nairobi Northeast Constituency after the 1963 general elections and as Mathare after the 1974 elections and 1994. Since then, it has been referred to as Kasarani constituency and it has some SACCOs operating there including but not limited to Afya SACCO,

Airport SACCO, Ardhi SACCO a full list of SACCOs in Kasarani is in the appendix section.

1.2 Research Problem

CSR is important to all organizations because it has tangible benefits and eventually enhances growth of those companies which engage in it, establishments globally have an effect on people and the atmosphere through their work and business which they contribute through interaction with major players (Fox, Mumo & Kavwanga, 2005).

Moore and Spence (2006) points to a good association between CSR and industry growth, however businesses should be run in a manner that the populace doesn't feel they aren't recognised as it attempts to increase its revenues (Hetherington, 1973). In a reasonable market, buyers identify themselves with offerings from the company according to the way they perceive such institutions in becoming responsible and their good perceptions from their clientele (Marcia & Hassan, 2013).

Kitzmuelery and Shimshack(2012) found that globally, organizations should capitalize on CSR to maximise their revenues whereas the not for profit companies could use CSR to meet the ever-changing needs of their shareholders. CSR has had various impacts on the growth of the SACCO industry in Kasarani, however the degree and extent of the effect has not yet been unearthed and it remains largely unclear. The major outcome from reports is that CSR is imperative in realizing the client and public appreciation, research has indicated that there is a connection amongst CSR and company success.

The link among CSR and SACCO industry progress is distinct if the mechanisms of CSR agenda in an establishment are clearly detected (Gathungu and Ratemo 2013), this examination does not reveal how a firm's growth would be enhanced according to money spent on CSR therefore, these findings do not disclose the effects that CSR has on SACCO growth therefore there is a knowledge gap. This study therefore is aimed at filling this gap by examining the extent of growth in business as far as SACCOs conduct CSR in Kasarani.

Previous studies have been done in relation to CSR in growth of organizations such as Kaufmann (2012), the Bucharest Academy of Economic Studies looked at the issue of assessibility of the influence of CSR on business success, he began with outlining the

newer tendencies of measuring corporate success, disclosing that one can see a change from the traditional analysis with particular concentration on pointers like shareholder value, revenue and market share considering indicators, such as employee and buyer satisfaction that lead to the long-term achievement of an enterprise. This method is indicated according to the European Foundation of Quality Management (EFQM) formula. The research proceeds to point out a scope of latest movements in the area of CSR and additionally it provides a potential way to determine its sway on business execution on the grounds of the stakeholder idea it actually mirrors the findings from an investigation demonstrated at the Berlin International Economics Congress, 2012.

Thuo (2015) wanted to examine the effects of CSR on financial accomplishment of manufacturing companies in Kenya, this descriptive and inferential statistics analysis was conducted by the use of secondary information. The data was collected using designed data collection instrument and analysis of the financial statements of manufacturing companies in Kenya whereby the study targeted 68 manufacturing companies, the results of the study showed that CSR had little impact on the monetary performance compared to the total assets which had significant effects on financial performance, the study also showed that participation in CSR was on a voluntary basis and it aimed at improving the social welfare of the community.

The study concluded that many manufacturing companies in Kenya do participate in CSR activities and the key recommendations are that manufacturing companies in the Kenya association of manufacturers should engage in CSR activities because it will increase their customer base especially those regarded as small and medium size manufacturing companies, the study suggests further research to be carried out on the impacts that CSR has on financial performance of manufacturing companies but in small and medium size companies in Kenya.

Mutuku (2015) whose study was to assess the outcome of CSR programs on organizations' commercial progress in Kenya and the rationale of this research was to help both private and public businesses to know the need for instituting CSR for the achievement of an edge and good progress, the study used descriptive plan and the target was eleven Chief Finance Officers of Kenyan commercial banks.

The study realized that CSR has a clear role in organizations financial success and recommended that the banks should have a well-thought out and robust CSR approach in order to improve brand and corporate image as well as escalate efficiency, minimize the risk of performance challenges, and open up new opportunities propelling innovation. This study was guided by the research question; what is the role of CSR in relation to growth of SACCOs in Kasarani constituency.

1.3 Research Objective

The objective of this study was to assess corporate social responsibility in relation to growth of savings and credit cooperative organizations in Kasarani constituency, Nairobi.

1.4 Value of the Study

This research aimed at helping SACCO managers to identify functional areas where there are loopholes that need to be worked on to improve their image and give back to the society while recording massive profits in the long run.

This research was important to investors in that it provides information that it will enable them realize their business goals and promote the wellbeing of SACCOs and the public. The government agencies will use the research recommendations of this study to enhance their administration function and maximize revenues because if CSR is effectively enhanced, it will enable companies to expand and the government will collect more money in taxes and licence fees.

The study will help policy makers in highlighting the benefits of CSR in order to help boost businesspeople in realizing what they stand to gain by setting up businesses in Kasarani Sub County. Business growth was also another important area that was looked into in this research, and it is very clear from the analysis that CSR promotes growth of SACCOs and other businesses that engage in it. The material evidence from the research will enable policy makers in the financial sector to understand the significance of good policies that relate to small and big enterprises and then come up with strategies to create a robust business environment.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this segment, there is an assessment from different authors on the effect of CSR on growth with emphasis on SACCO business in Kasarani constituency in Nairobi County. The chapter therefore presents opinions on the concepts by various authors based on the research objective. The evaluation is based on published research papers, library books, published journals, articles from the internet and other material.

2.2 Theoretical Literature Review

In this part, the researcher discussed the different theoretical reviews that relate to corporate social responsibility. Various academics have come up with theories related to effects of CSR that includes, corporate constitutionalism theory, integrative social contract theory and instrumental theory.

2.2.1 Corporate Constitutionalism Theory

The supremacy that corporations have in the business environment and the public impact they can have presents the trade influence as a new component in the discussion of CSR. According to this realization, a venture is an entity that must utilize its supremacy in a decent way (Davis, 1960).

Victor Nalle (2015) found out that the 21st century is the period of the creation of CSR, it is encouraged by the growth of the business and societal entities that balances public and private interests. If there is a stability of public and private interests in the organization, the function of CSR should be able to include public importance. But many companies do not involve the populace in the formulation of CSR implementation formula. This resulted in the roll out of CSR which is often not effectively informed. In that scenario, the theory of corporate constitutionalism becomes the pertinent tool to answer these challenges. The theory of corporate constitutionalism puts CSR discussion as one of the values to achieve the legality of decision-making. Through a process of negotiation of CSR models with the people, not just the interests of owners that can be embraced but also the interests of

stakeholders. Thus, CSR can actually be contributory in the international and domestic problems (Nalle, 2015).

The concept that corporations don't have the mindset of the private entities, community and the environment, therefore is necessary for corporations to have a mindset like that of public institutions. In this case the theory of corporate constitutionalism is useful to help in developing the context of good governance in businesses. This theory displaces corporate law theory and links of contracts by re-defining the company in decision making. Within this context, companies should facilitate the decision-making and make sure that managers are held into account and that their decisions are exposed to debate and are deliberated by all members. The discussion does not dislodge shareholder prominence but instead it calls for shareholders to be active in organizations not only as members but also as owners.

2.2.2 Integrative Social Contract Theory

ITSC depicts the link between an organization and the public from a social agreement angle and from the ethical perspective (Donaldson 1982). It is assumed that there exists a perfect relationship between a corporation and the public; ISCT integrates two different types of contracts, a macro social contract among economic players and a political economy. The second micro social contract exists in a hidden contract that happens among citizens of certain communities, businesses, departments in corporations, and informal subgroups in departments. The first agreement outlines the normative debate and opinion for forming the second type of agreement.

Donaldson and Dunfee (1995) found out that by putting into use the theory's concept, the Integrative Social Contracts theory attempts to bring together decisions along the cultural perspective by raising up an encrusted system of social contracts. Donaldson and Dunfee (1995) found out that a beginning of economic integrity defines good behaviour through an imaginary social contract highlighting the moral perception of economic arrangements and structures.

2.2.3 Instrumental Theory

A business venture is viewed as a cash cow and its operations are only a means to profitability (Garriga & Mele 2004). Hinckfuss (1975) found out that instrumentalism is the conviction that good models are things that can be seen and are at best merely

instruments for coming out with new truths from ones that are already known. They are not to be perceived as true, but are useful in the calculation of costs that can be seen. Pragmatism is a different principle that if there is no known lies among the sound components of some theories conjoined with any set of known intention, then that theory and all its insinuations are to be taken seriously.

2.3 Determinants of Growth and Development

This sub-division discusses the causes of growth in businesses that include; Stakeholder management, social performance, competitive advantage and market share.

2.3.1 Stakeholder management

Stakeholder management is the structured identification, examination, strategizing, planning and implementation of actions meant to deal with all stakeholders (Gartner 1996). Stakeholders' means groups with concerns in the business, programme or operations because it's part of their livelihood and are impacted by the results. Gartner (1996) found that inadequate involvement of stakeholders and intermittent interaction with benefactors as the main reasons of business downfall.

2.3.2 Social Performance Management (SPM)

The doctrines and structures for social performance and the expressed social performance are a company's arrangement of values of CSR, developments of activities and results that can be seen as they transmit to the firms' societal associations (Wood, 1991).

SPM describes the structures that firms apply to realize their specified social objectives and put clients in the apex of tactics and work. Social performance in an organization context refers to its robustness in realizing its specific social objectives and bringing on board value addition in its offerings. If a company has strong SPM habits, it's highly possible to realize social performance.

2.3.3 Competitive advantage

Competitive advantages are situations allowing a business to produce goods or services of high value at a lower cost to the consumer at a reasonable price. Porter

(1985) found out that competitive advantage develops significantly because of value created for the buyers and surpasses the cost of producing the good or service. Value is what clients are able and keen to purchase, high value comes from offering low prices than competition for the same gains or providing irreplaceable advantages that equalize a higher price (Porter, 1985).

2.3.4 Market share

The term market share refers to the segment of the market or total sales that are realized by an organization in a certain period of time vis a vis the whole market. It is computed by taking the sales over the period for the business and dividing it by the total market sales for the same period of time. Robert, Bradley and Raph (1971) found out that it is now widely viewed that one of the main factor for business profitability is its market share. Under most conditions, businesses that have realized a high share of the market are under normal circumstances more profitable than those with a small share of the overall market.

2.3.5 Corporate Social Responsibility

CSR is aimed at maximizing stakeholder value which is measured by profitability; its activities are also viewed as a strategic goal of accomplishing an edge over competitors, which would produce consistent long-term revenues and profits. CSR refers to an organization's programs that analyse and take concerns on their impact on environment and social good (Galbreath, 2010). The concept largely refers and relates to the efforts made by a firm that go beyond what is expected of them by shareholders and investors where they invest in projects that benefit the society. CSR is measured by assessing education and leadership development programs, financial literacy and inclusion, environmental conservation, and agricultural support projects undertaken by corporations.

CSR is applied in order to realise a competitive advantage by participating in activities meant to give back to the society, identifying organizational resources and capabilities and through new ideas, a means of attending to the low income and less endowed members of the society's is also viewed from a marketing dimension in which, it is the method of coming up with awareness plans and employing those plans in operations that involves a proposition from the company to raise financial resources

to a certain cause when customers are involved in purchase deals meant to satisfy business and clients goals (Okwoma,2012).

2.4 Empirical Review

This segment describes an evaluation of local and global observed studies on the impact of CSR on growth and how several surveys were done by different researchers and how they eventually concluded on the same objective, those studies are important in reviewing the possible gap in research regarding assessing CSR in relation to growth and they provide necessary information to SACCO managers related to management.

2.4.1 International Studies

This project dealt with matters on how conglomerates in Africa advance organizational growth in their CSR structures, using industries in Cameroon it studied economic, social, and environmental components of growth and CSR. Corporations continue to enforce technology on their effective operations (Oyewole, Oginni & Omojowo 2016).

Outcomes showed that industries in Cameroon highlight environmental and social dimensions over economic perspective. Some large businesses layout a structured CSR that advances long-term business systems, while smaller ones don't. Industries in Cameroon layout environmental aspects of CSR as a safer option and a social dimension as giving out. Evidence is lacking that industries advance sustainable development via CSR in Cameroon therefore application of sustainable business structures is a condition for advancing sustainable progression via CSR. Organizations should see the strong value in using a vibrant organization structure that helps in adapting to the complicated and rapidly dynamic environment.

Pohle and Hittner (2008) found out that history has allowed governments to determine most of the connection between the public and businesses, and in its most simple form, CSR can be seen as complying with the legislation set by the government. Control can have huge social value hence companies look at complying as a liability of operating and in terms of enhancing their corporate image. Conglomerates have gone global either by going into new markets and selling their offerings or by cooperating with new foreign partners, the costs of complying have increased

tremendously. Failure to obey by local and global laws can destroy their corporate image but compliance alone won't create brand visibility.

Cavazotte, Chang (2016) found out that the connection between CSR and the monetary advancement of organizations has brought about impressive outcomes. Businesses in diverse fields can promote divergent results, in this analysis the focus was on internal corporate social responsibility (I-CSR) meaning investing on workers. The rationale of this study was to find out if expenditure on I-CSR affects company success. They examined financial report from organizations listed in the São Paulo Stock Exchange, and their balance sheets filled with the Brazilian Institute of Social and Economic Analysis between 2001 and 2007, the findings revealed that CSR was linked with revenue and profitability, two years after the financing. Investments in health, pension, employee training and profitability all had positive effects on sales.

2.4.2 Local Studies

A local study was done which provides an examination of the connection amongst financial investment in CSR and rapid growth of local banks in Nairobi County-Kenya (Nixon, Hellen and Kennedy 2014). The study revealed that 11.0% of banks' sustained growth that can be attributed to investment in CSR activities. This reveals that there exists a positive connection between investment in CSR and banks increased growth. It was apparent from the study that the banks owners can invest in CSR to create grounds for improving the brand and social insurance.

Seidu (2014) found out in his studies that the concept of CSR over the past years has developed in its worth. There has been wide ranging conversations from researchers and development professionals who view CSR as an area with the capability of lowering poverty levels and improving sustainable development in Africa. This study seeks to investigate how responsible businesses are practiced by foreign Short and Medium Enterprises in the Kenyan agribusiness and how their operations spur development here in Kenya. The research findings showed that foreign entrepreneurs are involved in decent trade operations in diverse ways and they have a substantial influence in local business growth in the environment where they operate. These decent trade routines were modelled around the employee's welfare, local community participation, protecting the environment and customer and suppliers relationship with the company.

Kipruto (2013) examined the effect of CSR on monetary progress of commercial banks in Kenya and he found that performance was gauged by the use of profits before taxes extracted from reviewed accounts of income. For clarity reasons, net profits before taxes were chosen since some commercial banks had taken outlays on CSR exempted from taxes while others had not. Business was computed by taking into account the credit to clients, investment in treasury bonds and government sureties, buying shares for selling reasons and investment in firms. CSR was quantified using expenditure on social activities. Institutions which didn't involve themselves in CSR activities or that had not kept figures regarding CSR were excluded.

In another study Bosibori (2014) wanted to find out the impact of CSR programs on Equity bank's daily operations. Based on that study the findings were positive in that CSR programs offered by Equity Bank have a huge impact on the growth of the organization. The study therefore recommends the inclusion of CSR in its strategies aimed at spurring the banks revenue growth.

2.5 Summary of Literature Review

Taking into consideration the literature review, there is a connection between CSR and growth and it could be positive or negative. And in order to accomplish shareholders' expectations, every organization should improve its CSR always; the social economic welfare should also be improved according the literature reviewed. However, the question regarding what comes before the other between corporate social performance and organizations performance arose. Practical experience shows that the effect of CSR on development is both positive and negative and in that context some studies are convincing. There is an elaborate conversation regarding the validity and value of being a socially and environmentally sensible and mature venture. There are divergent opinions regarding the functions of a company in public whether revenue and profit making should be the primary responsibility of a company. Majority of the studies have identified some gains being difficult to calculate. Various academics have come up with theories to explain the importance of CSR, Corporate constitutionalism theory states that there is power between a business and society and that a company must use the power responsibly. Integrative social contract theory says that there is a relationship between the business and society, while the Instrumental theory focuses on wealth creation. However, researchers have focused their attention on big organizations mostly banks, leaving SACCOs outside the whole picture.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents an assessment from different authors on CSR and growth of business emphasizing on SACCOs based in Kasarani constituency, Nairobi County. The chapter therefore provides arguments on the concepts by various authors based on the research objective. The review is based on published research papers, library books, published journals, articles from the internet and other material.

3.2 Research design

Research design can be defined as the coordinated plan of scrutiny used to conduct the study in order to answer the questions how much, what, which, who and how to achieve the main objectives of the analysis, research design is a plan for the procedure to be used to gather and scrutinize the data of an examination, in (2003) states that descriptive design is organised to examine a number of logical subunits or unit of analysis within organizations and it has the ability to generate answers to questions.

Cooper and Schindler (2006) states that research design examines the reason and rationale behind the investigation method used, format, techniques or the research instruments, it is a description used by the researcher to guide a research. The study used descriptive design which is a formula which describes the behaviour of a subject without manipulating it.

3.3 Population

A Population can be referred to as all participants of a target group that a researcher aims at studying or collecting information from for statistics driven decisions. A target population is an association of people to which a scholar wants to derive the study outcomes (Mugenda & Mugenda 1999). There are 37 SACCOs in Kasarani constituency (appendix 3).

3.4 Data Collection

The study employed structured questionnaires in collecting data. The respondents basically comprised marketing officers, sales officers and finance department employees. Questionnaires were used to investigate the views of various SACCOs and how they involve CSR in project operations at the management level or at the

different stages of the whole operation plus what the roles of SACCOs in CSR and why they are given those responsibilities. The questions were directed to informants deemed to be conversant with certain issues, hence available and in a position to give data required. These are SACCO employees who apparently have enough knowledge on the respective SACCO, this enabled collect fair and impartial data based on the subject of the research.

The questionnaire was divided into sections A, B, C and D. Section A was Demographic information, section B was establishing CSR practises used by SACCOs, section C describing the challenges of CSR practises faced by SACCOs and section D was establishing the role of CSR as a source of growth in SACCOs.

3.5 Data analysis

Data analysis is the procedure of analytically applying statistical and logical techniques to illustrate, condense and evaluate data, the completed questionnaires were edited for completeness and coded to enable the outcome to be classified into different classes.

Data collected was checked for accuracy and errors committed, clarity and legibility of all questions was established and questions with indefinable or unclear responses removed. For the unstructured type of questions in the questionnaire, all responses given for each question was recorded, compiled and then discussed along the main objective areas of the study. Data analysis was enhanced by the use of descriptive statistics including percentages, frequencies and means scores then presented in frequency distribution tables and figures.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to assess CSR in relation to the growth of SACCOs in Kasarani constituency Nairobi County. This chapter displays the analysis, findings and the discussion with regard to the objective. This study is designed to achieve two main purposes namely, first to find out whether CSR practices have an impact on SACCOs performance and secondly to establish the role of CSR as a source of growth in SACCOs, the presentation of this chapter is on the following topics, profile of the respondents, impact of CSR on SACCO's performance and finally CSR as a source of growth.

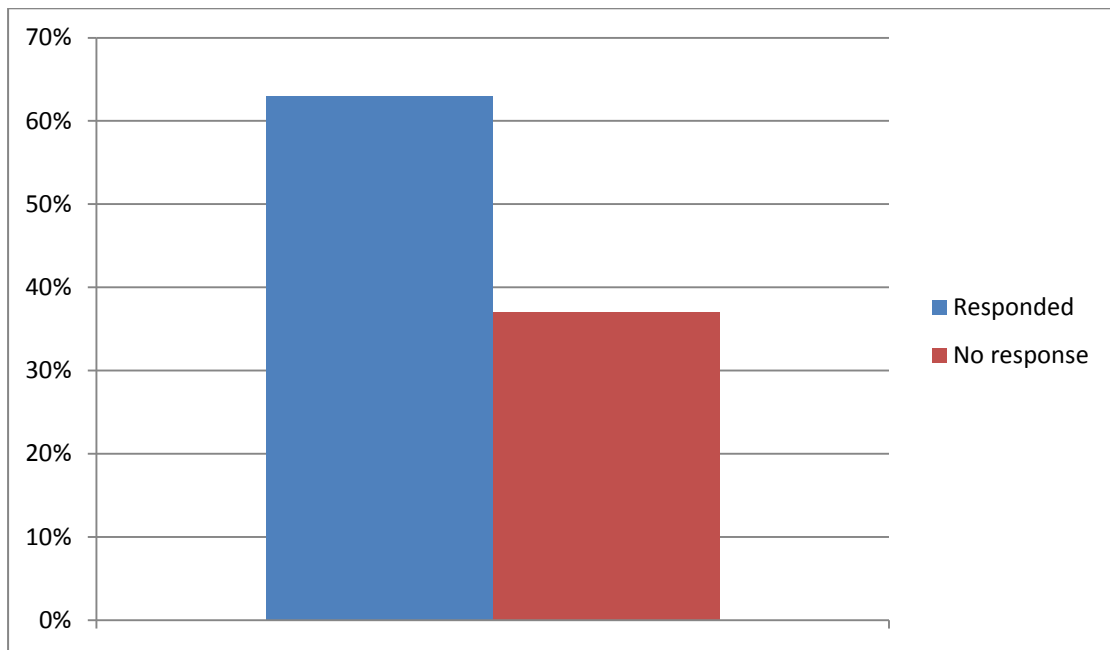
4.2 Profile of Respondents

This section presents an analysis of the respondents which shall be discussed as response rate, age of the respondents, gender of the respondents, respondents' rate by departments and the period of time the respondents have served in their respective SACCOs. The researcher found it important to profile the respondents in order to assist in coming up with an accurate analysis.

4.2.1 Response Rate

During the survey, the researcher distributed a total of 69 questionnaires in 37 SACCOs. Out of 69 questionnaires distributed, 44 were completed and returned, this provided a response rate of 63%, Mugenda and Mugenda (2003) indicated a response rate of 50%, 60% or 70% as sufficient for a study and therefore a response rate of 63% was sufficient. Therefore this study sought to assess the objective of CSR in relation to growth of SACCOs in Kasarani Nairobi, and with the response rate of 63%, the results were accurate and effective. The graph below illustrates this adequately.

Figure 4.1 Response rate



4.2.2 Age of the respondents

This table shows the profile of the respondents based on their age.

Table 4.1 Age of the respondents

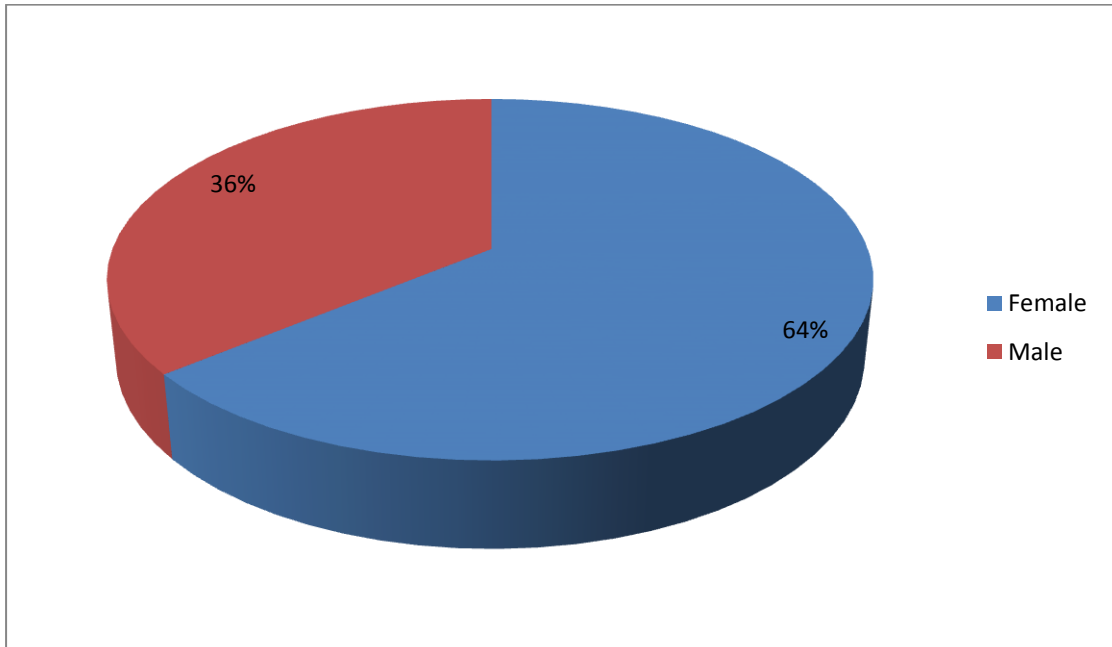
Age of respondents	Frequency	Percentage
20-30 years	3	6.82
31-40 years	21	47.73
41-50 years	11	25
50 years and above	9	20.45
Total	44	100.0

Source: Primary Data

An analysis of the age of respondents indicates that majority of the respondents were between 31-40 years old with 47.73% followed by those with 41-50 years at 25%. Those with 20-30 years had the least number at 6.82%. This study realised that most of the respondents were relatively young and a small percentage were old.

4.2.3 Classification of respondents in this research by gender is indicated clearly on the figure below

Figure 4.2 Gender of the respondents



From the above pie chart the majority of the respondents were female at 64% followed by male gender with 36% of the respondents. The above pie chart helped the researcher to conclude that there were slightly more women involved in this survey than men.

4.2.4 Response as per department

Table 4.2 Response per department

Department	Frequency	Percentage
Marketing	24	54.55
Sales	15	34.09
Finance	5	11.36
Total	44	100.0

Source: Primary Data

The table above clearly indicates that a majority of the responses came from the marketing department at 54.55% followed by sales department with 34.09%.The

researcher found out that in the survey, CSR was mostly carried out by the marketing department as shown by the percentage of respondents.

4.2.5 Years served in the SACCO

In explaining the profile of the respondent, years of working are crucial to this study. The years the employee has worked gave the researcher ample information on the operations of the SACCO.

Table 4.3 Years of employment

Years of working	Frequency	Percentage
Less than 2 years	0	0
3-5 years	12	27.27
6-10 years	17	38.64
10-15 years	9	20.45
Over 15 years	6	13.64
Total	44	100.0

Source: Primary Data

As illustrated by the table above, it is clear that all respondents involved have worked in their SACCOS for a period of over 2 years. The bulk of the respondents have worked for the SACCOS for 6-10 years with 38.64%, followed by those with 3-5 years at 27.27%, the least were those respondents who have worked for over 15 years at 13.64%, this illustrates that SACCOS in Kasarani are well established.

4.3 Impact of CSR practises on SACCO performance

The first objective of this research is to establish the impact of CSR practises on the performance of SACCOS. The following study findings relate to the impact of CSR as observed by the respondents in their respective SACCOS. The researcher wanted to establish CSR effect on these factors-Profitability, Company image, Customer satisfaction and employee satisfaction. These factors are extremely important in the growth of any business and therefore they need to be taken into account.

4.3.1 Influence of CSR on SACCO Profitability

Profits is the returns from a business, it is what remains after you deduct all expenses from the revenue like producing a product, and other expenses related to the conduct of the business activities. It is quantifying the business's capacity to generate revenue in relation to the amount of expenses it encounters.

Table 4.4 CSR effect on Profitability

Description	Frequency	Percentage
Very low	0	0
Low	4	9.09
Moderate	15	34.09
High	19	43.18
Very high	6	13.64
Total	44	100.0

Source: Primary Data

According to the table above, it clearly indicates that profitability was perceived to be highly influenced by CSR since a majority of the respondents suggested that at 43.18% followed by 34.09% who said it's moderate. None of the respondents said it is very low as indicated, therefore this demonstrates that CSR was perceived to have an impact on profitability.

Profitability is the yardstick used to determine the scope of a company's financial performance. The table illustrates the perception of the respondents 'regarding profitability relative to CSR and its key role in growth and progression of a company.

4.3.2 Influence of CSR on company image

Table 4.5 CSR influence on Company image

Description	Frequency	Percentage
Very low	0	0
Low	2	4.55
Moderate	10	22.73
High	13	29.55
Very high	19	43.18
Total	44	100.0

Source: Primary Data

Majority of the respondents indicated that CSR affects Company image and rated it very high at 43.18% followed by those who said its high at 29.55%. However 4.55% of the respondents said CSR has low influence on their company image, forming the lowest percentage. This clearly shows that CSR is important to organizations in any field of operation.

The image of a business is very important as far as its success is concerned, companies according to the study, engage in CSR for publicity and marketing purposes which have a trickle-down effect on revenues and eventually growth, SACCOs have come to the realization that company image is key to their growth prospects as indicated in the study.

4.3.3 Influence of CSR on Customer satisfaction

Table 4.6 Influence of CSR on Customer satisfaction

Description	Frequency	Percentage
Very low	5	11.36
Low	2	4.55
Moderate	11	25.0
High	16	36.36
Very high	10	22.73
Total	44	100

Source: Primary Data

As the table clearly shows, 36.36% of the respondents said that CSR has a high effect on Customer satisfaction followed by 25% who said the effect is Moderate. On the contrary, 4.55% of the respondents said its low, the majority of the respondents 59.09% said CSR enhances customer satisfaction according to the research conducted.

For a business to grow, it has to realize profits through high revenues which then translate to expansion. This study realized that satisfied customers are happy and hence they support the business in its journey to success.

4.3.4 Influence of CSR on Employee satisfaction

Table 4.7 CSR effect on employee satisfaction

Description	Frequency	Percentage
Very low	0	0
Low	5	11.36
Moderate	11	25
High	18	40.91
Very high	10	22.73
Total	44	100

Source: Primary Data

According to the table a majority 40.91% of the respondents said CSR affects employee satisfaction highly while 11.36% indicated that CSR has low influence on employee satisfaction.63.64% of the respondents indicated that CSR a major impact on employee satisfaction. None of the respondents said that CSR does not affect their satisfaction.

Employees are happy when they work for an employer who recognises their efforts at work, CSR has been used as a tool for winning employee satisfaction in the market environment where the company operates hence CSR is key to growth.

4.4 CSR as a source of growth

The study aimed at establishing the extent of use for each of the following strategic choices in response to changes in the market. Providing quality customer service, providing unique services, offering incentives to stakeholders, Introducing new services, Automating service delivery and Promoting service offerings.

The respondents were required to show the extent of use of the strategic choices which they practiced in a five point Likert scale. The scope was ‘very low extent (1)’ to ‘Greater extent’ (5).

The views of very low extent and low extent have been taken to represent a variable with a mean score of 0 to 2.5 on the continuous Likert scale ;($0 \leq S.E < 2.4$). The

views of ‘moderate extent’ were taken to represent a variable with a mean score of 2.5 to 3.4 on the Likert scale: ($2.5 \leq M.E. < 3.4$). Scores of both great extent and greater extent represented a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; ($3.5 \leq G.E. < 5.0$). A standard deviation of >0.9 implies a significant difference on the impact of the variable among respondents.

4.4.1 Assessment of CSR measures and extent of their use in SACCOs

The researcher sought to assess CSR measures employed by firms and the extent with which they are utilized in SACCOs.

Table 4.8 Assessment of CSR measures and extent of their use

CSR measures	Mean score	Standard Deviation
Social concerns	3.868	0.333
Customer satisfaction	3.534	0.518
Philanthropy	3.738	0.826
Environmental concerns	3.45	0.857
Financial performance	3.816	0.668
Overall Mean	3.68	

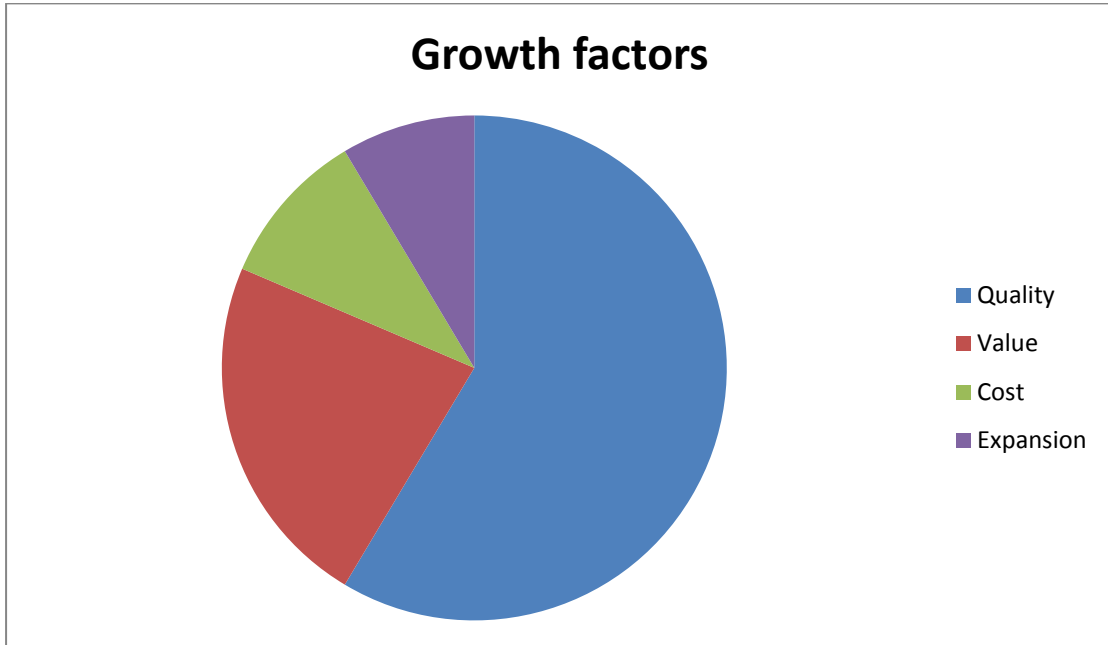
Source: Primary Data

The results indicate that the most popular CSR measure was social concerns with (M=3.868) being also the most agreeable concern with (SD=0.333) followed by financial performance M=3.816 and SD=0.668. However the least popular concern among respondents was environmental concerns with (M=3.45) and (SD=0.857).

A business should regard social concerns very highly in order to grow, the community should benefit directly or indirectly from a company operating around them, this study found other concerns also being imperative in this regard, customer satisfaction, philanthropy, environment and performance also rated highly in this study because they are also widely used to realize growth.

4.4.2 Importance of CSR in relation to growth factors such as Quality, Value, Cost and Expansion

Figure 4.3 Growth factors



From the above figure, the study found out that the most agreeable growth factor among respondents was Quality followed closely by Value. The least agreeable factor to growth was expansion. This means that SACCOs should focus more on providing quality services to their customers as the most important factor to consider in order to grow effectively and efficiently.

4.4.3 An assessment of the use of strategic choices in the market by SACCOs for growth purposes

The study sought to find out to what extent SACCOs use each of the following strategic choices in response to changes in the market. Growth of an organization entirely depends on its management and therefore these initiatives need to be incorporated for them to grow efficiently and effectively.

Table 4.9 Strategic choices in response to changes in the market

Strategic Choices	Mean Score	Standard Deviation
Providing quality customer services.	3.964	0.187297
Providing unique services	3.71	0.847349
Offering incentives to stakeholders	3.624	0.515636
Introducing new services	3.75	0.491579
Automating service delivery	3.798	0.517465
Promoting service offerings	3.786	0.432123
Overall Mean	3.772	

Source: Primary Data

From the above results, the most agreeable strategic choice that SACCOs should adopt is providing quality customer services in response to the changes in the market (M=3.964) and (SD=0.187297), followed by automating service delivery (M=3.798) and SD=0.517465. The least agreeable choice among the respondents is offering incentives to stakeholders (M=3.624) with an SD=0.515636. Therefore it's quite important to provide good customer service because it determines customer perception on the business as a major service provider hence leading to more sales and growth.

4.5 Discussion

The study found that SACCOs were involved in corporate social responsibility activities such as education support, social welfare support, and sport sponsorship. The study revealed that public relations was between the companies and the environment and it was aimed at enhancing their corporate image, whereas corporate social responsibility involved improving the welfare of the community around the organization and also impacting on the life of the community around the organization, some people refer to businesses social responsibility as CSR, whilst others refer to it as corporate ethics (Carroll 1998). Carroll (1998) points out that for a firm to claim to be socially responsible, it

needs to participate in economic, legal, ethical and philanthropic activities. The study revealed that CSR activities had a positive impact on the community as the activities aimed at improving the life of the community members. The interviewees further indicated that CSR activities enhanced the organization's sales volume, it made employees feel part of the society, it made the organization to be socially acceptable and that the activities increased organization awareness to the community and led to more profitable sales through increased market share.

Mwai (2013) found out a positive correlation between CSR and Financial performance in corporates engaging in CSR in partnership with NGOs.

Oyenje (2012) however found an insignificant positive relationship between CSR practices and financial performance. According to Porter and Kramer (2002), many companies are doing much to improve their corporate social responsibility initiatives yet not much significant results are realized, because of two reasons first, they put businesses in competition with the society, when clearly the two are interdependent (Porter and Kramer 2002). Secondly, companies do not engage in CSR in a manner consistent with their individual strategy (Porter and Kramer 2002).

4.6 Summary of the Chapter

This chapter provided the results and findings of the survey which had a response rate of 63% and therefore it was sufficient for the study objective which was to assess CSR in relation to growth of SACCOs in Kasarani constituency Nairobi, the study underscored various CSR practises and performance results, from the study most of the respondents were of the female gender additionally, it was clear that organisations provided community services such as cleaning the environment, supporting children in the communities and funding innovative ideas such as community projects.

Employment experience from employees was evident with top officers cutting across different backgrounds and most respondents had worked in the SACCOs for more than 2 years, this showed that the employees were fully conversant with CSR practises in the SACCO industry and their relation to growth, employee welfare programs such as health and safety were fully embraced by the organisations but less emphasis on environmental preservation practices was identified by the researcher.

Organisations were conscious about the quality of their products only that the products might be perceived to be economically disadvantageous to people in the society, organisational opportunities were seen to increase with time, improved efficiency and effectiveness of processes as well as improvement of customer acquisition index, the researcher found out that SACCOs in Kasarani carried out CSR activities which facilitated their growth trajectory therefore they were worthwhile and cost effective in the long run.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the findings of the study are summarized and discussed relative to the study outcome. The chapter also includes limitations of the study, conclusion and recommendations used for policy, practice and suggestions for further research in CSR.

5.2 Summary of Findings

The study found that all of the interviewees had worked for SACCOs for more than 2 years hence they had the experience and responsibility. The study also found out that CSR is spearheaded mostly by the marketing department that is led by the Marketing manager, who had the role of coordinating with other internal departments and external partners on the implementation of CSR activities of the organizations.

The research study revealed that the implementation of sound CSR activities had a major impact on the company's growth. As this resulted in more revenues, increased sales, improved corporate image, enhanced employee loyalty and attracted better personnel to the firm. However, the respondents indicated that there was low publicity about the companies CSR activities to the public and this could inspire the low market share in some parts of the country. The study also indicated that CSR activities had a positive impact to the local community as the activities aimed at improving the life of the communities and this made the organization to be socially appropriate. The activities enhanced organizational credibility and awareness therefore leading to high revenues and profits.

5.3 Conclusion

The study revealed that effective CSR can be used to enhance organizational growth through increased demand for the organizations products and service offerings. However, this has been to the contrary because CSR activities were not publicized and the larger market is not aware of CSR activities and therefore this study concludes that CSR is imperative for the overall success of SACCOs since it helps to expand and grow alongside improving financial performance, it is a decent initiative for SACCOs to involve themselves in CSR activities as part of their role and set aside a budget towards a social development.

5.4 Recommendations

This study recommends that its imperative for SACCO management to ensure that all the employees at the company are enlightened enough on the importance of CSR since it has become an integral part of business practices. This will supplement and boost the staff with a good comprehension of the issues associated with CSR.

The study recommends on more budgetary allocation to CSR activities because the more it is involved, the more revenues are generated, employees are satisfied, corporate image is enhanced and consequently growth is realized.

This study recommends that effective management of organizational culture, communication, coordination be enhanced to streamline on the effectiveness of CSR in the organization because these are key regulating factors in the setting. The achievement of an effective CSR program if well-articulated will lead to increased market share, high revenues, expansion, and an effective CSR structure as well as brands competitiveness all of which are enough instruments of business competitiveness and growth.

The study also recommends that for effective corporate social responsibility, collaboration and partnership should be adopted as there is no single organization which can operate in isolation hence there is also need to cooperate when dealing with social responsibility for the realization of the intended goals. Some of the CSR initiatives by the organizations have not been realized by majority of its customers and society at large therefore it is recommended that SACCOs develop effective CSR approaches in order to escalate their financial operations. Finally, the researcher recommends that all stakeholders' views should be taken into consideration regarding how much the firm should finance and invest on social courses and the scope of CSR activities to be involved.

5.5 Limitations of the Study

The research study was carried out on SACCOs in Kasarani. Thus, the outcome of the study might not be representative of the effectiveness of CSR in promoting growth prospects and corporate image in other organizations.

5.6 Areas for Further Research

This study sought to assess CSR in relation to growth of SACCOs. The study recommends an in-depth research to be carried out on the challenges faced by SACCOs in the implementation of Corporate Social Responsibility. Further a study on customer perception on CSR programs implemented by SACCOs is recommended. There is a need to establish whether the CSR initiatives meet their goal and benefit their clients as well as determine their viability. In addition, it's important to prove whether customers use company products due to its CSR initiatives or as a result of product range, quality, affordability or customer service.

REFERENCES

- Agustina, P., & Maimunah, M. (2013). Queering The Construction Of Gender Identity In Chris Columbus.141-152
- Albert, S. P. (2005). Shaw's Republic. *SHAW The Annual of Bernard Shaw Studies*, 25(1), 82-88.
- Alidu, S. (2014). Party Politics and Electoral Malpractice in Ghana's Election 2012. *Journal of Scientific Research and Reports*, 3(11), 1449-1464.
- Alila, H., Corradino, R., & Hansel, W. (1990). Arachidonic acid and its metabolites increase cytosolic free calcium in bovine luteal cells. *Prostaglandins*, 39(5), 481-496.
- Arvanitis, S & Wörter, M., (2013). Firm characteristics and the cyclicalty of R&D investments. *Industrial and Corporate Change*, forthcoming.
- Babin, B. J., Griffin, M., Borges, A., & Boles, J. S. (2013). Negative emotions, value and relationships: Differences between women and men. *Journal of Retailing and Consumer Services*, 20(5), 471-478.
- Bhide (2003)The origin and evolution of new business Oxford:Oxford business press.
- Carmen - Pilar, M. B., Rosa, R. M. & Lisa, G. J. D. (2011). Do the Best European Socially Responsible Companies Perform Better Financially? Unpublished project, University of Barcelona.
- Carroll, C. L., Sekaran, A. K., Lerer, T., & Schramm, C. M. (2003). A Modified Pulmonary Index Score With Predictive Value for Pediatric Asthma Exacerbation.
- Carroll, A. B., & Shabana, K. M., (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*. Blackwell Publishing Ltd and British Academy of Management. Pp 85- 105.
- Carroll, C. (1998). Why Do the Rich Save So Much
- Cassell, E. A., Matijević, E., Mangravite, F. J., Buzzell, T. M., & Blabac, S. B. (1971). Removal of colloidal pollutants by microflotation. *AIChE Journal*, 17(6), 1486-1492.

- Cavazotte, F., & Chang, N. C. (2016). Internal Corporate Social Responsibility and Performance: A Study of Publicly Traded Companies. *BAR - Brazilian Administration Review*, 13(4).
- Chieta, F. O., Okibo, D. W., Ratemo, J. O., Nyamwamu, W. B., & Njeri, G. B. (2014). Effects of Change Management Strategies on Performance in National Examinations in Public Secondary Schools in Kisii County, Kenya. *IOSR Journal of Business and Management*,
- Creswell, J. W. (2009). Application of Mixed-Methods Research Designs to Trauma Research.
- Davis, R. G., & Mellon, W. G. (1960). Majumdar on "Behaviourist Cardinalism". *Economica*, 27(107), 253
- Donaldson, J. A., & Donaldson, T. H. (1982). General Administration. *The Medium-Term Loan Market*, 182-192.
- Donaldson, T., & Dunfee, T. W. (1995). Integrative Social Contracts Theory. *Economics and Philosophy*, 11(01), 85.
- Editorial Board/Publication Information. (2010). *Habitat International*, 34(2), IFC.
- Fengel, D. (1991). Aging and fossilization of wood and its components. *Wood Science and Technology*, 25(3).
- Fox, T., Mumo, K. & Kavwanga, Y. (2005). How can Corporate Social Responsibility Deliver in Africa? Perspectives on corporate responsibility for environment and development.
- Galbreath, J. (2010). Drivers of Corporate Social Responsibility: the role of formal strategic planning and firm culture. *British Journal of Management*. 21(10), 511-525.
- Garriga, E., & Melé, D. (2004). Corporate Social Responsibility Theories: Mapping the Territory. *Journal of Business Ethics*,
- Gartner, H. (1996). *International Journal of Intelligent Control and Systems*, 1(3), 367.
- Gathii, J. T. (n.d.). Introduction. *African Regional Trade Agreements as Legal Regimes*,

- Gathungu, J. M. & Ratemo, N. Z. (2013). An Assessment of the Impact of Corporate Social Responsibility on the Strategic Intent at Standard Chartered Bank Kenya Limited. *International Journal of Education and Research*, 1(5) 1-16.
- Grau, S. L., Garretson, J. A., & Pirsch, J. (2007). Cause-Related Marketing: An Exploratory Study of Campaign Donation Structures Issues. *Journal of Nonprofit & Public Sector Marketing*, 18(2), 69-91.
- Gross, B. (1968). *Organizations and Their Managing*. New York: The Free Press, 454
- Haack, J. R., & Gamba, I. M. (2012). High performance computing with a conservative spectral Boltzmann solver.
- Halvorsen, W. G., & Emborg, U. (1989). Interior Noise Control of the Saab 340 Aircraft. *SAE Technical Paper Series*.
- Hetherington, J. A. C. (1973). *Corporate Social Responsibility Audit: A Management Tool for Survival* ; London; The Foundation for Business Responsibilities.
- Hinckfuss, I. (1975). Introduction. *The Existence of Space and Time*, 1-2.
- Huppi, M G. Feder. (1990). “The role of groups and credit cooperatives in rural lending”. *The World Bank Research Observer*, vol. 5, no. 2: 187-204.
- Hybel, A. R. (2014). Richard Nixon, Henry Kissinger, and the Retreat from Vietnam. *US Foreign Policy Decision-Making from Kennedy to Obama*, 55-93.
- Kaufmann, J., & Kaufmann, P. (2012). On Treating “Accommodative Tendencies”. *Contemporary Psychoanalysis*, 48(2), 273-278.
- Kirui, V. J., Kisang, A. K., & Kiptum, E. K. (2017). Investigating Farmers Participation in Value Added Activities in Rural Kenya: Case of Kapkamak-Kabonon Irrigation Project in Arror Ward, Elgeyo Marakwet County. *Journal of Small Business and Entrepreneurship Development*, 5(2).
- Kitzmueller, M. & Shimshack, J. (2012). Economic Perspectives on Corporate Social Responsibility. *Journal of Economic Literature*, 50(1), 51–84.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30(3), 607-610.
- Levine. 1993. “Finance Entrepreneurship and Growth: Theory and Evidence.” *Journal of Monetary Economics*. 32, 513 - 542.
- Logio, K., Dowdall, G., Babbie, E., & Halley, F. (2008). *Adventures in Criminal Justice Research*

- Lorraine, S. (2009). A Study of Current Practice of Corporate Social Responsibility and an Examination of the Relationship between CSR and Financial Performance using Structural Equation Modeling. Dublin Institute of Technology.
- Maignan, I., & Ferrell, O. C. (2004). Corporate Social Responsibility and Marketing: An Integrative Framework. *Journal of the Academy of Marketing Science*, 32(1), 3-19.
- Majiwa, E. B. (n.d.). Productivity and efficiency of the agricultural sector : Africa with a special focus on rice farming and processing in Kenya
- Marcia M. C., Otgontsetseg, E. & Hassan T. (2013). Corporate Social Responsibility and its Impact on Financial Performance: Investigation of U.S. Commercial Banks. Unpublished research paper, Department of Finance, Bentley University, Waltham, US.
- Margolis, J. D., Elfenbein, H. A. & Walsh, J. P. (2007). Does it pay to be good? A metaanalysis and redirection of research on the relationship between corporate social and financial performance. Working paper, Harvard Business School, Cambridge.
- Marshall, A. (1920). Principles of Economics, (8th ed.). London.
- Matten, D. (2003). Symbolic politics in environmental regulation: corporate strategic responses. *Business Strategy and the Environment*, 12(4), 215-226.
- Moore, G. & Spence, L. (2006). Editorial: Responsibility and Small Business. *Journal of Business Ethics*, 67(3), 219-226
- Mugenda, O. M., Hira, T. K., & Fanslow, A. M. (1990). Assessing the causal relationship among communication, money management practices, satisfaction with financial status, and satisfaction with quality of life. *Lifestyles Family and Economic Issues*, 11(4), 343-360.
- Mutuku, M. N., & Nyaribo, D. W. (2015). Effect of Information Technology on Employee Productivity in Selected Banks in Kenya. *Review of Contemporary Business Research*, 4(1).
- Nalle, V. I. (2015). The Corporate Constitutionalism Approach in formulation of CSR. *indonesia law review*
- Ngiuini, M. (2013). Reducing Biomanufacturing Bottlenecks. *Genetic Engineering & Biotechnology News*, 33(1), 34-35.

- Oginni, O., & Omojowo, A. (2016). Sustainable Development and Corporate Social Responsibility in Sub-Saharan Africa: Evidence from Industries in Cameroon. *Economies*, 4(4), 10.
- Okibo, B. W., & Chepkwei, A. K. (2013). The Role of Corporate Strategy On Compliance With Government Regulations Among Saccos In Kenya. *Journal of Research in Marketing*, 1(3), 79.
- Omolase, O., Agborubere, D., Omolase, B., & Seidu, M. (2014). Job Stressors and Coping Strategies amongst Nigerian Ophthalmologists: an Exploratory Study
- Ong'olo, P. B. (2012). Relationship between Corporate Social Responsibility Practices and Market Share among Supermarkets in Kisumu Town. An unpublished MBA Research project, University of Nairobi.
- Patrick, H.T., (1966), "Financial Development and Economic Growth in Underdeveloped Countries", *Economic Development and Cultural Change*, Vol. XIV, No.2, Jan., pp174 - 89
- Pohle, J. (2008). *Media and Industrial Property Law*, 1455-1524.
- Porter, G., & Porter, G. (2002). Communicating the future.
- Porter, L. (1985). Pres Returns. *Lester Young*, 99-105.
- Republic of Kenya. *The Constitution of Kenya*. Nairobi: Government Printer, 2010.
- Rydon, J., & Davis, S. R. (1960). State Governments. *The Australian Quarterly*, 32(3), 106.
- Schindler, F. (2006). Perspectives on globalization and outsourcing. *IEEE Microwave Magazine*, 7(1), 22-26.
- Sims, G. (2003). Fatigue test methods, problems and standards. *Fatigue in Composites*, 36-62.
- Van Marrewijk, M. (2003). *Journal of Business Ethics*, 44(2), 121-132.
- Verma (2004) *Unions in the 21 Century*.
- Wambui, H. (2014). Topical treatments. *Nursing Standard*, 28(46), 49-49
- Wood, N. (2002). Reflections on Political Theory.
- Zikmund, W.G, Babin, B.J, Carr, J.C. & Griffin, M. (2013) *Business research methods*. Cengage Learning.

APPENDICES

Appendix One: Questionnaire

This questionnaire aims to gather information on the response by your company to establish the critical success factors in corporate social responsibility (CSR). Please provide the information frankly and honestly.

SECTION A: GENERAL INFORMATION

DEMOGRAPHIC INFORMATION

1) What is your gender? (tick one)

Male Female

2) Age (tick one)

20 -30 () 31 -40 () 41- 50 () Above 50 ()

3) What is your academic background

Certificate () diploma () Undergraduate () postgraduate ()

4) What is your position in the organization? (Please tick one)

i. Marketing officer ()

ii. Sales officer ()

iii. Finance officer ()

iv. Other ()

5) How long have you been working in your present capacity?

Less than 3 years () 3 to 5 years () 6 to 7 years () Over 7 years ()

6) How long have you worked for the SACCOs in Kasarani constituency?

Less than 2 years () 6 – 10 years () Over 15years ()

2 – 5 years () 11 – 15 years ()

PART B: ESTABLISH CSR PRACTICES USED BY SACCOs

7) Do you think CSR affects social performance of SACCOs?

Yes [] No [] Not sure []

8) To what extent, in your view does CSR affect stakeholder management of SACCOs?

Very large extent []

Large extent []

Medium extent []

Little extent []

Very little extent []

9) Does your SACCO in Kasarani constituency apply CSR in its marketing activities?

Yes [] No []

10) CSR has an influence on SACCO businesses; Rate them using the racket scale of 1-5 with Very low =1, Low =2, Moderate =3, High =4, Very high =5.

Factors	1	2	3	4	5
Profitability					
Company image					
Customer satisfaction					
Employee retention					

PART C. DESCRIBE THE CHALLENGES OF CSR PRACTICES FACED BY SACCOs

11) To what extent, in your view does the application of CSR affect the following?

1= Least extent 2= Low extent, 3= Neutral, 4= Moderate extent and 5= Great extent.

Factors	1	2	3	4	5
Strategies on Marketing by companies.					
Environmental regulation and protection					

Consumer protection.					
Economic growth of Kasarani					
Monetary policy (Financial policies)					
Value addition practices.					
The entire growth process.					
The success of operations and improved service delivery					
Employee retention.					
Shareholder wealth maximization.					
Efficient and effective service delivery in the private and public sector organizations.					
Profitability of SACCOs and other businesses.					

12) To what extent is the following challenge of CSR practices in Kasarani constituency? Use the following scale: No extent (1), Little extent, (2), Moderate extent (3), Large extent (4) and Very large extent (5)

Statements	1	2	3	4	5
Graft.					
Insufficient funding.					
Lack of goodwill.					
Lack of equipment for service provision.					
Stiff competition.					
Absence of skilled personell.					
Ineffective management.					
Employee turnover.					
Lack of monitoring and evaluation instruments					
Limited record keeping.					
Customer satisfaction mechanisms.					

PART D: ESTABLISH THE ROLE OF CSR AS A SOURCE OF GROWTH IN SACCOs

13) CSR has influenced growth in SACCO businesses in Kasarani constituency your view?

Totally agree [] Agree [] Not agree [] Not sure []

14) How would you describe growth in the SACCO industry in your locality?

Weak competition []

Strong competition []

Very strong competition []

Hyper competition []

15) Who do you consider as your major competitor?

.....

16) To what extent are the following CSR measures used in the organization? Rank by placing a tick in the appropriate place. 1= Least extent 2= Low extent, 3= Neutral, 4= Moderate extent and 5= Great extent

Description	1	2	3	4	5
Philanthropy					
Social concerns					
Customer satisfaction					
Environmental concerns					
Financial performance					

17) How do you rate the following factors when dealing with growth strategies?

Extremely Important 4. Very Important 3. Moderately Important 2. A Little Important 1. Not Important

	5	4	3	2	1
Quality					
Value					
Cost					
Expansion					

18. How important are the following goals in your operations? Please rate them in order of their importance using the following scale

5. Extremely Important 4. Very Important 3. Moderately Important
2. A Little Important 1. Not Important

	5	4	3	2	1
CSR	[]	[]	[]	[]	[]
Growth	[]	[]	[]	[]	[]
Profitability	[]	[]	[]	[]	[]
Market leadership	[]	[]	[]	[]	[]
Diversification	[]	[]	[]	[]	[]

19).To what extent do you use each of the following strategic choices in response to changes in the market? 1= Least extent 2= Low extent, 3= Neutral, 4= Moderate extent and 5= Great extent

	5	4	3	2	1
Providing quality customer service			[]	[]	[]
Providing unique services			[]	[]	[]
Offering incentives to stakeholders			[]	[]	[]
Introducing new services			[]	[]	[]
Automating service delivery			[]	[]	[]
Promoting service offerings			[]	[]	[]

20).To what extent does the magnitude of CSR help in improving the competitiveness of your business in Kasarani constituency?

. 1= Least extent 2= Low extent, 3= Neutral, 4= Moderate extent and 5= Great extent

Very large extent []

Large extent []

Medium extent []

Little extent []

Very little extent []

Appendix Two: List of SACCOs in Kasarani

1.	Afya Sacco Society
2.	Airports Sacco Society
3.	Ardhi Sacco Society
4.	Asili Sacco Society
5.	Chai Sacco Society
6.	Chuna Sacco Society
7.	Unaitas Sacco
8.	Elimu Sacco
9.	Fundilima Sacco
10.	Harambee Sacco
11.	Hazina Sacco
12.	Jamii Sacco
13.	Kenpipe Sacco
14.	Sheria Sacco
15.	Kenya Bankers Sacco.
16.	Kenya Police Sacco
17.	Kingdom Sacco.
18.	Magereza Sacco
19.	Maisha Bora Sacco
20.	Metropolitan Sacco
21.	Mwalimu National Sacco
22.	Mwito Sacco.
23.	Nacico Sacco
24.	Nafaka Sacco

25.	Nation Sacco
26	Nssf Sacco
27.	Nyati Sacco
28.	Kenvasity Sacco
29.	Shirika Sacco
30.	Shoppers Sacco
31	Stima Sacco.
32.	Taqwa Sacco
33.	Ufanisi Sacco
34.	Ukulima Sacco
35.	Comoco Sacco
36.	Waumini Sacco
37.	Telepost Sacco.

Appendix Three: Map of Kasarani constituency

