COMMUNICATING CORPORATE SOCIAL RESPONSIBILITY AND ITS IMPACT ON POVERTY ALLEVIATION (THE CASE OF SAFARICOM CSR PROGRAMME IN MUKURU SLUM)

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DECLARATION

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

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DECLARATION

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

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DEDICATION

I dedicate this research paper to my wife and son as well as my siblings for being a fountain of inspiration and pillar of support throughout my course. I also dedicate the work to all future researchers who wish to find the interface between Corporate Social Responsibility and poverty alleviation.

ABSTRACT

The study was a survey of slum dwellers within Mukuru area. The objectives of the study were to establish the level of knowledge and attitude about Safaricom's CSR activities; to identify sources of information among target group; to determine the level of community involvement in CSR; and to establish the relationship between CSR activities and growth in household income. The population of interest consisted of residents of Mukuru slums that were targeted beneficiaries of Safaricom's CSR activities. The sample size consisted of 100 members of CSR targeted beneficiaries. The sample was drawn from a sample frame obtained from Mukuru Slums Development Project. Data was collected through structured questionnaires. Results were analyzed using mean scores, standard deviations, and cross tabulations.

Fifty four percent were aware about Safaricom's CSR activities. Awareness level was closely linked to respondent's age. Younger and older respondents displayed low levels of awareness while respondents aged between 30 and 39 had the highest level of awareness. The study found that people's sex had no influence on their choice of channel of communication. Results showed that radio, television and newspapers in that order were the most appropriate and preferred sources of CSR information by slum dwellers. The use of websites was the least preferred channel by poor people. Coincidentally, it was established majority of slum dwellers owned radio, television and mobile phones. Respondents had access to channels of communication used by Safaricom.

Even though Safaricom implemented CSR in Mukuru, it did not involve beneficiaries in identifying interventions leading to poor participation. Communicating CSR activities had insignificant contribution to improving children's education and security of target beneficiaries. CSR activities did not contribute to reduced medical bills incurred by respondents. In addition, there was no relationship in communicating CSR and reduction on house rents, water and medical bills. The study concluded therefore, that communicating Safaricom's CSR activities did not contribute to reduction of poverty in Mukuru slums.

Based on findings of the study, the following recommendations have been made:

1. Safaricom should undertake audience analysis among its targeted beneficiary group and change its communication strategies to appeal to this group.

2. There is need for the company to publicize its CSR and involve members of the community in identifying, prioritizing and implementing CSR activities.

3. Safaricom should strengthen monitoring and evaluation of its CSR activities.

4. Future studies should investigate the relationship between message content in CSR adverts and participation in CSR activities by targeted beneficiaries.

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CHAPTER ONE

INTRODUCTION

1.1 Background

Kenya's current Poverty Reduction Strategy Paper (PRSP) perceives poverty as inadequacy of incomes and deprivation of basic needs and rights, and lack of access to productive assets as well as social infrastructure and markets (Republic of Kenya 2001). In money terms, absolute poverty in Kenya is pegged at Ksh 1,239 per person per month in the rural areas and Ksh 2,648 per person per month for the urban areas of the country (Republic of Kenya 1997). The 1994 Welfare Monitoring Survey (WMS) categorizes the poor in Kenya to include people with large families, those engaged in subsistence farming, and those lacking a source of income (WMS 1994). Nevertheless, people in general and the poor in particular define and experience poverty in diverse ways. Poverty is associated with lack of land, unemployment, inability to feed oneself and family, lack of proper housing, poor health and inability to educate children and pay medical bills (Republic of Kenya 2001).

Companies are becoming responsive by giving back to the society through social responsibility interventions. Corporate social responsibilities have potential of alleviating poverty among targeted beneficiaries. However, this depends on the level of awareness and involvement of the targeted members of the communities. Awareness enables people to take action or take advantage of opportunities presented by corporate social responsibility to improve their lives. Communication provides mechanisms of reaching

communities and informing them about social responsibilities and further invoking them to participate.

Companies are increasingly recognising the reputation risks and opportunities associated with corporate responsibility, and many large corporations are making significant investment in policies, practices, management and reporting systems to ensure their corporate behaviour is responsible in the eyes of their stakeholders. Alignment of corporate responsibility communications with stakeholders' concerns is essential if companies are to break through the communications barrier and capitalise on the potential reputation benefits of corporate responsibility.

Any initiative that a company takes to achieve trust and legitimacy through responsible corporate behaviour necessarily includes its capacity to respond to demands from stakeholders and to communicate with them. For companies, communicating their responsible behaviour to their stakeholders is of vital importance (Capriotti and Moreno, 2007). The communication function, therefore, is a key element in the management of corporate responsibility. The Internet is a powerful communication tool for the achievement of this function, even though companies have not been able to explore all of its possibilities. This may be attributed to high costs associated with acquisition of computer hardware and software and the inherent Internet operating expenses. In this regard, Bronn (2004, p. 107) points out that the internet is currently one of the principal media that companies have to communicate their activities at the international level, even though many of them have not taken adequate advantage of the full potential of it for communication with stakeholders. A further challenge for companies trying to communicate in this space is that different stakeholder audiences have different

expectations of companies, different information needs and they respond differently to the various communication channels available.

The general public is rarely a primary target audience for specialist communication channels such as social reports. Nevertheless, there is public interest in receiving information about companies' responsibilities. Public awareness of responsible corporate behaviour has, however, remained fairly low, despite increasing company involvement in the field. In Kenya, the allure of corporate social responsibility has grown fast in the private sector to the extent that firms report on their corporate social interventions alongside their annual financial reports. Despite this growing trend, little information is known about the effectiveness of communication strategies adopted by firms to communicate their social responsibility to targeted beneficiaries. In a country where most people continue to wallow in poverty, attempts should be made to understand the socioeconomic impact of corporate responsibility with the objective of setting policy framework to regulate and improve livelihood of people living below the poverty line.

1.1.1 Safaricom Limited

Safaricom Limited is a mobile service provider company offering services within the East African region. It is headquartered in Nairobi city in Kenya. Safaricom was formed in 1997 as a fully owned subsidiary of Telkom Kenya. In May 2000, Vodafone group Plc, the world's largest Telecommunication company acquired a 40% stake and management responsibility for the company. Safaricom's aim is to remain the leading Mobile Network Operator in Kenya. In order to achieve this, a strong focus has been placed on improving service quality and customizing products to the needs of various market segments. The technology undertakes this through technology upgrade, innovation and product development.

The company has been able to keep pace with the global mobile telecommunication scenario by having strategic business associations; associations which add value to the global mobile telecommunication initiative and which help in meeting the dynamic challenges of the modern mobile telecommunication world. Their strategic association with the world leaders in mobile telephony has created a niche in the Kenyan market today. Safaricom offers a range of products and services including short messaging system (SMS), Voicemail, Get-it, 191 Direct, various tariffs, 24 hour customer service, Roaming service (to our postpaid customer), ATM top-up, Vending machines, Emergency numbers(e.g. 911) Executive voicemail (for postpaid customer) and community phone (phone booths), SMS Sokoni, Get-it sports scores, Safaricom online, Mobile Office, Third party top-up, SMS2Mail and M-PESA. To build its image and attract loyal customer base, the company recognizes the important role played by public relations and advertisement and spends large sums of money in rolling out advertisement in both print and electronic media.

1.1.2 Safaricom's participation in corporate social responsibility

A special company identified as Safaricom Foundation is tasked with the responsibility of managing corporate social responsibility on behalf of the parent Safaricom Company limited. The foundation supports initiatives that advance targeted community's economic development. Safaricom has collaborated with public and private healthcare institutions, to coordinate the provision of basic healthcare services in Kenya (Safaricomm, 2007). In partnership with Diabetes Management and Information Centre and the Ministry of Health, Safaricom Foundation has held medical camps in 16 constituencies countrywide. The foundation assists in fighting gender violence by supporting activities of the Nairobi Women's Hospital's Gender Violence Recovery Centre through fund raising.

Education is the key to achieving sustainable development, expanding opportunities and promoting equity and prosperity in all societies. The Foundation has responded to education needs of the community by spending· money in building classrooms, science and computer laboratories, and ·dormitories all over the country (Safaricom, 2007). In response to the growing 'digital divide' Safaricom is working with Computer for Schools Kenya to equip 80 secondary schools. This is implemented by allocating ten computers per province and supporting the institutions with an Information and Communication Technology (ICT) curriculum. This project deliberately targets resource deficient schools, which would otherwise not access the invaluable benefits of ICT (Safaricom, 2007). By end of the project, it is estimated that close to 100,000 students will have access to ICT as over 1,600 computers will have been placed in 80 secondary schools and the wider school community. In addition, the telecommunications company builds entrepreneurial skills of students by working with Junior Achievement where the company has provided three

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million shillings to enable the organization run five different in – school programmes targeting close to 7,000 students.

Safaricom Foundation has invested heavily in environmental and wildlife conservation efforts. Some of these activities are the Ngare Ndare forest conservation where eco – tourism income generating activities and reforestation have been implemented; fencing the Abardare forest in partnership with Rhino Ark. The telecommunications company initiated the Maji na Uhai project in partnership with the Kenya Red Cross and Action Aid in Kenya. Targeting semi – arid and hardship areas, the programme rehabilitates boreholes, de – silts earth pans, provides irrigation systems and drills new water wells.

One communication channel often underestimated by companies when promoting corporate responsibility is their employee base (Dawkins, 2004). Often the main interface with some stakeholder groups, and considered a particularly credible source of information (their word carries far more weight than a company spokesperson or glossy brochure); employees are potentially powerful advocates of a company's corporate responsibility programme. Corporate responsibility is an important consideration for the majority of employees. Therefore, corporate responsibility is potentially a factor in fighting poverty among poor communities.

The targeted community entry points used by Safaricom Foundation are established Non governmental organizations or Community based organizations which have network at the grass root level. The foundation implements social responsibility programmes in Mukuru slums through the Mkuru Slums Development Project. The Mkuru Slums Development Project was registered as a Non governmental organization in 2006

following the merger of seven community based organizations in Mukuru supported by one donor. Safaricom foundation financed the Mukuru Art and Craft project which is based at Lunga Lunga area.

1.2 Statement of the research problem

Poverty remains a major challenge facing majority of Kenyans. Within the slum dwellings, communities are entangled in vicious cycles of food and hardcore poverty. The situation is worsened by increasing rates of unemployment, low incomes against rising inflation and higher costs of living which push the poor to extreme ends of survival. In addition, poor health facilities, lack of proper sanitation and poor access to safe and clean drinking water contributes to escalating levels of poverty in slum areas such as Mukuru. In recognition of these difficulties facing poor slum dwellers, organizations position themselves to create public relations and marketing impact by engaging in social responsibilities which is purported to create impact in the livelihoods of the poor. Safaricom Foundation financed Mkuru Art and Craft Project targeting 2000 youths through purchase of materials and support to marketing linkages.

Corporate social responsibility (CSR) offer the means through which corporate organizations can directly intervene in broad activities such health, income generation, water and environmental conservation aimed at improving living conditions and reducing poverty levels. CSR intended objectives can only succeed when communities are made aware about CSR activities, influenced to participate in implementation and encouraged to own the CSR programmes. Communication is a powerful tool which organizations can use to create awareness and ensure participation of the targeted communities. Various channels ranging from print and electronic media can be used to pass information about

CSR to members of the community. However, different media channels have varying degrees of effectiveness in creating impact and contributing to ultimate reduction of poverty. Informal discussions with the Safaricom Foundation and Mukuru Slum Development project employees aimed at identifying the problem revealed that the main communication channels used in communication corporate social responsibilities were posters, chief's baraza, church, sports tournaments, live coverage and lectures.

The Mukuru slums project in particular, relies on building strong and lasting partnership with financiers and beneficiaries as a mechanism of communicating social responsibility interventions. Communication channels can create impact only when they are appropriate in delivering accurate, timely, and adequate information that prompt target beneficiaries to actively participate in the activities being implemented by the sponsor organization. To improve ongoing and future social responsibility work targeting poor people, it is important to investigate the effectiveness of communication channels used and their impact on poverty reduction among beneficiaries.

A study by Bronn (2004) established that the Internet plays a major role in communicating CSR in developed economies. Another study by McWilliams and Siegel (2001) identified a link between communication of CSR and enhanced reputation of the sponsoring firm. While not ignoring these findings, it is necessary to understand the relationship between communicating corporate social responsibility and poverty reduction in Kenyan slums. The study aimed at bridging the existing knowledge gap by finding responses to the following research questions.

1.3 Research questions

1. What is the level of knowledge of Safaricom CSR activities and attitudes in Mukuru slums?

2. What are the sources of CSR information among the target group?

3. What is the level of community involvement in Safaricom's CSR activities?

1.4 Research Objectives

The objectives of the research were to;

i) Establish the level of knowledge and attitude about Safaricom's CSR activities in Mukuru slums

ii) Identify the sources of CSR information among target group

iii) Determine the level of community involvement in Safaricom's CSR activities

iv) Establish the relationship between CSR activities and growth in household income

1.5 Justification of the research

Communication can not be underestimated if any meaningful impacts of CSR activities are expected by organizations. It is important for organizations such Safaricom to understand the impact of their communication on targeted beneficiaries. Results of the study will therefore be of the benefit to the following.

i) Safaricom will appreciate the findings of the study by understanding the impact of their media choice for communicating CSR on residents of Mukuru slums. This will help in choosing appropriate communication strategy which will create intended impacts among targeted beneficiaries.

ii) Other organizations involved in CSR activities will learn about the influence of communication on impacts among intended beneficiaries. This will contribute to enhanced package of communication tools aimed at achieving the intended objectives.

iii) Researchers will gain from findings of the study by understanding the link between communication and poverty alleviation. This will shape the focus of future research agenda in the area of communication and poverty alleviation.

1.6 Theoretical framework

Ma´rquez and Fombrum (2005) have highlighted the lack of unity in criteria when defining corporate responsibility. The conception of what is entailed by business responsibilities has undergone a constant evolution from the 1950s, when they were linked to the responsibilities of the "businessman" (Carroll, 1999), to the current coexistence of a variety of different concepts, such as corporate social responsibility, corporate social performance, corporate citizenship or even sustainable development. More than the separate emergence of distinct concepts, authors such as Wartick and Cochran (1985), Wood (1991), Carroll (1999) and Waddock (2004) suggest in their reviews the existence of a progressive evolution of the concept of business responsibilities.

Carroll (1979, p. 500), in an article that became fundamental to the later development of theories on business responsibilities, explains that "the social responsibility of business encompasses the economic, legal, ethical and discretionary/philanthropic expectations that society has of organizations at a given point of time". Thus, he establishes that corporate responsibility should go beyond economic results to include the social

responsibilities of companies. This approach to corporate responsibility evolved towards a broader understanding in the 1980s and 1990s. Wartick and Cochran (1985, p. 758) define corporate social performance as "the integration of the principles of social responsibility, the processes of social responsiveness, and the policies developed to address social issues". For his part, Wood (1991), basing himself on Carroll (1979) and on Wartick and Cochran (1985), defined corporate social performance as "a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships" (Wood, 1991, p. 693). Thus, in addition to the principles of social responsibility, corporate social performance incorporates the organizational management processes and policies that are necessary to move those principles forward.

For its part, the concept of corporate citizenship has acquired relevance in the past decade according to Waddock (2004, p. 10), incorporate within corporate social performance the global focus and concrete approach of the stakeholder theory. As she (2004, p. 9) explains, corporate citizenship consists of "the strategies and operating practices a company develops in operationalizing its relationships with and impacts on stakeholders and the natural environment". At the same time that the issues that correspond to corporate responsibility are being debated, there has been a tendency to consider it within the broader framework of sustainable development (Sjo"berg, 2003; Herrmann, 2004; Hamann and Acutt, 2003; Aaronson, 2003). Thus, the initial idea of "business responsibilities" has progressively broadened in meaning, with new expressions being minted to make room for new content. The current concept of corporate responsibility is based on the commitments that an organization assumes in relation to its different stakeholders – whether these be the communicating corporate responsibility fulfilment of

its economic, social and environmental obligations which is referred to as the triple bottom line (Elkington, 1997), the fulfilment of its commitments to informational transparency or ethical behaviour in the management of the company and in the development of its products, services or business – and on the evaluation and monitoring of the fulfilment of those commitments.

Since, the 1980s, some authors (Grunig, 1979; Manheim and Pratt, 1986; Bruning and Lendingham, 1999; Dawkins, 2005; Ingenhoff, 2004; Lewis, 2003) have tried to clarify techniques for the effective communication of corporate responsibility. Nevertheless, communication continues to be a neglected issue with regard to corporate responsibility. Dawkins (2005, p. 109) points out that communication remains the missing link in the practice of corporate responsibility. For Lewis (2003, p. 361), although many companies are truly committed to the fulfilment of their corporate responsibilities, they often fail to communicate in a sufficiently active manner with their stakeholders.

The internet has become, in a very short time, an indispensable communication tool for organizations. Stuart and Jones (2004, p. 85) point out that the internet can fulfil a broad range of functions which include a persuasive advertising medium, a means to educate or inform customers, a way to communicate and interact with buyers, a means of building and maintaining customer relationships, or simply a source of entertainment. Sullivan (1999, p. 194) explains that corporate web sites act as "gatekeepers, uncertainty-reducing information sources, and image-creating tools". Similarly, Clark (2000) says that the internet allows for strategic communication with stakeholders, as it permits the activity of the audience and thus has great potential for active audiences to seek information on corporate responsibility.

Previous work has shown the importance of the internet and of corporate web sites as communication tools (Kent and Taylor, 1998; Hill and White, 2000; Kent et al., 2003; White and Raman, 1999; Taylor et al., 2001) and the growing importance of corporate web sites in the communication of organizational responsibilities (Maignan and Ralston, 2002; Esrock and Leichty, 1998, 2000). With respect to the issue of corporate responsibility, the majority of studies focus on what type of content is available on corporate web sites, be it on those sites themselves or in various reports that are made available through the sites. However, there is little research that is dedicated to analysing how such content is organized and presented. The organization and presentation of information on corporate web sites is of great relevance. Of importance is not only whether information is present, but also how and where it is presented, as these last issues determine its utility and accessibility for users. In this sense, Nielsen (2000, p. 198) asserts that deficient information architecture will always mean deficient usability. To develop adequate information architecture on a web site, one of the most relevant questions is that of information organization (Rosenfeld and Morville, 2002, p. 55; Geest, 2001, p. 42). This refers to the manner in which the contents of a web site are grouped and ordered.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Some obligations of firms are obvious, such as to serve the financial interests of shareholders and provide employee satisfaction. But, other obligations are not as apparent such as the firm's obligation to reduce pollution, educate consumers or consume supplies in a timely manner. All affected parties claim some responsibility of the company, which may conflict with one another (Smith, 2007). Human and regional developments are certainly matters of CSR. Management must clearly identify, understand and prioritize claims to plot strategic objectives. Control of resources and corporate philosophy depend upon the compromises derived from CSR claims of various stakeholders. The following sections explore literature on CSR.

2.2 Corporate Social Responsibility (CSR)

McWilliams and Siegel (2001) describe CSR as actions that appear to further some social good beyond the interest of the firm and which are required by law. Forstater *et al.* (2002) see CSR as actions that contribute to sustainable development through the company's core business activities, social investment and public policy debate. According to Ford (2003), a good company delivers excellent products and services, and a great company does all that and strives to make the world a better place. Ford (2003) further defines CSR as the ability of a company to incorporate its responsibility to society to develop solutions for economic and social problems. CSR and corporate sustainability involve assessment

of the company's economic, social and environmental impact, taking steps to improve it in line with stakeholder requirements and reporting on relevant measurements (Takis and Yannis, 2007).

Birth and Illia (2007) suggest that CSR is defined as the economic, legal, ethical and discretionary demands that society places on business. Similarly, Zanies conceptualized CSR as the degree of fit between society's expectations of business and the ethics of business. He argues that CSR is really nothing more than another layer of managerial responsibility resulting from the evolution of capitalism. Wood (1991) states that the basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities. Banerjee (2007) however argues that corporations may give funds to charitable or educational institutions and may argue for them as great humanitarian deeds, when in fact they are simply trying to buy
community good will.

With the understanding that businesses play a key role of job and wealth creation in society, CSR is generally understood to be the way a company achieves a balance or integration of economic, environmental, and social imperatives while at the same time addressing shareholder and stakeholder expectations. CSR is generally accepted as applying to firms wherever they operate in the domestic and global economy. The way businesses engage/involve the shareholders, employees, customers, suppliers, governments, non-governmental organizations, international organizations, and other stakeholders is usually a key feature of the concept.

While business's compliance with laws and regulations on social, environmental and economic objectives set the official level of CSR performance, it is often understood as involving the private sector commitments and activities that extend beyond this foundation of compliance with laws. The term CSR refers to the concept of business being accountable for how it manages the impact of its processes on stakeholders and takes responsibility for producing a positive effect on society.

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. The main function of an enterprise is to create value through producing goods and services that society demands, thereby generating profits for its owners and shareholders as well as welfare for society. However, new social and market pressures are gradually leading to a change in the values and in the horizon of business activity.

"CSR is about how companies manage the business processes to produce an overall positive impact on society" (Canon, 1992). According to the International Finance Corporation (2006) "CSR is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development." The European Commission, (2004) observes that CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

According to the Institute of Chartered Accountants in England & Wales, (2006), CSR is about ensuring that organizations manage their businesses to make a positive impact on

society and the environment whilst maximizing value for their shareholders. There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud (Friedman, 1962).

2.2.1 Evolution of CSR programmes in Kenya

Gachenge (2008) argues that five years ago, corporate social responsibility was not heavily entrenched in companies. While most were involved in philanthropic activities based on community service, there was no specific department set aside just to deal with CSR activities. Five years on, the CSR has become a big thing with companies spending millions of shillings a year and having dedicated departments with professional staff to run these programmes. McKinsey Global Survey notes that corporate philanthropy can be an effective tool for companies that are trying to meet consumers' rising expectations of the role business should play in society. The survey further revealed that companies are more likely to have programmes that address social and political trends relevant to the business and to be influenced by community and business needs.

Social economic and environmental pressures have pushed more and more companies to accept their social responsibility. One of the major sectors attracting companies is environment. Some companies like Bamburi Cement have come out boldly and with innovation on environmental sustainability issues and taken CSR beyond the traditional model (Gachenge, 2008). Prior to this environmental explosion, surveys suggest that the cause that received the highest proportion of corporate donations was health and medical provision, especially when the prevalence rate of HIV/Aids was above 20 per cent.

The pioneer of the foundation trend in the country, Safaricom, established in 2003 has assorted activities ranging from health, education and community services. Barclays Bank is one of the companies that have been at the forefront spending millions in the education sector. One of the outstanding efforts was the girl child programme that saw thousands of girls access education especially in the rural areas. Kenya Commercial Bank, the largest indigenous bank established a foundation last year, where sports and entrepreneurship were some of the focus areas. East African Breweries is arguably the leading corporate sponsor in the sports arena. It sponsors a wide range of sports, including athletics, rugby and golf. Another company that has been highly recognised in the sports sector is Standard Chartered Marathon. Another trend in companies that are institutionalizing CSR programmes is by incorporating CSR activities into employee performance objectives.

2.2.2 Social responsibilities of business

Principles of corporate social responsibility can operate at different levels, institutional, organizational and managerial. At the institutional level CSR focuses on the legitimacy of business in society along with business obligations to society and sanctions that society can apply to business when it fails to live up to its obligations (Banerjee, 2007). The principle of public responsibility operates at the organizational level where business firms are 'publicly responsible, for outcomes related to their primary and secondary areas of involvement with society' (Wood, 1991). This principle of public responsibility is designed to make larger societal concerns more relevant by providing behavioral parameters for organizations based on issues relating to the firm's activities and interests.

The area defined by advocates of CSR increasingly covers a wide range of issues such as plant closures, employee relations, human rights, corporate ethics, community relations and the environment (Moir, 2001). Whether or not business should undertake CSR, and the forms that responsibility should take, depends upon the economic perspective of the firm that is adopted. Those who adopt the neo – classical view of the firm would believe that the only social responsibilities to be adopted by business are the provision of employment and payment of taxes. This view is most famously taken to the extremes of maximising shareholder value and reflected in the views of Friedman (1962). Few trends would so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their shareholders as they possibly can.

Holmes (1976), in a study of executive attitudes to social responsibility found that the strongest response was that in addition to making a profit, business should help to solve social problems whether or not business helps to create those problems even if there is probably no short - run or long - run profit potential.

Proponents of CSR claim that it is in the enlightened self - interest of business to undertake various forms of CSR. The forms of business benefit that might accrue would include enhanced reputation and greater employee loyalty and retention. Frederick (1994) identifies the development in the understanding of CSR up to 1970 as an examination of corporate obligation to work for social betterment and refers to this as CSR_1. However, around 1970 he noted a move to corporate social responsiveness which he calls CSR_2. He identified corporate social responsiveness as the capacity of a corporation to respond to social pressures. In effect, the move from CSR_1 to CSR_2 reflects a move from a

philosophical approach to one that focuses on managerial action – that is, will the firm respond and how. Lately, Fredrick (1986) has developed this analysis to include a more ethical base to managerial decision taking in the form of corporate social rectitude and terms this CSR_3. In this development, Fredrick claims that the study of business and society needs an ethical anchor to permit a systematic critique of business's impact upon human consciousness, human community and human continuity.

He asserts that whilst CSR_1 was normative, it was hesitant and that CSR_2 led to non – normative enquiry. Thus, the requirement for a moral basis provides a normative foundation for managers to take decisions in the areas of CSR. Brummer (1991) in a wide – ranging review attempts to provide clear definitions of responsibility as well as looking at the different philosophical approaches.

In a deep review of the meaning of responsibility, in this context he proposes that responsibility means that executives are held accountable for their actions. The World Business Council for Sustainable Development proposes a definition for CSR as the ethical behaviour of a company towards society; management acting responsibly in its relationships with other stakeholders who have a legitimate interest in the business and CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large.

2.2.3   Contribution to sustainable development

The 1990s have perhaps been the decade of profound change in Kenya's economic paradigm and have significantly affected corporate Kenya. Structural adjustment programme has meant an increasing role for the corporate sector and freedom from controls, an opportunity of immense proportions. It has also meant competition, both from within and outside, and a breakdown of protections that the sector earlier enjoyed. CSR, like many modern ideas, is not new to Kenya; it is part of an ancient tradition which is currently being practiced by some companies. It has been formed by ideas from the West through business collaborations between companies and industry associations who recognized it as an essential part of business. Effective CSR towards any community requires close interaction with current development thinking, which has been constantly evolving. Initially there was welfare and now there is empowerment; basic needs are gradually becoming basic rights. These ideas seem to gain currency in the view that human development is the ultimate goal and economic growth alone cannot ensure it.

CSR is generally seen as the business contribution to sustainable development which has been defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs", and is generally understood as focusing on how to achieve the integration of economic, environmental, and social imperatives (Brummer, 1991). CSR also overlaps and often is synonymous with many features of other related concepts such as corporate sustainability, corporate accountability, corporate citizenship, and corporate stewardship, among others. CSR commitments and activities typically address aspects of a firm's behaviour with respect to such key elements as health, safety, environmental protection, human rights, human resource management practices, corporate governance, community development,

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consumer protection, labour protection, supplier relations, business ethics and stakeholder rights.

Corporations are motivated to involve stakeholders in their decision making and to address societal challenge because today's stakeholders are increasingly aware of the importance and impact of corporate decisions upon society and the environment. The stakeholders can reward or punish corporations. Corporations can be motivated to change their corporate behaviour in response to the business case which a CSR approach potentially promises. This includes enhanced employee commitment; decreased vulnerability through stronger relationships with communities; improved reputation and branding.

2.2.4 Measurement of Corporate Social Responsibility

McGuire *et al.,* (1988) identify three criteria to measure corporate social responsibility. These criteria include expert evaluations; content analysis of annual reports and other corporate documents; and performance in controlling pollution as a proxy measure. Each of these measures is subject to limitations. The validity of independent experts' ratings rests on the expertise of the assessors and the accuracy of the information available to them. The informational value of annual reports and other public corporate document as a source of hard data can be queried, being the product of the company's public relations programme. The pollution control proxy measure is limited in value to those industries where pollution is a significant issue.

2.3 CSR communication

The fundamental idea embedded in CSR is that corporations have an obligation to work for social betterment (Frederick, 1978). The same view is shared by the World Business Council for Sustainable Development, which considers CSR management to mean acting responsibly with other stakeholders and ethically toward society (Holme and Watts, 2000). Similarly, Sethi (1975), Carroll (1979) and Andrews (1987) identify four categories of social responsibility: economic, legal, ethical, and discretionary. Deegan and Gordon (1996), Deegan and Rankin (1999), Brown and Deegan (1998) and Hooghiemstra (2000) apply this conceptual framework to CSR communication, emphasizing that CSR communication aims to provide information that legitimizes an organization's behavior by trying to influence stakeholders' and society's image of the company.

Following this definition, it is possible to conclude that CSR communication contributes to a corporation's corporate social disclosure which is the dissemination of information to advocate and enhance a corporate image in order to promote customer and community relations and indirectly promote products to customers. To reach this goal, transparency is crucial (Carroll, 1999). However, as pointed out by Schoenberger (2000), transparency in the field of CSR is a difficult matter. In fact, data in this area cannot easily be verified. Furthermore, communicating CSR means communicating not only about a company's behavior through standards or codes of conduct, but also about very long-term projects whose potential outcomes are difficult to represent.

2.3.1 Key elements for effective CSR communication

The intrinsic problems encountered in achieving transparent CSR communication can be overcome by developing an appropriate definition of the communication objectives and channels as well as by understanding the communication context. Objectives should be defined in line with emerging issues and corresponding stakeholders. The issues normally covered by CSR communication are broad (CSR Europe, 2000b; Esrock and Leichty, 1998; Holme and Watts, 2000) and include mission, vision and values, workplace climate, social dialogue, human rights, community involvement, development of the local economy, environment, market relations, and ethics. Moreover, three types of objectives characterize CSR communication addressed to clients: reputation, product differentiation, and customer loyalty. Social and environmental responsibility is one of the dimensions of the Reputation Quotient developed by Fombrun et al. (2000) and McWilliams and Siegel (2001) assert that consumers consider socially responsible firms to have a good reputation.

The impact of CSR on reputation was confirmed by a recent study conducted by British Telecom (2002); this study found that CSR represents 25 percent of a company's reputation asset. Thus, improving reputation through CSR is an important objective since a good reputation influences consumer satisfaction – i.e. products are considered more reliable and of a higher quality (McWilliams and Siegel, 2001). This affirmation is also supported by a study conducted by the British Institute's Market and Opinion Research International (MORI) (Dawkins and Lewis, 2003). In addition, as APCO's (2004) worldwide study revealed, CSR communication supports the ability to market a product, allowing for better differentiation and premium prices. Thus, product differentiation is an important objective addressing clients. Finally, companies use CSR communication to

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enhance customer loyalty. As Jacob and Kyner (1973) and Keller (1993) emphasize, socially responsible organizations attract more customer loyalty since such organizations relate to clients with greater respect, monitor client satisfaction by proving timely responses to their claims, and have high standards of security as well as transparent communication about their products.

2.3.2 CSR communication objectives

Companies promote CSR communication among employees mainly through internal communication (Dawkins and Lewis, 2003), pursuing four main objectives. The first objective aims to create publicity and a good reputation through word-of-mouth. The MORI study (Dawkins and Lewis, 2003) found that employees represent a powerful channel through which to convey positive messages about the company; 85 percent of employees are more likely to initiate spontaneous word-of-mouth promotion when they are involved in the CSR initiatives of the company, while 65 percent are more likely to do so when they are informed about such corporate initiatives. The second objective of CSR communication with regard to employees is to increase employees' satisfaction and commitment. Previous studies have demonstrated a relationship between employees' loyalty and their company's CSR (Bevan and Wilmott, 2002). Indeed, employees working in an ethical and socially responsible company are more committed to the company (Joyner and Payne, 2002) since work activities become more enjoyable (Mowday et al., 1979). This objective is linked to the first one since higher satisfaction and commitment resulting from CSR engenders publicity through word of mouth. The third objective discussed in the literature with regard to employees is the ability of CSR communication to enhance the appeal of the company as a future employer. Potential employees are more attracted by employers with ethical integrity and socially responsible

behavior (Joyner and Payne, 2002; Bevan et al., 2004; Keeler, 2003). Finally, CSR communication can reduce employee turnover. When employees consider their organization to be socially responsible, they are less likely to leave (Bevan and Wilmott, 2002) since they believe they have similar values to those of the organization for which they work (Maignan et al., 1999).

CSR communication objectives involving shareholders support the overall financial communication objectives – i.e. achieving and maintaining a favorable climate for the financial situation of the company, increasing and maintaining share price, and increasing the volume of share trading. The first objective aims at increasing the awareness that the company represents an actual opportunity for investing in a socially responsible way. Investors make decisions by looking at how corporations shape their behavior in terms of response to multiple stakeholders' expectations (Hockerts and Moir, 2004). The second communication objective with regard to shareholders is communicating the tangible advantages of the company's CSR strategy. According to Mainelli (2004), socially responsible organizations produce more profit than non-socially responsible organizations and show less volatility in their earnings due to the reduced activist action.

2.3.3 Channels of CSR communication

According to CSR Europe (2000a, b), companies use a wide range of channels for CSR communication, including social reports, thematic reports, codes of conduct, web sites, stakeholder consultations, internal channels, prizes and events, cause-related marketing, product packaging, interventions in the press and on TV, and points of sale. However, three channels in particular– social reports, web sites, and advertising seem to play the prominent role, as shown in several recent studies.

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Social reports are the main channel for communicating "the social and environmental effect of organizations' economic actions to particular interest groups within society and to society at large" (Gray et al., 1996). Throughout the 1990s in Western Europe, 68 percent of big companies produced social reports (CSR Europe, 2003). However, to a certain extent, stakeholders were dissatisfied with this type of channel since companies were often accused of writing arbitrary reports not based on quantifiable data (Crook, 2005). In response to this situation, companies have increasingly relied on international reporting standards and third-party certification for their social reports.

Although reporting on social actions is voluntary, some companies are implementing mandatory laws on reporting (e.g. France and Spain), while in other countries the adoption of international reporting standards is growing fast, even though no mandatory regulations exist (Tschopp, 2005). Three categories of standards exist. The first provides guidelines on the structure and contents of social reports; one example is the Global Reporting Initiative (GRI), which is being adopted by an increasing number of companies. The second category comprises the certification standards that address specific social issues, such as SA8000, which deals with workers' rights, and ISO 14000, which deals with environmental management issues. Finally, the auditing and stakeholder involvement standards represent the third pillar of the CSR standards system; AA1000 has grown increasingly popular as the reference framework in this field as it provides guidelines on how to engage stakeholders effectively in CSR management processes. This assurance standard is of particular importance when it comes to corporate credibility. In fact, it is largely acknowledged that social reports without actual stakeholders'

involvement fail to meet the expectations of transparency and accountability (Dando and Swift, 2003; Adams and Evans, 2004).

According to Tschopp (2005), a social report that is not regulated by standards or external guidelines risks becoming merely a marketing tool, not meeting the requirements of stakeholders such as investors, lobbyists, and NGOs. "The best way to convince stakeholders that a company is as good as its corporate citizenship report is to have the report audited by an independent consultant" (Keeler, 2003). APCO's (2004) Global CSR study of opinion leaders also found that 90 percent of those interviewed think that third-party independent certification gives credibility to the social report. Standards like SA8000 and ISO 14000 can be implemented only through third-party certification. Other standards, such as GRI and AA1000, are constantly developing services aimed at providing external certification regarding the appropriate application of these standards (Gobbels, 2003).

The web also has the potential to play a prominent role in CSR, particularly as a means to influence agenda (Esrock and Leichty, 1998). Ku et al. (2003) provided evidence of a convergence between Websites' agendas and the public agenda, revealing a possible relationship between them as well as supporting Esrock and Leichty's (1998). Finally, advertising has been abundantly used in the last decades to communicate social responsibility themes, but the effectiveness has been quite controversial. Drumwright (1996) has pointed out several shortfalls of CSR advertising. On the one hand, this type of campaign is often criticized by the public. Companies are actually accused of making use of social problems for business purposes. On the other hand, such campaigns often have to face management distrust of CSR advertising outcomes and processes. These campaigns are often accused of not having short-term economic results, although they

clearly have long-term objectives; moreover management considers the creative process to be too long and complex, consequently resulting in the need for too much time for development.

2.5 The link between Communicating Corporate Social Responsibility and Poverty alleviation

Poverty has numerous manifestations including low and unreliable income, poor health, low levels of education and literacy, insecurity and uncertain access to justice, disempowerment, and isolation from the mainstream of socio-economic development (GOK, 2000). It is, therefore, necessary to devise multidimensional Corporate Social Responsibility interventions that can provide broad based solutions to poverty. Interventions such provision of safe drinking water and capacity building of the poor reduces the medical costs and enhances their ability to actively participate in productive economic activities respectively. The poor must be provided with the means to help themselves through income earning opportunities, ready access to means of production, the provision of affordable, basic services and the protection of the law. A fundamental prerequisite for poverty reduction is economic growth that considerably outpaces population growth (GOK, 2000).

The poor constitute slightly more than half the population of Kenya. Women constitute the majority of the poor and also the absolute majority of Kenyans. Three-quarters of the poor live in rural areas. The bulk of urban poor are located within the highly populated slum dwellings such as Kibera, Mathare and Kawangware. People learn about CSR activities through various channels which include the Internet, radio, newspapers, television, and word of mouth. In order to ensure that all targeted slum dwellers benefit

from CSR activities, it is necessary to identify appropriate communication strategies which create adequate awareness among the poor and influences them to participate fully.

2.5 Criticisms of the theories

Several theories revolve around CSR, but no particular theory highlights particular linkages of CSR to poverty alleviation. Scanty information from theory suggests that engagement in CSR can boost its corporate image, reduce its internal problems and consequently improve performance. However, there is no evidence to show that improved image in isolation can improve performance. Moreover, good image is matter of perception in the consumer's mind which may not be necessarily translated into purchase.

Moir (2001) argument that whether firms should participate in CSR depends on adopted economic perspective is not supportive of CSR spirit. It reflects capitalist interest which favour high returns on investment irrespective of benefits derived by the community from the firm. CSR activities cost large sums of money, and if firms choose economic perspective which advocates for cost minimization they would not engage on social responsibility. Payment of taxes is a legal obligation of firms all over the world and in no case should be treated as CSR as suggested Moir (2001) and Friedman (1962).

Brummer (1991) postulation on CSR can not go unchallenged. He avers that executives should be held accountable for their actions. This alone can not force executives to engage in social responsibility. In Kenya, for example, despite being held accountable firms have continued to pollute water, air and the soil to the detriment of society. Waste disposal has been poorly managed by Kenyan firms. In certain cases, it is very difficult to associate one single firm with pollution particularly in industrialized countries where

waste disposal is a challenge. Donaldson (1983) argued that CSR is a contractual obligation between firms and communities.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design

The study is a descriptive survey. The objective of a descriptive study is to learn who, what, when, where, and how of a topic and given that this study aimed at determining how Safaricom communicates its CSR activities and its impacts on poverty alleviation, it fits the definition of a descriptive study.

3.2 Population of study

The population of interest in this study will consist of residents of Mukuru slums that are targeted beneficiaries of Safaricom's CSR activities. The Mukuru and Craft project target 2000 youths in Mukuru slums. The population will be considered because of their perceived exposure to Safaricom CSR activities.

3.3 Sample size and sampling design

The sample size will consist of 100 members of CSR targeted beneficiaries. The sample will be drawn from a sample frame obtained from Mukuru Slums Development Project. Deming argues that the quality of a sample study is often better with sampling than with a census. He further suggests that sampling possesses the possibility of better interviewing (testing), more thorough investigation of missing, wrong, or suspicious information, better supervision, and better processing than is possible with complete coverage. The population size of 100 will be considered because it is a reasonable representation of the population and is adequate for statistical tests.

3.4 Data collection

Data will be collected using a structured questionnaire. The questionnaires will be given to respondents to fill as trained enumerators under close supervision by the researcher wait to explain to the respondent questions not well understood and pick up completed questionnaires.

3.5 Data analysis

Data will be analyzed using descriptive and advanced statistics. Mean scores will be used to determine whether Safaricom's communication of its CSR activities creates awareness and results to participation by targeted beneficiaries and the extent to which communication of CSR activities leads to reduced levels of poverty. Standard deviations will be used to determine the varying degrees of the difference in which the extent to which communication of CSR activities leads to reduced levels of poverty. In addition to measures of spread and central tendencies, cross tabulations will be used to test the relationship between CSR activities and growth in household incomes.

CHAPTER FOUR

RESULTS AND FINDINGS

4.1 Introduction

This section presents and explains data which was obtained from analysis. The findings have been analyzed on the basis of the specific objectives of the study. The section contains five sub-sections detailing general information and findings of the three objectives. A survey involving 100 sampled respondents was carried out within the targeted Mukuru slums. However, out of the targeted 100 respondents, 56 responded representing a response rate of 56 percent. Results are presented in tables and charts.

4.2 Demographic information

This section presents results on age, sex, marital status and highest level of education of the sampled respondents.

4.2.1 Age

Results shown on Table 1 indicate that 36 percent of the respondents were aged between 30 and 39. Those aged between 40 and49 were represented by 29 percent. The lowest number of respondents (7 percent) was less than 20 years old.

Table 1: Respondent's age

Age	Frequency	Percent
Under 20 yrs	4	7.1
20-29	9	16.1
30-39	20	35.7
40-49	16	28.6
50 yrs and above	7	12.5
Total	**56**	**100.0**

Figure 1: Age of respondents

respondent's age
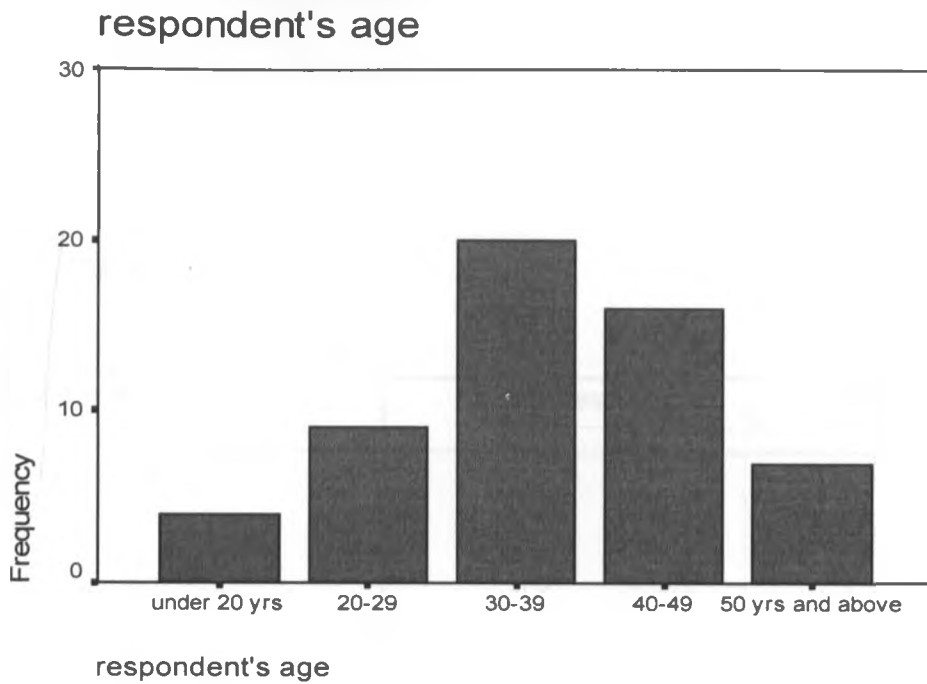
respondent's age

4.2.2 Sex

Table 2 shows that majority of the respondents were females (55 percent) and male respondents were represented by 45 percent.

Table 2: Respondent's sex

Sex	Frequency	Percent
Male	25	44.6
Female	31	55.4
Total	**56**	**100.0**

4.2.3 Marital status

Fifty seven percent of the respondents were married while 29 percent of the respondents had never been married. The proportion of divorced employees was equal to that of widowed employees.

Table 3: Marital status

Marital status	Frequency	Percent
Never married	16	28.6
Married	32	57.1
Divorced	4	7.1
Widowed	4	7.1
Total	**56**	**100.0**

Figure 2: Respondents' marital status

marital status

marital status
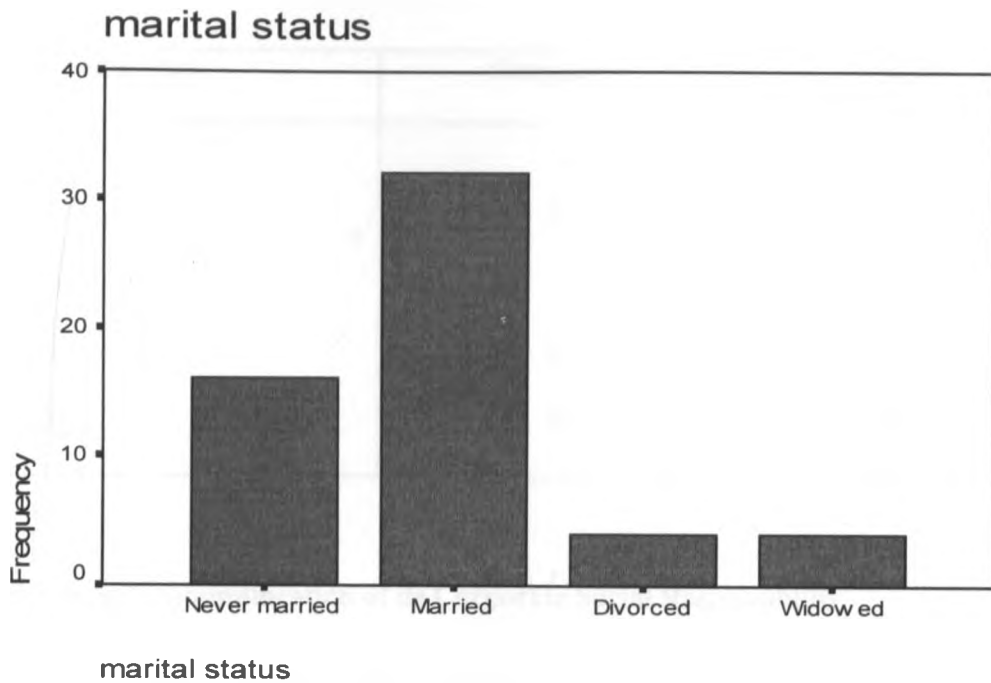
4.2.4 Highest level of education

Half of the respondents (50 percent) were educated up to secondary level and 38 percent had primary level of education. It was revealed that only a small proportion (5 percent) of the respondents had never been to school and was illiterate as compared to 7 percent of the population who had Diploma level of education.

Table 4: Highest level of education

Level of education	Frequency	Percent
Never been to school	3	5.4
Secondary	28	50.0
Diploma/Degree	4	7.1
Primary	21	37.5
Total	**56**	**100.0**

4.3 Safaricom's communication of its Corporate Social Responsibility

4.3.1 Awareness about Safaricom's corporate social responsibility

It was established that 54 percent of the sampled respondents were aware about corporate social responsibility activities undertaken by Safaricom. It was also revealed 46 percent of the respondents were not aware about Safaricom's CSR activities.

Table 5: Awareness about Safaricom's CSR

Awareness status	Frequency	Percent
Aware	30	53.6
Unaware	26	46.4
Total	**56**	**100.0**

4.3.2 Relationship between age and awareness about CSR

Table 6 shows that respondent's age influenced their knowledge about corporate social responsibility undertaken by Safaricom. The relationship between age and awareness about CSR followed a normal growth curve. Respondents who were aged below 20 were not aware about Safaricom's CSR activities. Awareness about CSR activities increased with age rising from 56 percent to 70 percent for those aged between 20 and 29; and those aged between 30 and 39 respectively. Awareness however fell from 63 percent to 14 percent for those aged between 40 and 49; and those aged over 50 years respectively.

Table 6: Relationship between age and awareness about CSR

Age	Awareness about Safaricom's CSR		Total
	Yes	No	
Under 20 yrs	0	4	4
20-29	5	4	9
30-39	14	6	20
40-49	10	6	16
50 yrs and above	1	6	7
Total	**30**	**26**	**56**

4.3.3 Channels used for communicating CSR

Respondents who were unaware about Safaricom's CSR activities were not asked to respond to the question about channels of communication since it was not applicable to

them. Results on Table 6 indicate radio was the leading channel of communication (23 percent) through which respondents learnt about Safaricom's CSR. It was also established that 16 percent of respondents learnt about Safaricom's CSR through a combination of three channels which include radio, television and newspapers. Both radio and television were used by 13 percent of the respondents to learn about corporate social responsibility undertaken by Safaricom. The use of television alone as channel through which people learn about CSR was represented by a meager 2 percent.

Table 7: Communication channel

Channel	Frequency	Percent
Television	1	1.8
Radio	13	23.2
N/A	26	46.4
Radio, TV and Newspapers	9	16.1
Radio and TV	7	12.5
Total	**56**	**100.0**

Figure 3: Channels of communication used

communication channel

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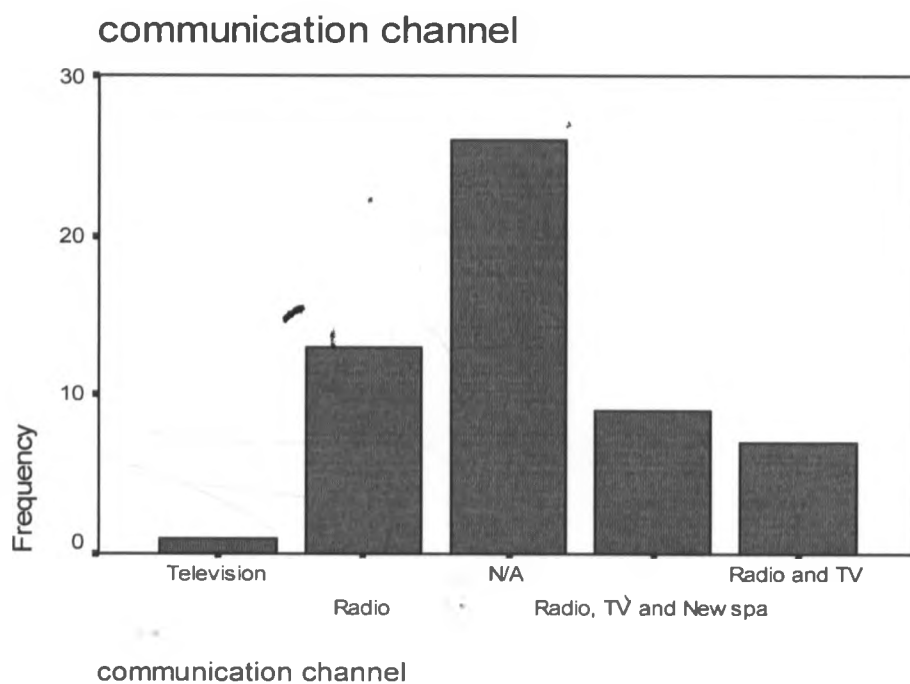
4.3.4 Relationship between respondent's sex and sources of CSR information

It was established that people's sex plays no significant role on their choices of information for CSR. There was no relationship between sex and respondent's choice of media.

Table 8: Relationship between sex and sources of information

Sex	Communication channel					Total
	Television	Radio	N/A	Radio, TV and Newspapers	Radio and TV	
Male	0	5	12	4	4	25
Female	1	8	14	5	3	31
Total	1	13	26	9	7	56

4.3.5 Channels of communication owned by respondents

Results show that 41 percent owned more than two channels of communication. These channels included radio, television and mobile phones. Thirty four percent of respondents owned both radio and mobile phone but, without a television set. Despite the popularity of mobile phone in Kenya, it was established that 16 percent of the respondents had no mobile phones.

Table 9: Channels of communication owned by respondents

Channels of communication owned	Frequency	Percent
Radio	1	1.8
TV	4	7.1
Both Radio and TV	4	7.1
Mobile phone	5	8.9
Radio, TV and mobile phone	23	41.1
Radio and mobile phone	19	33.9
Total	**56**	**100.0**

Figure 4: Channels of communication owned

items owned by respondents

items owned by respondents
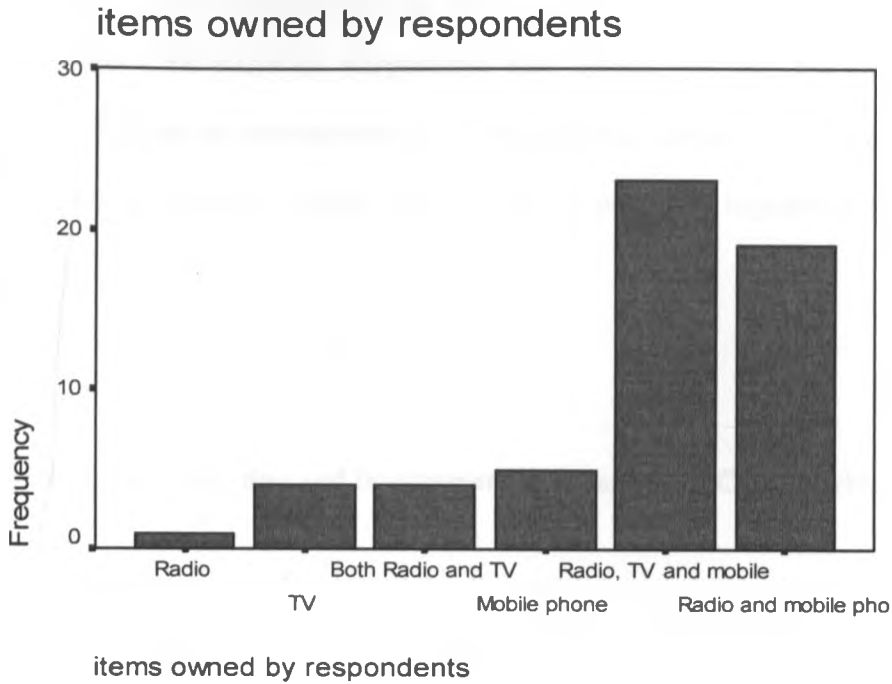
4.4 Relationship between Safaricom's communication of CSR and awareness and participation by beneficiaries

4.4.1 Communication and involvement in Safaricom's CSR activities

Respondents were asked to indicate their opinion about statements used to describe the link between communication and involvement in corporate social responsibility. A rating scale ranging from 1-3 where; 1 = true, 2 = neutral, and 3 = false was used by respondents to indicate their opinion. The mean scores were interpreted in the following manner: 1.0-1.6 = true; 1.7-2.3 = neutral; and 2.4-3.0 =false.

Results shown on the Table 10 indicates that respondents were aware about Safaricom's CSR activities but, recommended that the company should change its communication strategy about CSR activities. Respondents also showed that they had access to media used by Safaricom to communicate its CSR activities. Despite being aware about the company's CSR activities, results show that participation by targeted beneficiaries was poor.

Table 10: Communication and involvement in Safaricom's CSR activities

Statistics	Awareness	Interactive	Access	mechanism	Participation	True message	communication strategy
Mean	1.5	2.2	1.6	2.1	2.4	2.0	1.3
Std. Deviation	.8	.6	.8	.7	.8	.6	.5

4.4.2 Effectiveness of channels of communication used by Safaricom

To assess the effectiveness of Safaricom's communication about its CSR activities, a ranking scale ranging from 1 – 10 was, used. The mean scores of each channel were calculated and results displayed on Table 11.

Results show that Radio was the most effective channel of communication. Television and newspapers were the second and third most effective channels respectively. The effectiveness of social reports; prizes and events; point of sale; and interventions through the press were rated at the same level. The least effective channels of communication were identified as internal channels and websites in that order.

Table 11: Effectiveness of channels of communication used by Safaricom

Channel	Mean	Std. Deviation
Social reports	6	2.2
Newspapers	4	1.1
Websites	10	1.1
Stakeholder consultations	5	3.0
Internal channels	8	1.4
Prizes and events	6	1.9
Radio	1	.6
Point of sale	6	2.1
Interventions in the press	6	1.8
Television	3	2.0

4.5 Extent to which communication and involvement of beneficiaries in CSR activities leads to reduced levels of poverty

4.5.1 Relationship between communication and involvement in CSR activities and reduction in poverty

In order to determine the extent to which communication and involvement in CSR activities leads to reduced poverty level, a five-point Likert scale was used. The mean scores obtained were rated in the following manner: 1 – 1.4 = very large extent; 1.5 – 2.4 = large extent; 2.5 – 3.4 = moderate extent; 3.5 – 4.4 = small extent; 4.5 – 5.0 = very small extent. The standard deviation was used to measure the degree of spread from the mean observation among the respondents.

Table 12 shows that communication of CSR activities by Safaricom contributed to improved education of children; and improved security of targeted beneficiaries to a very small extent. Provision of safe drinking water reduced medical bills; and improved people's health only to a small extent.

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Table 12: Involvement in CSR activities

Statistics	bills	has improved people's health	raised people's level of income	Safaricom has led to self employment	income generating activity	Children are better educated	security interventions
Mean	4.4	4.4	4.3	4.3	4.3	4.5	4.5
Std. Deviation	.6	.6	.8	.9	.8	.8	.8

4.5.2 Food expenditure before and after CSR activities

Results shown on Table 13 indicate that before CSR interventions were implemented, 32 percent of the respondents were dependants and were not incurring expenditure on food. The number of dependants has reduced from 32 percent to 5 percent after implementation of CSR activities. While 63 percent of the respondents were spending less than Ksh 2000 on food before implementation of CSR activities, this proportion has risen to 84 percent. The proportion of people spending between Ksh 2000 and 4999 on food has risen from 5 percent to 11 percent after implementation of CSR activities.

Table 13: Relationship between food expenditure before and CSR

Food expenditure before CSR (Ksh)	Food expenditure after CSR			Total
	Less than 2000	2000-4999	N/A	
Less than Ksh 2000	32	3	0	35
2000-4999	0	3	0	3
N/A	15	0	3	18
Total	**47**	**6**	**3**	**56**

4.5.3 Relationship between sex and food expenditure

Results show that 87 percent of females compared to 80 percent of males spent less than Ksh 2000 on food. On the other hand, 16 percent of males as compared with 6 percent of females spent Ksh 2000 and 4999 on food.

Table 14: Relationship between sex and food expenditure before CSR

Sex	Food expenditure after CSR			Total
	Less than 2000	2000-4999	N/A	
Male	20	4	1	25
Female	27	2	2	31
Total	**47**	**6**	**3**	**56**

4.5.4 Clothing expenditure before and after CSR

Before commencement of CSR activities within Mukuru slums, 29 percent of respondents spent less than Ksh 500 on clothing. This proportion is lower compared 38 percent of respondents who spent Ksh 500 on clothing after implementation of CSR activities. Twenty five percent of the respondents spent between 500 and 999 before implementation of CSR activities. This proportion was higher as compared to 18 percent of respondents who spent a similar amount after implementation of CSR activities. A higher proportion (27 percent) of the respondents spent between Ksh 1000 and 1499 after implementation of CSR activities compared to 16 percent of people who spent similar amount of money before implementation of CSR activities. Equally, the proportion of people spending more than Ksh 2000 on clothing increased from 4 percent to 9 percent after implementation of CSR. The proportion of dependants also dropped from 27 percent to 2 percent after implementation of corporate social responsibility.

Table 15: Clothing expenses

Expenditure before CSR (Ksh)	Before CSR (%)	After CSR (%)
Less than 500	28.6	37.5
500-999	25.0	17.9
1000-1499	16.1	26.8
1500-1999	0	7.1
More than 2000	3.6	8.9
N/A	26.8	1.8
Total	**100**	**100.0**

4.5.5 Relationship between sex and clothing expenditure

Results show that a higher proportion of females (38 percent) than males (36 percent) spent less than Ksh 500 on clothing. The number of males (24 percent) spending between Ksh 500 and 999 on clothing was higher than females (13 percent) who spent same amount of money after implementation of CSR. More females (35 percent) than males (16 percent) spent between Ksh 1000 and 1499 after implementation of CSR. Also, a higher proportion of men (12 percent) than women (6 percent) spent more than Ksh 2000 on clothing after implementation of CSR.

Table 16: Relationship between sex and clothing expenses after CSR

Respondent's sex	Clothing expenses after CSR						Total
	Less than 500	500-999	1000-1499	1500-1999	More than 2000	N/A	
Male	9	6	4	3	3	0	25
Female	12	4	11	1	2	1	31
Total	21	10	15	4	5	1	56

4.5.6 Impact of CSR on house rent

Table 17 shows that there was remarkable change in house rent expenditure after implementation of CSR. The proportion of people spending less than Ksh 1000 on rent dropped from 57 percent to 45 percent after implementation of CSR. On the other hand, the proportion of people spending between Ksh 1001 and 2000 increased from 7 percent to 45 percent after implementation of CSR. The proportion of dependants dropped from 36 percent to 11 percent after implementation of CSR.

Table 17: House rent expense

Rent expense (Ksh)	Before CSR (%)	After CSR (%)
Less than 1000	57.1	44.6
1001-2000	7.1	44.6
N/A	35.7	10.7
Total	**100.0**	**100.0**

4.5.7 Impact of CSR on school fees expense

Implementation of CSR had little effect on school fees expenditure. The proportion of people spending less than Ksh 5000 marginally increased from 52 percent to 54 percent; while the proportion of those spending more than Ksh 10000 dropped from 2 percent to zero. The proportion of people who were not incurring expenses on school fees remained the same after implementation of CSR.

Table 18: School fees expense

School fees (Ksh)	Before CSR (%)	After CSR (%)
Less than 5,000	51.8	53.6
More than 10,000	1.8	0
N/A	46.4	46.4
Total	100.0	100.0

4.5.8 Impact of CSR on water rates

Results displayed on Table 19 shows that 39 percent of respondents spent more than Ksh 750 on water after implementation of CSR suggesting that there was negative impact. The proportion of people spending between Ksh 500 and 749 increased from 20 percent to 27 percent after implementation of CSR.

Table 19: Water rates

Water expense (Ksh)	Before CSR (%)	After CSR (%)
Less than 250	21.4	16.1
250-499	30.4	12.5
500-749	19.6	26.8
750 and above	0	39.3
N/A	28.6	5.4
Total	100.0	100.0

4.5.9 Impact of CSR on transport expenditure

Table 20 shows that number of dependants dropped from 29 percent to zero after implementation of CSR activities. The proportion of people who spent between Ksh 1000 and 1999 increased from 2 percent to 7 percent while the number of people who spent between Ksh 2000 and 2999 increased by 3.6 percent.

Table 20: Transport expenditure

Transport expense	Before CSR (%)	After CSR (%)
Less than 1000	71.4	89.3
1000-1999	1.8	7.1
2000-2999	0	3.6
N/A	28.6	0
Total	**100.0**	**100.0**

4.5.10 Impact of CSR on medical expenses

Results indicate that the proportion of people spending less than Ksh 1000 on medical bills increased from 71 percent to 86 percent after implementation of CSR. The proportion of people who spent between Ksh 1000 and 1999 on medical expense increased by 9 percent after implementation of CSR.

Table 21: Medical bill

Medical expense (Ksh)	Before CSR (%)	After CSR (%)
Less than 1000	71.4	85.7
1000-1999	0	8.9
N/A	28.6	5.4
Total	**100.0**	**100.0**

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, discussions, conclusions and recommendations of the study. Major findings of the study have been discussed and interpreted alongside the objectives of the study. Conclusions have been arrived at based on the findings of the study and recommendations suggested for improving communication strategies for corporate social responsibilities and future research in communication studies.

5.2 Summary

The purpose of the study was to establish the impact of communicating corporate social responsibility on poverty reduction among the targeted beneficiaries. Objectives of the study were to establish the level of knowledge and attitude about Safaricom's CSR activities; to identify sources of information among target group; to determine the level of community involvement in CSR; and to establish the relationship between CSR activities and growth in household income.

A survey of respondents within Mukuru slums was undertaken since Safaricom had implemented CSR activities within the area. One hundred respondents were sampled. Data was collected through questionnaires. Results were analyzed using mean scores, standard deviations, and cross tabulations. Out of 100 sampled respondents, 56 responded representing a response rate of 56 percent.

It was revealed that 50 percent of the respondents had secondary level of education and only 5 percent of the respondents were illiterate. Fifty four percent of the respondents were aware about Safaricom's corporate social responsibility activities. It was established that age of the respondents influenced their awareness of CSR activities. Awareness grew with age, reached peak at the age between 30 and 39. Radio was identified as the most preferred channel for obtaining Safaricom's CSR information. Sixteen percent of the respondents however combined radio, television and newspapers to obtain information about CSR.

It was revealed that people's sex had no significant role on choice of media/channel for obtaining CSR information. Forty one percent of the respondents owned radio, television and mobile phone. On the other hand, 34 percent owned radio and mobile phone. This category of respondents did not own television. Respondents confirmed that they had access to media used by Safaricom to communicate its CSR activities. However, respondents recommended that Safaricom should change its strategy for communicating CSR activities. Radio, television and newspapers in that order were identified as the most effective channels of communication. Website was identified as the least effective channel of communicating CSR activities among the target group.

Communicating CSR activities had insignificant contribution to improving children's education and in improving security of target beneficiaries. In addition, CSR activities neither reduced medical bills nor improved health conditions of the targeted beneficiaries. Implementation of CSR activities may have contributed to improvement in food expenditure by households as was evidenced by results showing that proportion of people spending between Ksh 2000 and 4999 rose by 6 percent. Implementation of CSR had a

contribution to increased clothing expenditure. People's sex had no major role on clothing expenditure in the slum areas. CSR did not lead to reduction in house rents, water bills, and medical bills as well as transport expenses incurred by beneficiaries.

5.3 Discussions

5.3.1 Level of knowledge and attitude about Safaricom's CSR activities in Mukuru slums

Findings of the study which indicated that 54 percent were aware about Safaricom's CSR activities clearly demonstrates that the company's communication strategy has not been able to reach the remaining 46 percent of respondents within the area. This may have been attributed to Safaricom's lack of knowledge about the channels of communication used by the target group to access information. On the other hand, the level of unawareness may have been as a result of lack of interest about CSR activities. The theory of perception suggests that people always have a tendency to carryout selective hearing. Selection attention and hearing by the target group may have therefore, contributed to low levels of awareness.

The relationship between age and awareness about CSR activities demonstrates that people become more active and inquisitive with age but, this alertness drops after some time as people grow older. Younger people may been less discerning and perhaps could not separate Safaricom's CSR activities from commercial operations. This kind of clouded attention may have contributed to low levels of awareness among the younger members of the target group. Results suggest that people aged between 30 and 39 are more alert and aware about things happening around them. Awareness reduces drastically

at the age of 50 suggesting that people in this age bracket may be affected by weak memory and lack of interest on things which do no affect them directly.

5.3.2 Sources of information among the target group

Radio was identified as the leading and most preferred channel of communication within the slum. This findings challenges assertions by the Mukuru Slum Development Program which hinted that posters, chief's baraza, church, sport tournaments and live coverage were the most commonly used channels for communicating CSR. If these assertions are true, then it implies that Safaricom could be using right channels targeting the wrong people. Follow-up questions established that more than half of slum dwellers own a radio. Radio may have been preferred because it offers the greatest variety of choice of stations. Slum dwellers irrespective of their level of education can switch to stations that favour them including language options which range from vernacular, Kiswahili and English. Radio, unlike other channels of communication has programmes tailored to satisfy diversified needs of listeners. Radio is less costly both in terms of acquisition and maintenance making it preferred by slum dwellers. Radio may not necessary require electricity to operate. Only a dry batter which also costs less than 30 shillings is adequate to operate a radio.

Results however, indicate that respondents used a variety of channels to obtain information about CSR. This finding concur with arguments by CSR Europe (2000) which pointed out that companies use a wide range of channel to communicate their CSR activities. Results obtained from the study indicated that radio, TV and newspapers in that order were jointly used by respondents implying that one channel of communication is not in itself adequate for communicating CSR. However, there is need for identifying

channel priorities of the targeted beneficiaries to enhance effective communication. Priority of channels of communication by the poor was further confirmed by results which showed that 41 percent of the respondents owned radio, TV and mobile phones. Seventy five percent of the respondents owned mobile phones. Despite the fact that this provides the opportunity to customize and reduce the cost of communicating CSR, Safaricom is yet to tap the mobile phone channel to reach target beneficiaries.

5.3.3 Relationship between Safaricom's communication of CSR and awareness and participation by beneficiaries

It was noted that respondents were aware about Safaricom's CSR activities but, advised that the company should change its communication strategy. This implies that respondents were not satisfied with strategies used by Safaricom to communicate its CSR. This might be attributed to the company's selection of channels of communication without undertaking channel analysis of the targeted beneficiaries. The recommendation by respondents confirms Lewis (2003) assertion that although many companies are truly committed to the fulfilment of their corporate responsibilities, they often fail to communicate in a sufficiently active manner with their stakeholders. Radio, TV, and newspapers in that order were identified as the most effective channels for communicating CSR. This finding contradicts CSR Europe (2000) argument that social reports, websites and advertisement play an important role in communicating CSR.

Websites were identified as the least effective way of communicating CSR in slums. The finding differs from findings by Bronn (2004) which concluded that the Internet plays a major role in communicating CSR. Lack of preference for the internet by the poor may be necessitated by lack of access to computers and the Internet within the slum areas. Lack of computer knowledge may also generate lack of interest in Websites by the poor. It

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implies therefore, that the Internet is effective for communicating with people outside poverty bracket but, is least effective when targeting the poor.

5.3.4 Extent to which communication and involvement of beneficiaries in CSR activities leads to reduced levels of poverty

Results from the study pointed out that CSR plays insignificant role in improving education of children, improving security and health of targeted beneficiaries. This is because most CSR activities are very specific and has little spill-over effects on other variables contributing to poverty. Results suggest that interventions used by corporate organizations has little effect in reducing poverty among majority of the people. It was noted that food expenditure increased after implementation of CSR activities. It may be difficult to conclude that CSR has a direct impact on food expenditure by households. This is because; changes in food expenditure may have been influenced by other external forces such as inflation, drought and changes in lifestyles. Results showed that males spent more on food than females. This suggests that married males shoulder the burden of food in slum areas. The burden of buying food may indicate that many households within the slum are headed by males putting them in positions of responsibility to feed their families.

Results showed that expenditure on clothing increased after implementation of CSR activities. Clothing expenditure is an indicator of poverty and unless there were other external factors influencing clothing expenditure, it can be argued that CSR has led dismal reduction of poverty. Remarkable changes in house rent expenditure imply that people had improved earnings. Even though increase in rent expenditure by households may have been caused by increment of rent by landlords, it can be argued that levels of

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poverty reduced after implementation of CSR as was demonstrated by 38 percent increase in the number of people who spent between Ksh 1000 and 2000 on rent. CSR had no impact in lowering water bills and transport costs among the targeted beneficiaries. Despite having implemented water project, the cost of water rose among many household illustrating that poor people were not feeling the effect of water project. The cost of medication also went up after implementation of CSR activities. These results clearly demonstrate that the health of the poor is at risk due to financial problems associated with accessing water as well as high cost of medication.

5.4 Conclusions

From findings of the study, it can be concluded that many target beneficiaries are still unaware about Safaricom's CSR activities. This means that Safaricom did not involve beneficiaries in identifying, prioritizing and implementing CSR interventions. There is limited involvement by targeted beneficiaries and this reduces chances of CSR success within the area. Since age influences, awareness about CSR, it shows that channels used by Safaricom to communicate CSR appeal to people above 30 and below 50 years. Radio is still the most popular channel through the poor learn about CSR. Companies should however, avoid overreliance on a single channel of communication. Success of communicating CSR activities depends on the skills used by the implementing firm in identifying right channels and using them jointly to target the right audience. Based on evidence of expenditure patterns before and after CSR, it can be concluded that communicating CSR by Safaricom has minimal impact on poverty reduction in Mukuru slums.

5.5 Recommendations

Based on findings of the study, the following recommendations have been proposed:

1. Safaricom should undertake audience analysis among its targeted beneficiary group and change its communication strategies to appeal to this group
2. There is need for the company to publicize its CSR and involve members of the community in identifying, prioritizing and implementing CSR activities.
3. Safaricom should strengthen monitoring and evaluation of its CSR activities with the aim of identifying and bridging performance gaps.

4. Future studies should investigate the relationship between message content in CSR adverts and participation in CSR activities by targeted beneficiaries.

5. Future studies should find what companies are doing to improve their communication through the Internet with the poor.

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APPENDICES

APPENDIX II: QUESTIONNAIRE

COMMUNICATING CORPORATE SOCIAL RESPONSIBILITY AND ITS IMPACT ON POVERTY ALLEVIATION (THE CASE OF SAFARICOM CSR PROGRAMME IN MUKURU SLUM)

Tick Where Applicable √

PART A: DEMOGRAPHIC DATA

1. Age
    (a) Under 20 Yrs ☐   (b) 20 – 29 Years ☐

    (c) 30 – 39 Yrs. ☐   (d) 40 – 49 Yrs ☐

    (e) 50 Yrs and above ☐

2. Sex.

    (a) Male ☐   (b) Female ☐

3. Marital status

    (a) Married ☐   (b) Never married ☐

    (c) Divorced ☐   (d) Widowed ☐

4. Highest level of education

(a) Never been to school ☐   (b) Secondary ☐

(c) Diploma/ Degree ☐   (d) Primary ☐

PART B: HOW SAFARICOM LIMITED COMMUNICATES ITS CORPORATE SOCIAL RESPONSIBILITIES

5. Are you aware about activities supported by Safaricom's?

    (a) Yes ☐   (b) No ☐

6. Mention the communication channel through which you learnt about Safaricom's CSR

(a) Television ☐ (b) Radio ☐

(c) Newspapers ☐ (d) Web sites ☐

(e) Prizes and presents ☐ (f) Posters ☐

(g) Social reports ☐ (h) Stakeholder ☐
consultations

(h) Others (Specify)...........................

7. Tick the items you possess in the table

	Item	✓
1	Radio	
2	Television (TV)	
3	Both Radio and TV	
4	Mobile phone	
5	Radio, TV, and Mobile phone	

SECTION C: LINK BETWEEN SAFARICOM'S COMMUNICATION OF CSR ACTIVITIES AND AWARENESS & PARTICIPATION BY TARGETED BENEFICIARIES

8. Indicate by ticking the most appropriate number in the space provided next to the statement describing the link between communication and involvement in Safaricom's CSR activities. Select the numbers from the choices provided.

	Link between Safaricom's CSR communication, Awareness and participation	True	Neutral	False
1	I am aware about Safaricom's Corporate Social Responsibility (CSR)			
2	Safaricom's communication about its CSR is interactive			
3	I have access to media/ channels used by Safaricom to communicate its CSR activities			
4	Safaricom has a mechanism for getting feedback from me about its CSR activities			
5	I participate in Safaricom's CSR activities because they have made me aware about it			
6	Messages about Safaricom's CSR activities are true			
7	I recommend that Safaricom should change its communication strategy about CSR activities			

9. In order of preference where 1 = most effective and 10 = least effective, rank the effectiveness of channels of communication used by Safaricom for purposes of communicating activities it supports/corporate social responsibility.

(Rank begins from 1, 2, 3,... 10; Assign only one number for each channel)

Channel	Rank (1,2,3,4,5,6,7,8,9,10)
Social reports	
Newspapers	
Web sites	
Stakeholder consultations	
Internal channels	
Prizes and events	
Radio	
Point of sale	
Interventions in the press	
TV	

SECTION D: EXTENT TO WHICH COMMUNICATION OF, AND INVOLVEMENT IN CSR ACTIVITIES LEADS TO REDUCED LEVELS OF POVERTY

10. Rate Safaricom's corporate social responsibility (CSR) activities by ticking the appropriate box to indicate the extent to which communication and involvement in CSR activities has reduced your level of poverty. Tick only one box for each statement where: 1 = Very large extent, 2 = Large extent, 3 = Moderate extent, 4 = Small extent, and 5 = Very small extent.

Safaricom's CSR Interventions	1	2	3	4	5
Provision of safe drinking water by Safaricom has reduced by medical bills					
Provision of safe drinking water by Safaricom has improved my health					
Safaricom's CSR activities has raised my level of income					
I am self employed due to training by Safaricom					
I am financially empowered due to Safaricom's income generating activity project					
My children are better educated due to involvement in Safaricom's CSR activities					
I am more secure because of Safaricom's security interventions					

11. Indicate your monthly expenditure on the following items

Expenditure Before Safaricom's CSR Activities (Before the Year 2005)		Expenditure After Safaricom's CSR Activities (After the Year 2005)	
Expenditure Item	KSH	Expenditure Item	KSH
Food		Food	
House rent		House rent	
School fees		School fees	
Water		Water	
Clothing		Clothing	
Transport		Transport	
Medical bill		Medical bill	
Other expenses		Other expenses	
Total		**Total**	