THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY PRACTICES AND COMPETITIVE ADVANTAGE IN UNIVERSITIES IN KENYA

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OCTOBER, 2013
DECLARATION

This project is my original work and has not been submitted for a degree in any other university.

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This project has been submitted with my approval as the University Supervisor.

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DEDICATION

This project has been dedicated to my family for the inspiration, patience, assistance and support throughout my studies.
ACKNOWLEDGEMENT

I express sincere gratitude to the Almighty the creator for blessing me with the wisdom, courage and guidance throughout this course. I would also like to acknowledge the following for their contributions which facilitated the completion of this project.

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I am particularly indebted to my wife and my sons for their understanding and continuous encouragement during the entire duration of my studies. It is my hope that their sacrifice has finally paid off. Additionally, I wish to acknowledge the unwavering support that I received from my employers particularly, Mr. Faisal Abbas and Mr. Anwar Abbas through their financial and time wise contributions.

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ABSTRACT

With growing social awareness of corporate social responsibility within the last decades, companies face increasing pressures to address the objectives of various stakeholders, beyond those of shareholders and legal requirements and to create shared value. The increasing adoption of CSR activities is however constrained by the limited resources and capabilities that firms possess. This raises the question of which stakeholders and which CSR activities firms should prioritize when designing their CSR strategy. The objective of this study was to determine the relationship between CSR practices and competitive advantage in Universities in Kenya. This was a descriptive survey of public and private universities in Kenya. All the 39 universities were targeted from which 25 took part in the survey. Primary data was collected using questionnaires which were administered to those in charge of CSR in the universities. Analysis was done using descriptive, correlation and OLS regression analysis. The results were presented in tables and charts. The study found that the most significant CSR initiatives were in environment, society and education. The study revealed that the sources of competitive advantage for universities were brand name, strong research agenda, courses offered, and management styles. The study found that there was a positive and significant relationship between CSR initiatives in environment and competitive advantage, p < 0.05. The results of the regression analysis also showed that CSR initiatives among society members have a positive and significant impact on their competitive advantages, p < .01. It was also found that CSR initiatives in education had positive and slightly significant effects on the competitive advantage of universities in Kenya, p < 0.1. The study concludes that universities in Kenya are focusing more on educational and environmental issues as their corporate social responsibility initiatives. The study further concludes that there is a positive and significant effect of CSR initiatives in environment, education, and society on the competitive advantage of universities in Kenya. The study recommends that universities should focus on more CSR activities as evidence suggests that such initiatives lead to better competitive advantage for such institutions. In this regard, they should focus more on environment, education, and society initiatives.
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## ABBREVIATIONS

<table>
<thead>
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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>CA</td>
<td>Competitive Advantage</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>CSRD</td>
<td>Corporate Social Responsibility Disclosure</td>
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<tr>
<td>OLS</td>
<td>Ordinary Least Square</td>
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<td>SD</td>
<td>Standard Deviation</td>
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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Over the decades, the concept of corporate social responsibility (CSR) has continued to grow in importance and significance. It has been the subject of considerable debate, commentary, theory building and research. In spite of the on-going deliberations as to what it means and what it embraces, it has developed and evolved in both academic as well as practitioner communities worldwide. The idea that business enterprises have some responsibilities to society beyond that of making profits for the shareholders has been around for centuries (Carroll, 2010). For all practical purposes, however, it is largely a post-World War II phenomenon and actually did not surge in importance until the 1960s and beyond. Therefore, it is largely a product of the past half century.

Corporate social responsibility (CSR) is defined through the ethical relationship and transparency of the organization with all its stakeholders. While CSR points out a way for organizations to contribute to the well-being of the society, it also gives the opportunity to create a true competitive advantage and positive reputation for the business world (Porter and Kramer, 2006). Emerging circumstances such as globalization, privatization of education and competition for higher education has influenced many higher education institutions to adapt a more business-like approach in order to compete and survive in the changing face of the industry (Goia and Thomas, 1996). A number of world renowned Universities have re-strategized their approaches to consider inputs of well-organized CSR concepts.

The "competitive" argument recognizes the fact that addressing social issues comes at a cost to business. To the extent that businesses internalize the costs of socially responsible actions, they hurt their competitive position relative to other businesses.
This argument is particularly relevant in a globally competitive environment if businesses in one country expend assets to address social issues, but those in another country do not. According to Carroll and Buchholtz (2009), since CSR is increasingly becoming a global concern, the differences in societal expectations around the world can be expected to lessen in the coming years.

The need for Corporate Social Responsibility in higher educational institutions is necessary since they are marketing ‘education’ which is badly needed by the economy for national development. Therefore, that calls for detailed studies to establish how the Universities align Corporate Social Responsibility practices to gain competitive advantage. The increasing level of competition amongst Universities has led to additional determination and commitment to project a positive image to both internal and external stakeholders. Consequently, a number of these institutions have begun to develop and implement corporate identity programs as part of their corporate strategies. Scholars have argued that the better a firm’s social performance, the better it can attract resources and obtain quality employees, and thus social responsibility is a source of competitive advantage (Greening et al., 2000).

1.1.1 Concept of Corporate Social Responsibility

The concept of CSR is of a multi-dimensional nature that has led it to mean different things to different people (Decker, 2004). However, in recent years there has been a general agreement among scholars who have conceptualized CSR to include elements like organizational values and philosophies, societal and environmental concerns and how businesses and society relate.
The earlier scholars have defined CSR variously. According to Bowman (1953), CSR is “an obligation to pursue policies to make decisions and to follow lines of action which are compatible with the objectives and values of society.” According to McGuire (1963), “the idea of social responsibility supposes that the corporation has not only legal obligations, but also certain responsibilities to society which extend beyond these obligations.” Naylor (1999) defines Corporate Social Responsibility as “the obligation of managers to choose and act in ways that benefit both the interests of the organization and those of society as a whole.

Based on the above, CSR continue to gain more relevance as a principal issue in many organizations. It is generally argued that CSR could increase organization earnings and image in a substantial proportion. CSR represents efforts by a firm to engage in strategic moves that are necessitated by the dynamism in its business environment, and to be able to respond to changes in their operating environment in order to ensure they engage in activities that ensure their survival and competitiveness (Andriof and McIntosh 2001). According to Kiniu (2011), CSR has four dimensions namely; Philanthropic – which means giving back to the society; Economic—to be productive, profitable and to grow; Legal –which ensures that the economic responsibilities are fulfilled within the law; Ethical–means doing good and not harming our natural environment it also comprises the values of businesses that have a responsibility to the community where they are operating.

The concept of CSR has undergone tremendous development over the past few decades. All along the focal point has been on large organizations, however with further research by different scholars, CSR went beyond large organizations to
include other organizations such as small firms and currently all organizations growth and development revolves around the CSR practices carried out. The rising significance of CSR is determined by various stakeholders including customers, staff, investors and or the owners. For that reason organizations are scrutinized on their activities and the way resources are used for organization’s own benefit and that of the whole society. Russo and Perrini (2010) outlined that, “at the beginning of the third millennium, the concept of CSR is gaining increasing momentum, progressing from its initial focus on the shallow considerations of ‘temporary fashion’ and ‘window dressing’ to a serious and critical concentration on corporate strategic orientation”. Meaning that, currently organizations endorse CSR as part of their strategic direction.

1.1.2 Competitive Advantage
Competitive advantage (CA) is defined as the “capability of an organization to create a defensible position over its competitors” (Li et al., 2006). To gain competitive advantage over its rivals, an organization must either provide equal value to the customer, but performs activities more efficiently than its competitors (lower cost), or performs activities in a unique way that creates greater buyer value and commands a premium price (Olson et al., 2005). A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost-advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus, a competitive advantage enables a firm to create a superior value for its customers and superior profits for itself (Porter 2003).
Important competitive advantage highlights by Mwiti (2009) has indicated that firms advertise their affection to public claims to enhance their corporate image. Advertisement of the adoption of CSR provides a sustainable advantage amongst competitors through improved appearance. The advantage is intangible and difficult to duplicate. The organizational impacts of a positive public image compound; not only can the firm expect increased sales and revenue, but also greater employee satisfaction, the attraction of new investors, and tax exemptions.

Additionally, Thompson and Strickland (2003) observed that a company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces. Sustainable competitive advantage is born out of core competences that yield long term benefit to the company. Prahalad and Hamel (1990) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. They further explain that a core competence has three characteristics: it provides access to a wide variety of markets, it increases perceived customer benefits and it is hard for competitors to imitate.

### 1.1.3 Universities in Kenya

The growing need for higher education the world over did not leave Kenya behind. The rising demand for higher education has necessitated the rapid expansion observed in the universities in Kenya today. The education structure in Kenya broadly categorizes Universities into Public and Private. The Public Universities benefit from allocation of government funds to support the Institutions whereas Private Universities have to make do with the income generated through exorbitant fees paid
fully by the students. A critical look at both the public and private universities reveals a great difference between the two in terms of the assets, courses on offer and opportunities for growth. It is evident that the private universities are more established than their counterparts; the public universities. Additionally, when one compares the facilities and faculties that the universities have; it is more probable that private universities are more equipped than the public universities.

Challenges encountered in the public universities include the fact that students wait for more than a year before getting admitted to public universities. Therefore, most public university students stay for more than a year before getting admitted thus, creating a competitive advantage for private universities. One outstanding thing that can never miss while discussing about public universities in Kenya is strikes. In the recent times, strikes could either be of the students or the lecturers. Under many occasions public universities have to endure temporary closures that leads to high loses including delays in students’ study completion time. According to the Commission for University Education, there are 16 established public Universities in Kenya. These Universities are established through institutional Acts of Parliament. Some of these include University of Nairobi (UoN) - 1970, Moi University (MU) - 1984, Kenyatta University (KU) - 1985 and Egerton University (EU) - 1987. The Chartered Private Universities in Kenya include: University of Eastern Africa, Baraton - 1991, Catholic University of Eastern Africa - 1992, Scott Theological College - 1992, Daystar University - 1994, Mount Kenya University -United States International University (USIU).
1.2 Research Problem

With growing social awareness of corporate social responsibility (CSR) within the last decades companies face increasing pressures to address the objectives of various stakeholders, beyond those of shareholders and legal requirements and to create shared value (De Clercq and Voronov, 2011). The increasing adoption of CSR activities is however constrained by the limited resources and capabilities that firms possess. This raises the question of which stakeholders and which CSR activities firms should prioritise when designing their CSR strategy. One answer to this challenge for firms is to focus on those CSR activities that are more likely to contribute to their competitive advantage and enhance growth, an approach particularly important for our universities.

Universities having gained the business outlook continue seeking to provide quality products for the clients while trying to gain profits for investors. Institutions of higher learning have thus begun to develop and implement corporate identity programs as part of their competitive strategies (Baker and Balmer, 1997). Universities function in an environment that understands the role and importance of high quality education. However, as the importance for cross border education is gaining practise; students pursue their education not only within the limits of their national borders but also in foreign markets, tightening competition among universities for attracting and educating students at both national and international levels. Therefore, it is imperative for educational institutions to actively monitor the quality of the education they offer and commit to continuous improvements in order to survive in this competitive environment (Brammer, 2006).
A notable study carried out by Gioia and Thomas (1996) revealed how top management teams in institutions of higher education make sense of important issues that affect strategic change in modern academia, and suggests that under conditions of change, these team members' perception of identity and image are important for the process. A study by Atakan and Eker (2007) described a Turkish higher education institution's social responsibility initiatives. The major finding was that philanthropy is one of the main elements of Istanbul Bilgi University's corporate identity program and that the university has altruistic motives for its social responsibility initiatives. A study on the relationship between CSR activities and competitive advantage in the oil industries in Kenya conducted by Mwiti (2009) concluded that each company can identify the particular set of societal problems that is equipped and from which it can gain the greatest competitive benefit.

The above fact underlines the need to establish the levels of undertakings and implementation of CSR amongst Universities in Kenya. This research will therefore aim to investigate the extent to which CSR activities when aligned with the institute’s competitive strategy can enhance growth in institutions of higher learning in Kenya. In the process, the study will establish more relevant areas for research in the subject of CSR and Institutions of Higher Learning in Kenya so as to expound on the existing limited knowledge.

1.3 Research Objective

The objectives of this study were to determine:

i. The relationship between CSR practices and competitive advantage in Universities in Kenya.
ii. The factors influencing the relationship between CSR and Competitive Advantage

1.4 Value of the Study

Universities can meet the expectations of stakeholders by adopting a well-conceived CSR strategy in the same manner as leading business organizations have continued to practise. The research is justifiable on the fact that it will provide significant information and knowledge on the critical aspects of successful business within the Higher Education perspective in Kenya. It is of great importance that this study will contribute to the knowledge base of CSR strategies being employed by leading institution of Higher Education in Kenya and Africa; therefore, the knowledge will go a long way to guide planning and future strategies within similar institutions in Kenya and beyond.

The findings from the study will as well inform University stakeholders on possible areas for realignment or strengthening in order to increase efficiency and productivity within the context of CSR. The results of the study will also inform the policy makers on the best CSR approaches to be entrenched in future. The government as a major contributor towards Higher Education in Kenya will also benefit from invaluable information about the CSR strategies being employed by the two categories of Universities. The study may also make it possible for both stakeholders and beneficiaries to adopt the CSR strategies relevant at their different levels on the survival chain of the Institution and the demands of the community so as to increase efficiency and productivity.
Of equal importance is the fact that the study will contribute additional knowledge on the CSR activities done by Universities in Kenya, therefore, encouraging future researchers to develop other relevant research concepts as well as build up on this particular one to continuously generate current knowledge base.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of literature. The first section presents a theoretical review of literature where a number of theories related to the topical issue of corporate social responsibility are discussed. The second section presents a review of empirical research on CSR and competitive advantage. The last section summarises the chapter and shows the gap in literature that the present study seeks to address.

2.2 Theoretical Perspective of Corporate Social Responsibility

There are various theoretical perspectives pertaining to the study of Corporate Social Responsibility. However, for the purpose of this study, the researcher will consider three theories namely, the stakeholder theories, social contracts theories and legitimacy theories.

2.2.1 Stakeholder Theories

The stakeholders of an organization are those that have diverse interests in the organization that can be of an economic or environmental nature, those involved in implementing the mission of the organization, those who make key decisions aimed at achieving organizational objectives like those related to allocation of resources and control and those who are impacted in one way or another by the organization’s activities (Zappi, 2007).

Since publication of Edward Freeman’s Strategic Management: A Stakeholder Approach (1984), stakeholder management, stakeholder theory, and other variants of stakeholder analysis have occupied a great deal of managerial research. Freeman
argued that business relationships should include all those who may “affect or be affected by” a corporation (Freeman 1984). Much of the research in stakeholder theory has sought to systematically address the question of which stakeholders deserve or require management attention (Mitchell, Agle and Wood 1997). Approaches to this question have focused on relationships between organizations and stakeholders based on exchange transactions, power dependencies, legitimacy claims, or other claims (Donaldson and Preston 1995). Researchers have attempted to integrate stakeholder theory with other managerial perspectives, particularly theories of governance and agency (Hill and Jones 1992, Jones 1995).

Stakeholder theory is useful as both an instrumental and normative frame for assessing the role of organisations in the development and adoption of labor and environmental standards. Mitchell, Agle, and Wood’s (1997) effort to develop a typology for classifying stakeholders is especially instructive; they proposed a theory of stakeholder identification and salience based on managerial assessments of stakeholders’ possession of one or more of three relationship attributes: power, legitimacy, and urgency. When stakeholders possess all three of the stakeholder characteristics, managers should respond to their claims (Mitchell, Agle and Wood, p. 878, 1997). In terms of the issue of social responsibility, the central concern is whether stakeholder analysis is part of the motivation for business to be responsible and, if so to which stakeholders. Hamil (1999), adopting Donaldson and Preston’s (1995) typology, finds that corporate giving is nearly always instrumental.
2.2.2 Social Contracts Theory

Social Contract theory posits that organizations have social responsibilities to all their stakeholders because these stakeholders have allowed these organizations to exist and conduct their businesses in a kind of social contract (O’Brien, 1996). Such actions in society are aimed at improving the conditions of the consumers and employees without degenerating the physical environment or subjecting the employees to inhuman working conditions.

Donaldson and Preston (1995) considered the business and society relationship from the social contract tradition, mainly from the philosophical thought of Locke. He assumed that a sort of implicit social contract between business and society exists. This social contract implies some indirect obligations of business towards society. This approach would overcome some limitations of deontological and teleological theories applied to business. Afterwards, Donaldson and Dunfee (1999) extended this approach and proposed an ‘‘Integrative Social Contract Theory’’ (ISCT) in order to take into account the socio-cultural context and also to integrate empirical and normative aspects of management. Social responsibilities come from consent. These scholars assumed two levels of consent.

Firstly, a theoretical macro social contract appealing to all rational contractors, and secondly, a real micro social contract by members of numerous localized communities. According to these authors, this theory offers a process in which the contracts among industries, departments and economic systems can be legitimate. In this process the participants will agree upon the ground rules defining the foundation of economics that will be acceptable to them. The macro social contract provides rules
for any social contracting. These rules are called the “hyper-norms”; they ought to take precedence over other contracts. These hyper-norms are so fundamental and basic that they “are discernible in a convergence of religious, political and philosophical thought” (Donaldson and Dunfee, 1999). The micro social contracts show explicit or implicit agreements that are binding within an identified community, whatever this may be: industry, companies or economic systems. These micro social contracts, which generate ‘authentic norms’, are based on the attitudes and behaviours of the members of the norm-generating community and, in order to be legitimate, have to accord with the hyper-norms.

2.2.3 Legitimacy Theory
Legitimacy theory posits organisations are continually seeking to ensure that they operate with the bounds and norms of their respective societies. (Deegan, 2002) Legitimacy can be considered as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” (Suchman, 1995, p. 574). To this end, organisations attempt to establish congruence between “the social values associated with or implied by their activities and the norms of acceptable behaviour in the larger social system of which they are part” (Dowling and Pfeffer, 1975, p. 122). Consistent with this view, Lindblom (1994) asserts accounting is a legitimating institution and provides a “means by which social values are linked to economic actions”.

2.3 Corporate Social Responsibility and Competitive Advantage
In recent years the business strategy field has experienced the renaissance of corporate social responsibility (CSR) as a major concept of success. Thornton (2008) observed
that CSR resurfaced forcefully over the past ten years in response to mounting public concern about globalization. Additionally, Mwiti (2009) depicted CSR as a response by the organization to pressure exerted by the society. Firms find themselves held responsible for human rights abuses by their suppliers in developing countries; interest groups demand corporate governance to be transparent and accountable. However, nearly two decades of neglect have helped to undo much of the past achievements of corporate social responsibility. It is thus, no surprise that both practitioners and scholars are struggling once again to unpack the complexities following the strategic implications of CSR. O’Brien (2001) noted that there is a scarcity of information in relation to how companies might use their core competencies to drive CSR initiatives and, as a result, achieve a significant competitive advantage.

CSR is a major concern for companies, policy makers and researchers. Whilst CSR is a contested topic (Okoye, 2009) and a difficult concept to define (McWilliams et al., 2002), there is a certain consensus in the literature about its meaning. The most widely accepted view of CSR is based on Freeman’s (1984) stakeholder theory. However, recently a more strategic view of CSR has emerged. The European Commission (2011:1) defines CSR as ‘the responsibility of enterprises for their impacts on society’ and states that enterprises should have ‘a process in place to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close co-operation with stakeholders’, whilst complying with legislation.
The performance of organizations today can no longer be measured on reported profits alone (Smith, 2008). The role of business in society has continually changed over time in that the 21st century organization not only aims at profitability through efficient conduct of business but also its contributions to the social well being of its social constituents. This social component which consists primarily of the external stakeholders’ demand that their interests be taken care of by the internal stakeholders that includes the top management board of directors, shareholders and employees. In order to increase organizational efficiency and effectiveness, organizations must continually reorganize themselves in the face of these challenges in order to achieve their objectives. They must be responsive to the challenges they face in the macro and micro-environments.

Yeboah (2011) illustrated that the concept of corporate social responsibility means that organizations have moral, ethical, and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and comply with the law. A traditional view of the corporation suggests that its primary, if not sole, responsibility is to its owners, or stockholders. However, CSR requires organizations to adopt a broader view of its responsibilities that includes not only stockholders, but many other constituencies as well, including employees, suppliers, customers, the local community, local, state, and federal governments, environmental groups, and other special interest groups.

Social responsibility has become indispensable (Mintzberg, 1983). The strategic decisions of large companies involve social as well as economic consequences, which are intimately connected. Porter and Kramer (2006) discuss the existence of the
interdependence between corporations and society, since a company’s activities have a direct impact on the communities with which they work. This can lead to either positive or negative consequences. Strategists and executives should take into account societal expectations and decisions, as there can be some attractive alternatives when goodwill or services to society are considered.

According to Wan-Jan (2006) the term "corporate social responsibility" came into common use in the late 1960s and early 1970s after many multinational corporations formed the term stakeholder. Proponents argue that corporations make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others contend that CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.

There is a vast empirical literature that examines the relationship between CSR and financial performance. For the purpose of exposition, these studies can be broadly delineated along two lines. In the first line of research, the relationship between social and financial performance is presented at the firm or stock level, and the evidence is mixed. For example, using a cross-sectional regression framework Wood (1991) report a positive association between CSR and firm performance. Along the same line, Meehan et al (2006) indicate that firms which improve their environmental performance are able to reduce their systematic (beta) risk

Competitiveness of a business is its ability to compete successfully in the market place and can be considered as a measure of productivity and efficiency of converting
inputs and resources into useful products and services. Thompson and Strickland (2003) observed that a company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces. Sustainable competitive advantage is born out of core competences that yield long term benefit to the company. Prahalad and Hamel (1990) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. They further explain that a core competence has three characteristics: it provides access to a wide variety of markets, it increases perceived customer benefits and it is hard for competitors to imitate.

Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than rivals. To succeed in building sustainable competitive advantage, a firm must try to provide what buyers will perceive as superior value. This entails either a good quality product at low price, or a better quality product that is worth paying more for (Mwiti, 2009). When managed effectively, CSR programs and projects can create significant benefits in terms of reputation, returns, motivation and loyalty of employees. CSR can also contribute toward strengthening valuable partnerships (Pearce & Doh, 2005). Husted and Allen (2001) state that CSR strategies can create competitive advantages if used properly, pointing out that there is a positive association between strategic social responsibility actions and competitive advantage.

If business is to have a deliberate, positive and consistent impact on society, then its leaders need to ensure that its purpose and values are shared by all those who may influence or benefit from its actions (Swift and Zadek, 2002). According to Mahon
(2002), researchers in marketing, public relations and communication have shown corporate reputation to be a critical element in increasing the purchase of product and services. For Logsdon and Wood (2002), reputation is a powerful concept for business, government and non-profit organizations. Executives and administrators as well as both external and internal stakeholders use reputation to evaluate and communicate their perception of business and corporations. Therefore, a good reputation can produce better results for the company. Corporate social responsibility should help enhance this reputation and consequently create Competitive advantage.

However, it is important to say that there is only the creation of competitive advantage through CSR if the benefits to society really exist, as such benefits should be implicit to the philosophy of social strategies (Husted & Allen, 2001). To be a source of competitive advantage, CSR actions should create real and consistent results for society. Increased concern with external aspects as an internal value to strategic social decisions leads to reflection regarding courses of action, analyzing and anticipating the effects of the corporation behaviour while predicting the potential positive or negative consequences (Thornton, 2008). According to Zadek (2005), for companies in which CSR is rooted, it is not difficult to meet new market expectations, such as dealing with corruption, human rights, environmental management in the supply chain, etc.

2.4 **Factors Influencing Relationship between CSR and CA**

Company-level attributes can influence company CSR participation, and understanding these effects is essential, as companies try to derive strategic value from CSR. One of these effects, the issue of company size is identified as both
relative and vital but as yet unexamined (Madden, Scaife, & Crissman, 2006). Adams and Hardwick (1998) indicate that CSR activities and corporate social responsibility Disclosure (CSRD) can be affected by company size that can affect strategic motivation i.e. strategic motivation can have a positive impact on CSR and CSRD. As larger companies tend to have a bigger CSR impact, given the scale of their activities they are becoming increasingly aware of the importance and benefits of CSR and CSRD (Cowen Linda & Scott, 1987). Second, the issue of company age is also considered as an important factor that can affect levels of CSRD. Delaney and Huselid, (1996), indicate that company age has a positive relationship with CSR and CSRD. Third, the issue of type of industry plays an important role in identifying the level of CSR activities and CSRD (McGuire, et al., 2003). For example, the level of CSR activities and CSRD differ from manufacturing sector to service sector (Kolk, 2003).

Corporate location tends to affect CSR, which is one source of competitive advantage. Few studies have shed light on the relation between corporate location and CSR. These studies are limited to geographical dispersion and multinational perspective. For example, Scholtens and Dam (2007) found that the effect of geographical dispersion on ethical codes, governance of corruption practices, human rights policies and corporate location has linked to corporate policies and decision- making processes. Secondly, it leads to the different corporate outcome (Porter, 2000). And lastly, most of its literature on some element of CSR is limited to its dispersion and multinational perspective. According to Brammer, Pavelin and Porter (2006) geographical diversification show positive association with corporate social performance based on multinational UK firms.
2.5 Summary of Literature Review

There is a significant need for organizations/institutions to be committed to offering socially sustainable activities to the society where it operates. Of equal importance is the fact that organizations/institutions ought to prioritize social benefits and ensure consistency. This is because corporate long-term legitimacy and the development of competitive advantage in CSR can only be achieved from the organizations' commitment, connections to the society and its consistency in the CSR.

Research undertaken by Gioia and Thomas (1996) reveals how top management teams in institutions of higher education make sense of important issues that affect strategic change in modern academia. The study further suggests that under conditions of change, these team members' perception of identity and image are important for the process. On the other hand, Baker and Balmer's (1997) case study describes the initiation and development of a corporate identity program in a major British university, namely, Strathclyde University. Melewar and Akel's (2005) study, which presents the new corporate identity of the University of Warwick, describes the university's corporate identity program in the context of the corporate identity model developed by Melewar and Jenkins (2002), which comprises the communication and visual identity, behavior, corporate culture and market conditions. Additionally, Atakan and Eker (2007) conducted a study to discuss the existing corporate identity management of Istanbul Bilgi University by focusing on the philosophy, mission and values of the university.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter discusses the research design, the population of the study, sample of the study, data collection and data analysis procedure.

3.2 Research Design
The study was a descriptive survey of CSR. Boyd, (1989) describes that descriptive surveys ensures complete description of the situation making sure that there is minimum bias in collection of data and reduce errors in interpreting the data collected.

3.3 Population and Sample
The population of the study was all public universities and private universities in Kenya. This involved the 22 public universities and 17 private universities in Kenya as illustrated by the Commission for University Education (CUE) website as at June 2013. The target population was therefore the 39 universities in Kenya. This was therefore be a census survey of all universities in Kenya.

3.4 Data Collection
This research used primary data. Primary data was collected through semi-structured questionnaires. The questionnaire was the most appropriate method of data collection for this study as it allowed access to large datasets and the use of advanced statistical techniques (Saunders et al., 2009). These were administered by the researcher to the Chief Executive Officer (CEO) or the head of CSR from respective institutions to their respective employees who were in senior management. The questionnaires were three parts; personal information, CSR initiatives of the institutions and competitive advantage.
3.5 Data Analysis

Descriptive statistics were employed to establish the CSR practices of universities in Kenya through percentages, mean scores and standard deviations. The strength of the relationship between corporate social responsibility and competitive advantage was tested using Pearson’s Product Moment Correlation Statistical Technique. A similar study conducted by Mwiti, (2009) used this technique to analyse data collected towards assessing the relationship between CSR and competitive advantage in oil industries in Kenya. Regression analysis was applied to determine the link between CSR initiatives and competitive advantage. The R-squared and the p-values of coefficients was interpreted. Regression results was presented in tables and interpreted at 95% confidence level.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction
This chapter presents the results of data analysis. The analysis is based on 25 out of the 39 universities that had been targeted representing a response rate of 64%. The chapter is organized as follows. The first section presents the results on CSR initiatives adopted by the universities in Kenya. The second section presents the results on competitive advantage. The third section is a presentation of results on the relationship between CSR and competitive advantage.

4.2 Characteristics of universities in Kenya
The data analysis in this part of the study focus on the characteristics of the universities in Kenya. The analysis include the use of a frequency table to present areas of similarities such as years of establishment in Kenya.

<table>
<thead>
<tr>
<th>YEARS OF ESTABLISHMENT</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>5 – 10 years</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>16 – 20 years</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>More than 20 years</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>25</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The results from Table 1 above indicate that 40% of the universities in Kenya have been in existence for less than 5 years; meaning that these are the recent entrants in the higher education sector. There are also 4 universities representing 16% of the total that have been in existence for a period of between 5-10 years. The universities that
have been operational for more than 10 years are represented by 7 universities with 5 universities that represent 20% having gained up to 20 years of existence in the country. A total of 4 universities representing 16% depicted the longest serving category of more than 20 years.

4.3 CSR practices adopted by Institutions
The study sought to examine the corporate social responsibility initiatives adopted by universities surveyed. A Likert scale of 1-5 was used to capture the data. The results of this analysis are shown in charts 1-4 in terms of percent of institutions that agreed that they had the CSR initiatives.

Figure 1: CSR practices on Educational Priorities

<table>
<thead>
<tr>
<th></th>
<th>% of Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational forums</td>
<td>92%</td>
</tr>
<tr>
<td>Scholarship</td>
<td>92%</td>
</tr>
<tr>
<td>Design market relevant courses</td>
<td>76%</td>
</tr>
<tr>
<td>New courses with social objectives</td>
<td>68%</td>
</tr>
<tr>
<td>Flexibility in teaching times</td>
<td>56%</td>
</tr>
</tbody>
</table>

As shown, the study found that on educational priorities, 92% of the institutions had scholarships to disadvantaged kids, 92% had educational forums, 76% designed market relevant courses, 68% developed new courses with social objectives, and 56% were flexible in teaching times.
Figure 2:  CSR practices on Workplace Capabilities

The study found that on workplace capabilities, 80% of the institutions trained their staff as a CSR initiative, 72% enhanced work environment and safety standards, 60% provided medical care and health schemes, and 52% employed minority groups.

Figure 3:  CSR practices on Societal Capabilities

The study also found that on societal capabilities, 60% supported the informal sector, 60% sponsored sporting events and charity walks, 44% made donations to homes,
hospitals, and schools, 40% helped victims of natural disasters, and 32% established recreational facilities for communities.

**Figure 4: CSR practices on Environmental Capabilities**

<table>
<thead>
<tr>
<th>CSR Practice</th>
<th>% of Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental conservation initiatives</td>
<td>84</td>
</tr>
<tr>
<td>Existence of Environmental Policies</td>
<td>72</td>
</tr>
<tr>
<td>Minimizing environmental pollution</td>
<td>64</td>
</tr>
<tr>
<td>Waste reduction management</td>
<td>56</td>
</tr>
</tbody>
</table>

The study found that on environmental capabilities, 72% had environmental policies, 84% had environmental conservation initiatives, 64% minimized environmental pollution, and 56% implemented waste reduction management.

The study intended to examine the extent to which CSR activities were carried out in the universities surveyed. Table 2 below presents the results on the extent to which the respondents agreed with the application of CSR activities in their institution. The data used was a 1-5 Likert scale from ‘strongly disagree’ to ‘strongly agree’.
Table 2: Application of CSR in Universities

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Institution distinguishes itself from all discrimination practices</td>
<td>25</td>
<td>100</td>
</tr>
<tr>
<td>The institution has a good relationship with students and suppliers as well as contractors</td>
<td>22</td>
<td>88</td>
</tr>
<tr>
<td>The institution engages in environmental awareness programmes</td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>The Institution prohibits any form of corruption</td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>The institution caters for educational needs of disadvantaged students</td>
<td>19</td>
<td>76</td>
</tr>
<tr>
<td>The institution has well defined business ethics</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>This institution has well defined CSR mission statement and vision core principles</td>
<td>19</td>
<td>64</td>
</tr>
<tr>
<td>The institution participates in community events, such as donations during famine</td>
<td>19</td>
<td>76</td>
</tr>
<tr>
<td>Corporate Social Responsibility has a significant impact on the institutions performance</td>
<td>17</td>
<td>68</td>
</tr>
<tr>
<td>Employees are well remunerated compared to peers in the same industry</td>
<td>14</td>
<td>56</td>
</tr>
</tbody>
</table>

The results show that all the institutions distinguished themselves from all discrimination practices, 88% had good relationship with students and suppliers, 84% engage in environmental awareness programmes, 84% prohibit any form of corruption, 76% cater for educational needs of disadvantaged students, and 80% have well defined business ethics.

The results also showed that 64% of the institutions had well defined CSR mission statement and vision core principles, 76% participated in community events such as donations during famine, 68% noted that CSR had a significant impact on the performance of their institutions, and 56% noted that their employees were well remunerated compared to peers in the same industry.

4.4 Basis of Competitive Advantage among the universities

This part of the analysis sought to determine the link between universities characteristics such as legal compliance, size and ownership and Competitive Advantage. To capture this data, a Likert scale of 1-5 was used ranging from ‘strongly
disagree’ to ‘strongly agree’. The results are shown in Table 3 below in terms of the frequency and percentages.

<table>
<thead>
<tr>
<th>Table 3: Competitive Advantage</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our main source of competitive advantage is our brand name and corporate image hence our visibility in the market advantage</td>
<td>22</td>
<td>88</td>
</tr>
<tr>
<td>My institution strong research agenda has enabled us to attract funding consistently</td>
<td>22</td>
<td>88</td>
</tr>
<tr>
<td>My Institution’s source of competitive advantage are the services and the products</td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>My Institution provides an array of courses without increasing cost</td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>Our management style and performance gives us a competitive advantage in the market</td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>We pride ourselves as being totally compliant with all rules and laws applicable in the country</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>My Institution is first class in the industry, hence easy acceptance in the market</td>
<td>19</td>
<td>76</td>
</tr>
<tr>
<td>Our ranking at the top according to University ranking Institutions gives us a competitive advantage</td>
<td>17</td>
<td>68</td>
</tr>
<tr>
<td>The ownership status of this institution provides a greater advantage</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>My Institution’s size gives us the competitive edge over our competitors</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>My institution is strategically located hence attractive to the community and stakeholders</td>
<td>14</td>
<td>56</td>
</tr>
</tbody>
</table>

As shown, 88% of the respondents agreed that their brand name was their main source of competitive advantage, 88% agreed that strong research agenda was their competitive advantage, 84% agreed that it was service and products offered, 84% noted that it was the array of courses offered without increasing costs, another 84% noted that it was their management style and performance while 80% noted that their source of competitive advantage was compliance with all rules and laws of Kenya.

4.5 Relationship between CSR and Competitive Advantage

The researcher at this level was determined to examine the relationship between CSR initiatives and competitive advantage. The results in Table 4 present the correlation matrix which seeks to identify whether there are any serial correlations between the independent variables in the study. As such, the independent variables were education
priorities (EP), workplace capabilities (WC), societal capabilities (SC), and environmental capabilities (EC). The dependent variable is competitive advantage (CA).

Table 4: Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>CA</th>
<th>EP</th>
<th>WC</th>
<th>SC</th>
<th>EC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Advantage</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education Priorities</td>
<td>.963*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace Capabilities</td>
<td>.986*</td>
<td>.971*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Societal Capabilities</td>
<td>.965*</td>
<td>.890*</td>
<td>.949*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Environmental Capabilities</td>
<td>.986*</td>
<td>.971*</td>
<td>1.000*</td>
<td>.949*</td>
<td>1</td>
</tr>
</tbody>
</table>

** means 5% significance level; *** means 1% significance level

The results in Table 4 show that workplace capabilities as corporate social responsibility variable was serially correlated with all the independent variables. This means that the variable would be problematic in the model if included and therefore a decision was made not to include it in the final OLS regression model.

Table 5: Regression Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-0.339</td>
</tr>
<tr>
<td>Environmental Capabilities</td>
<td>0.477**</td>
</tr>
<tr>
<td>Societal Capabilities</td>
<td>0.289***</td>
</tr>
<tr>
<td>Educational Priorities</td>
<td>0.328*</td>
</tr>
<tr>
<td>R</td>
<td>0.993</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.985</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.983</td>
</tr>
<tr>
<td>F</td>
<td>471.71</td>
</tr>
<tr>
<td>Sig, F</td>
<td>0.000</td>
</tr>
</tbody>
</table>

* means 10% significance level; ** means 5% significance level; *** means 1% significance level

The results of the OLS regression analysis are shown in Table 5. As presented, there was a positive and significant relationship between CSR initiatives in environment and competitive advantage, p < 0.05. This shows that at the 5% level of significance,
CSR initiatives by universities in Kenya as regards environment strongly influence their competitive advantage.

The results of the regression analysis also show that CSR practices among society members have a positive and significant impact on their competitive advantages, \( p < 0.01 \). Thus, at the 1% level of significance, CSR practices in societal capabilities have a significant influence on the competitive advantage of universities in Kenya.

The results in Table 5 also show that CSR practices in education had positive and slightly significant effects on the competitive advantage of universities in Kenya, \( p < 0.1 \). These results show that the relationship between educational priorities and competitive advantage was significant only at the 10% level of significance and therefore marginally influenced competitive advantage of universities in Kenya.

Overall, the results show a high correlation between corporate social responsibility and competitive advantage (\( R = 0.993 \)). The model accounted for 98.5% of the variance in competitive advantage of universities surveyed (R-squared = 0.985. The F statistic was significant at the 1% level of significance hence leading to the conclusion that the model was fit to examine the relationship between CSR initiatives and competitive advantage.

### 4.6 Discussion of Findings

The study sought to determine the relationship between CSR practices and competitive advantage in Universities in Kenya. The results showed that there was a positive and significant relationship between CSR practices in environment and
competitive advantage, \( p < 0.05 \). This is consistent with the findings of Meehan \textit{et al} (2006) who indicated that firms which improve their environmental performance are able to reduce their systematic (beta) risk.

The study also sought to determine the factors influencing the relationship between CSR and Competitive Advantage. The study revealed that a number of sources of Competitive Advantage were drivers of this relationship and were brand names, strong research agenda, service and products offered, number of courses offered, management styles and performance, legal compliance, and first class status among other factors. Some of the findings on Competitive Advantage are consistent with Logsdon and Wood (2002) who noted that reputation is a powerful concept for business, government and non-profit organizations.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents the summary of findings, conclusions of the study, limitations of the study, recommendations, and suggestions for further research.

5.2 Summary of Findings
The study sought to examine the relationship between corporate social responsibility and competitive advantage in universities in Kenya. In order to do this, the study collected primary data using questionnaires from local universities. The analysis was done using both descriptive analysis and OLS regression analysis.

The study found that some of the CSR activities were educational forums (92%), scholarships (92%), environmental conservation initiatives (84%), training of staff (80%), design of market relevant courses (76%), and existence of environmental policies (72%). The most significant CSR initiative was education (mean = 4.01, SD = 0.918). This was followed by environment (mean = 3.83; SD = 0.898) and then workplace (mean = 3.69; SD = 0.745). The least significant among all the initiatives was societal capabilities (mean = 3.01; SD = 0.486).

The results further revealed that 88% of the respondents agreed that their brand name was their main source of competitive advantage, 88% agreed that strong research agenda was their competitive advantage, 84% agreed that it was service and products offered, 84% noted that it was the array of courses offered without increasing costs, another 84% noted that it was their management style and performance while 80%
noted that their source of competitive advantage was compliance with all rules and laws of Kenya.

It was also noted that the least sources of competitive advantage were age of the institution (28% agreed), innovative CSR programmes (24% agreed), widest coverage (48% agreed) and big budgets (44% agreed). Other least sources of competitive advantage were creation of new linkages (60% agreed), and strategic location of institutions (56% agreed).

The study found that there was a positive and significant relationship between CSR practices in environment and competitive advantage, \( p < 0.05 \). The results of the regression analysis also showed that CSR initiatives among society members have a positive and significant impact on their competitive advantages, \( p < .01 \). It was also found that CSR practices in education had positive and slightly significant effects on the competitive advantage of universities in Kenya, \( p < 0.1 \).

The study found a high correlation between corporate social responsibility and competitive advantage (\( R = 0.993 \)). The model accounted for 98.5% of the variance in competitive advantage of universities surveyed (\( R\text{-squared} = 0.985 \). The model was fit to explain the relationship between CSR and competitive advantage (\( F \text{ statistic} = 471.71, p < 0.01 \)).

**5.3 Conclusions**

The study concludes that universities in Kenya are focusing more on educational and environmental issues as their corporate social responsibility initiatives. This is
through initiatives such as funding needy students to continue with their education through scholarships and also having environmental policies which act as their guides.

The study concludes that the sources of competitive advantage in universities are brand names, strong research agenda, service and products offered, number of courses offered, management styles and performance, legal compliance, and first class status among other factors.

The study further concludes that there is a positive and significant effect of CSR initiatives in environment, education, and society on the competitive advantage of universities in Kenya. It is also concluded that there is a high correlation between corporate social responsibility and competitive advantage.

5.4 **Recommendations**

The study recommends that universities should focus on more CSR activities as evidence suggests that such initiatives lead to better competitive advantage for such institutions. The study recommends that CSR investments in environment need to be one of the main focus of universities if they need to improve on their competitive advantage. This includes having environmental policies and statements and having environmental pollution initiatives in their institutions.

The study recommends that corporate social responsibility investments in society also need to be upped by universities in Kenya as thees may lead to better competitive advantages. This includes investments in supporting informal sector, sponsoring sporting events and charity walks, and donations to homes, hospitals and schools.
The study specifically recommends that universities should have more initiatives for CSR expanded in the educational sector as this will have a positive impact on their competitiveness. Scholarships for needy but bright students should therefore be a centre-stage of CSR practices by universities in Kenya.

5.5 Suggestions for Further Research
The study suggests that this study be replicated to other firms other than educational institutions to examine whether the results found here still hold for other corporate organisations. This will aid in enhancing comparability of findings. The study also suggests that further studies in this area need to expand the sources of information. Instead of relying on questionnaires as the only source of data, there is need to use other methods such as focus group discussions and interviews in order to triangulate results.
REFERENCES
Bowman, H. (1953), Social Responsibility of Businessmen, Harper and Brothers, New York, NY
Davis. (2005), The case for and against business assumption of social responsibilities, *Academy of Management Journal, Vol.16 No 2, pp 312 -22*


APPENDICES

Appendix A: List of Universities in Kenya

Public Universities
1. University of Nairobi (UoN)
2. Moi University (MU)
3. Kenyatta University (KU)
4. Egerton University (EU)
5. Jomo Kenyatta University of Agriculture and Technology (JKUAT)
6. Maseno University (MSU)
7. Masinde Muliro University of Science and Technology (MMUST)
8. Dedan Kimathi University of Technology (DKUT)
9. Chuka University (CU)
10. Technical University of Kenya (TUK)
11. Technical University of Mombasa (TUM)
12. Pwani University (PU)
13. Kisii University (EU)
14. University of Eldoret
15. Maasai Mara University
16. Jaramogi Oginga Odinga University of Science and Technology
17. Laikipia University
18. South Eastern Kenya University
19. Meru University of Science and Technology
20. Multimedia University of Kenya
21. University of Kabianga
22. Karatina University

Chartered Private Universities
1. University of Eastern Africa, Baraton
2. Catholic University of Eastern Africa
3. Scott Theological College
4. Daystar University
5. United States International University
6. Africa Nazarene University
7. Kenya Methodist University
8. St. Paul’s University
9. Pan Africa Christian University
10. Strathmore University
11. Kabarak University
12. Mount Kenya University
13. Africa International University
14. Kenya Highlands Evangelical University
15. Great Lakes University of Kisumu (GLUK)
16. KCA University
17. Adventist University of Africa

Source: [http://www.cue.or.ke/services/accreditation/status-of-universities](http://www.cue.or.ke/services/accreditation/status-of-universities)
Appendix B: The Questionnaire

Section A: Bio-Data

1. Please tick where appropriate
   1a. Gender: Male ( ) Female ( )
   1b. Age: Below 30 years [ ], 30-40 years [ ], 41-50 years [ ], 51 and above years [ ]

2. Your designation in the Institution………………………………………………..

3. How long have you been working at this University
   Below 1 year [ ]
   1-5 years [ ]
   6-10 years [ ]
   11-15 years [ ]
   More than 16 years [ ]

4. Which year was the University started/established…………………………

5. Name of the University…………………………………………………..

Section B: CSR initiatives adopted by institutions

Please tick (√) in the box that corresponds to your answer choice from the options provided below.

Key: SA-Strongly Agree; A-Agree; U-Undecided; D-Disagree; SD-Strongly Disagree.

The following are some of the CSR initiatives undertaken by the University.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Education priorities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarship to disadvantaged children</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational forums for potential University populace</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design market relevant courses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility in teaching times</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of new courses with social objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Workplace capabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing Medical care and health schemes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Training of staff
Employment of minority groups
Enhancing work environment; safety standards

3. **Societal capabilities**
   Donations to homes, hospitals and schools
   Sponsorship of sporting events and charity walks
   Supporting the informal sector/jua kali
   Establishing recreational facilities for communities
   Helping victims of natural disasters

4. **Environmental capabilities**
   Environmental conservation initiatives
   Existence of Environmental Policies
   Implementing waste reduction management
   Minimizing environmental pollution

Please indicate the extent to which you agree with the following statements as far as they apply in the institution by ticking [✓] accordingly

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporate Social Responsibility has a significant impact on the institution's performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>This institution has well defined CSR mission statement and vision core principles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The institution has well defined business ethics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>The institution has a CSR department headed by a CSR manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>CSR Director communicates CSR activities to members of the staff and students</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>CSR department gives an annual audit reports</td>
<td></td>
<td></td>
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<td>7</td>
<td>Issues raised in the audit reports are analysed and corrections are done and good practices are employed for the coming year</td>
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<td>8</td>
<td>The institution has well documented policies and procedures that caters for well being of staff and students</td>
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<td>9</td>
<td>The institution has a good relationship with students and suppliers as well as contractors</td>
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<td>11</td>
<td>The institution has had environmental issues with National Environmental Management Authority</td>
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<td>12</td>
<td>The institution has had issues relating to students and student harassment</td>
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<td>13</td>
<td>The institution has profit sharing schemes with its employees</td>
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<td>14</td>
<td>The institution caters for educational needs of disadvantaged students</td>
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<td>15</td>
<td>The institution engages in environmental awareness programmes</td>
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<td>16</td>
<td>The institution upholds Governance and dialogue with the stakeholders before implementing its CSR activities</td>
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<td>17</td>
<td>The institution participates in community events, such as donations during famine</td>
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<td>18</td>
<td>The Institution prohibits any form of corruption</td>
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<td>19</td>
<td>The Institution distinguishes itself from all discrimination practices</td>
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<td>20</td>
<td>The employees and students are aware of institutions CSR code of ethics</td>
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<td>21</td>
<td>Employees are well remunerated compared to peers in the same industry</td>
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22. Please outline any other CSR activities

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55
**Section C: Competitive Advantage**

Please tick (✓) in the box that corresponds to your answer choice from the options provided below.

Key: **SA**- Strongly Agree;  **A** -Agree;  **U**- Undecided;  **D**- Disagree;  **SD**- Strongly Disagree

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<thead>
<tr>
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<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>My Institution often uses innovative CSR programs</td>
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<td>2</td>
<td>My Institution’s source of competitive advantage are the services and the products</td>
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<td>3</td>
<td>My Institution provides an array of courses without increasing cost</td>
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<td>4</td>
<td>My Institution has the widest presence in the country</td>
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<td>5</td>
<td>My Institution’s size gives us the competitive edge over our competitors</td>
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<td>6</td>
<td>The age of my Institution has a big implication on trust and confidence of the society and other stakeholders</td>
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<td>7</td>
<td>My institution is strategically located hence attractive to the community and stakeholders</td>
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<td>8</td>
<td>The ownership status of this institution provides a greater advantage</td>
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<td>9</td>
<td>My Institution is first class in the industry, hence easy acceptance in the market</td>
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<td>10</td>
<td>Our main source of competitive advantage is our brand name and corporate image hence our visibility in the market advantage</td>
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<td>11</td>
<td>Our management style and performance gives us a competitive advantage in the market</td>
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<td>12</td>
<td>We pride ourselves as being totally compliant with all rules and laws applicable in the country</td>
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<td>13</td>
<td>Our ability to create new linkages gives us</td>
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</table>
Competitive Advantage

14. My institution strong research agenda has enabled us to attract funding consistently

15. Our ranking at the top according to University ranking Institutions gives us a competitive advantage

16. My Institution has a big budget size to support scholarships hence, assuring us a competitive edge

17. Any other competitive advantage factors (please specify)

THANK YOU VERY MUCH FOR YOUR PARTICIPATION