

**EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON CORPORATE
IDENTITY OF SMALL AND MEDIUM TELECOMMUNICATION FIRMS IN
KENYA**

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DECLARATION AND RECOMMENDATION

Declaration

This Research Project is My original work and has not been presented for a degree award in any other University

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Recommendation

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

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DEDICATION

I dedicate this work to my dear and beloved wife Linner, my son Allan Kigen and my Daughter Sandys Jelimo for their love, care and understanding during the entire course work and research work.

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My gratitude's goes to Almighty God for his providence in health and material needs and patience. I am equally grateful to Egerton University for availing an enabling environment for studying and creating a forum for me to discuss my research findings.

Secondly I wish also to acknowledge the contribution and support of my supervisor, Dr. Nahashon Langat for the personal encouragement and guidance at every step of the proposal.

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ABSTRACT

While the creation of a strong reputation and image has been recognized as an important factor in the success or failure of virtually all major organizations for some time, CSR has only recently been acknowledged as one of the most important factors in determining corporate reputation. The study examined the effects of corporate social responsibility on corporate identity of small and medium telecommunication firms in Kenya. The study was guided by four objectives: To examine the effect of economic aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya, to find out effect of legal aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya, to examine effect of philanthropic aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya and to examine the effect of ethical aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya. Various stakeholders will benefit from the findings: SMEs, practitioners, policy-makers and academics. The study adopted a descriptive research design. Proportionate Stratified sampling technique was used to select a sample of 203 both employees and customers. Structured questionnaire was used containing both open and close-ended questions. Data was analyzed using SPSS and findings presented using descriptive tools such as means and standard deviations. The entire alternative hypotheses were accepted, generally showing that CSR has a significant positive relationship with corporate identity of telecommunication firms in Kenya. The study found that organizations in certain settings engage more actively in CSR and ethical programs to ensure effectiveness of their corporate identity efforts. It also showed that larger, service based firms should keep in mind that CSR will help them to increase their image attractiveness, and as such are able to endorse image-building marketing activities.

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LIST OF ABBREVIATIONS

CSP	-	Corporate Social performance
CSR	-	Corporate Social Responsibility
ISP	-	Internet Service Providers
SAAR	-	Social Accountability, Auditing & Reporting
SME	-	Small Medium Enterprise
VSAT	-	Very Small Aperture Terminal
WAN	-	Wide Area Network

DEFINITIONS OF KEY TERMS

Corporate Social Responsibility- Refers to business approach that contributes to sustainable development by delivering economic, social and environmental benefit for all stakeholders.

Corporate Identity - Refers herein to a manner in which a corporation or firm of business presents themselves to the Public.

Economic Aspect - Refers to an organization being able to be profitable

Legal Aspect - Refers to an organization obeying and abiding by laws of the Country

Philanthropic Aspect – refers to an organization being a good corporate citizen

Ethical Aspect - Being ethical and moral in all its business undertakings

Society - Group of people with common territory, interaction and culture

Customers – Consumers or users of firm's services

Management – Persons responsible for daily firms operations and policy implementation

Small and medium enterprises – Refers to firms having less than 1000 employees, Less than 100 Million in turn over and less the 50 million investment in plant & equipments.

Telecommunications firms – Offers provision of voice or data transmission services

Stakeholders – Means employees, Owners. Society and the government

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In an age of reputation, corporate social responsibility (CSR) has been debated vigorously by scholars and managers across business functions such as communications, marketing, finance, and human resource across the world (Lindgreen, Swaen, & Maon, 2009). Managing CSR is always a vital issue in the boardroom. Most multinational corporations invest millions to manage CSR programs to meet corporate social performance in their origin country and other countries in which they operate. Managing CSR programs is important to companies because it influences underlying intangible assets such as corporate reputation, identity, and image.

According to World Business Council for Sustainable Development (1998), corporate social responsibility 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.

Flavián, Guinaliu and Torres, (2005); Chattananon, et al. (2007), states that corporate identity is the understanding about the company by any stakeholder. Corporate identity is determined by the elements provided by controllable and uncontrollable sources of information. Worcester (2009) notes that CI consists of product image, brand image and brand consumer image. Yeo, Youssef (2010) state that CI is a source of competitive advantage: due to the fact that CI can only be formed over a long time, it becomes difficult to imitate. Besides CI creates consumer trust and deters competitors from entering the market.

A sizable body of research, including research and publications from the field of visual/graphic design, organizational studies, and marketing addresses the topic of corporate identity, image, and branding of business organizations (Brown, Dacin, Pratt, & Whetten, 2006). In his study, Balmer (2008) discusses five principal schools of thought relating to identity and identification which are characterized as corporate identity, communicated corporate identification, stakeholder corporate identification, stakeholder cultural identification, and envisioned identities and identifications. Corporate identity deals with the impressions, image, and personality that an organization presents to its stakeholders (Schmitt & Pan, 1994), in order to differentiate itself and create a unique position in the environment in which it operates (Simoes & Dibb, 2008). The objective of corporate identity management (CIM) is to establish a favorable reputation with an organization's stakeholders, which the

stakeholders then translate into a propensity to buy the organization's product or services, to work for the organization or to invest in it (Balmer, 1995).

CSR is driven by the philosophy that businesses are part of the society and as such ought to contribute positively to social goals and aspirations (Jones, 2005). In this regard, some CSR proponents argue that businesses should be held accountable (Maignan *et al.* 2005) not only for their economic responsibilities to shareholders, but also for the non-economic consequences of their activities on the society and the natural environment (Robins, 2005). As a result, businesses have begun to accord high value and importance to responsible behaviour (Assadourian, 2006). There is mounting evidence indicating that firms now invest heavily and ceaselessly on CSR for instance, in year 2005 alone, over \$US3.6 billion was committed voluntarily by business organizations to CSR activities and yet the amount of charitable and philanthropic contributions made by businesses to society continues to rise (Renz & Lawrence, 2005).

Without any doubt, the vast Resources committed to corporate identity and CSR practices are reflective of the relevance, growth and importance of these two disciplines (Grayson and Hodges, 2004). More importantly, the surge in the number of corporate scandals such as nuclear power disaster in Russia; dismantling of oil rigs in the North Sea; escape of poisonous gas from a chemical plant in India; sudden and untimely collapse of big businesses and increased pressure from stakeholders, which have profound effects on business and corporate reputation have undoubtedly positioned corporate identity and CSR as a legitimate business practice in the contemporary world of work (Perrini, 2006). The increased drive towards corporate identity and CSR is made more evident by the rising volume of corporate identity literatures (i.e. social reports), which has continued to generate the interest among big multinational businesses (Kolk, 2005; Gond & Herrbach, 2006).

European Commission (July 2001) with the Green Paper "Promoting a European framework for Corporate Social Responsibility" defined the concept of CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

Studies have shown that corporate identity attributes can be detected by observing a company's strategy, behavior, its rules, and structure (Melewar & Karaosmanoglu, 2006). Corporate identity is characterized by high quality mentality, supreme products, financial

stability, an excellent working environment, as well as sensitivity for CSR aspects (Einwiller & Will, 2002). Elsewhere, He and Balmer (2013) connect an effective corporate identity management with an improved corporate image in the short term and a better corporate reputation in the long term. Corporate image relates to the perception of expressed corporate identity (Margulies, 1977).

According to Baumgarth and Binckebanck (2011) the establishment of a CSR-oriented corporate identity and culture are preconditions to achieve a reliable and trustworthy image and reputation. Both are highly affected by CSR disclosure (Guidry & Patten 2012). Consequently, the integration of CSR into the corporate identity is crucial for a successful CSR concept. Therefore, managers should utilize corporate identity to give organizational members some sense of purpose that motivates them to achieve common goals (Cornelissen 2002, p. 266). Corporate identity management enables the ability to express individuality, to manifest differentiating attributes, to set and express strategy as well as to communicate effectively (Balmer, 2001). In most cases the alignment of corporate identity towards CSR requires the adoption of new values and beliefs as well as the definition of a new strategy and vision (Heikkurinen & Ketola 2012). Additionally, the adoption of CSR principles requires most firms to revise or establish processes and structures. Accordingly, Lozano et al. (2016) found a strong reciprocal relationship for organizational change management and CSR disclosure.

1.1.1: Small and Medium Enterprises in Kenya

The concept of SMEs varies from one country to another depending on the indicators used (Ong'olo & Awino, 2013). The first criteria based on the number of employees, states that SMEs are those enterprises below a certain number of workers (can range from less than 10 to less than 50 employees). The second criterion states SMEs as the degree of legal formality, and has been used to distinguish between the formal and informal sectors. Small and medium enterprises (SMEs) are considered as enterprises which are not registered and do not comply with the legal obligations concerning safety, taxes and labour laws. The third criterion states SMEs are based on the limited amounts of capital and skills per worker.

Even though the definition varies from one country to another (depending on the economic structure), the regulatory and institutional framework for the Kenya's SMEs has been based on the number of employees and the company's annual turnover (MSMEs Act, 2012). For instance, the micro enterprises have been defined as those employing less than 10 workers

with annual turnovers of less than KES 500,000 and capital formation of less than KES 5 million for services or less than KES 10 million for enterprises doing manufacturing. Small enterprises are defined as those that employ between 10 and 50 workers with annual turnovers between KES 500,000 and KES 5 million and capital formation between KES 5 million and KES 20 million for services or between KES 5 million and KES 50 million for enterprises doing manufacturing (see table 1.1).

Table 1 Classification of SMEs by the MSE Act 2012

Entity (Trade service, industry or business activity)	No of Employees/People	Annual Turnover Limit	Investment in Plant and Machinery +Registered Capital	Equipment Investment + Registered Capital
Micro Enterprise	Less than 10 people	Not exceeding KES 500,000	Not exceeding KES 10M	Not exceeding KES 5M
Small Enterprise	More than 10 but less than 50	Between KES 500,000 to 5M	More than 10m but less than 50M	More than 5m BUT LESS THAN 20M
Medium Enterprise	More than 150 but less than 1000	Between 8M to 100M	More than 50M	More than 20M

Source: MSMEs Act, 2012

Generally, the SMEs sector in the country comprises of manufacturing and trade (wholesale and retail) sub-sectors, with substantial engagement in agro-based activities, which, directly affects a larger population in the society. The SMEs subsector are businesses in both formal and informal sectors accounting to more than 74% of the total persons engaged in employment per year and contributing more than 18.4% of the country's GDP

1.2 Statement of the Problem

In today's highly competitive market environment, firms need to meet the expectations of multiple stakeholders and compete for corporate identity status. In this context, corporate identity plays a very specific role because stakeholders make their decisions based on the identical status of the firm in question.

Corporate environment is experiencing a shift from implicit to explicit corporate social responsibility (CSR), which brings on new challenges and opportunities for corporations as to how to engage in CSR and how to communicate their CSR activities (Matten & Moon, 2008).

Research carried out by Midttun *et al.*, (2006) has shown that 88% of respondents of a survey conducted indicated that they are willing to buy from companies that are social responsible than from companies that are not and another survey indicated that 72% would prefer to purchase products and services from a company with ethical business practices and higher prices has compared with 18% would purchase from a company with questionable business practices and lower. It's also evident that profitability is enhanced by a reputation of honesty and corporate citizenship and this gives an organization a clear competitive advantage.

The Service industry is currently the most competitive field and companies are investing heavily on CSR activities. Corporate social responsibility may help to establish clear boundaries among the different interests of many companies. Social responsibility has always been an integral part of industrial laws and policies in Kenya, but the contentious issue has always been the social responsiveness of these roles. In most cases, the communities do not seem to really understand the intent regarding their social roles or they are most times misinformed about this thus leading to a cold response. Most corporate organizations have failed to live up to their social roles because of the economic situation, and casual approach to the few good policies they try to initiate. This unarguably takes its toll on their turnover, which in turn affects what they give back to the society in fulfilling some of their social responsibilities. This study therefore sought to examine effects of corporate social responsibility on corporate identity of Telecommunication firms in Kenya.

1.3 Research Objectives

1.3.1 Broad Objective

To examine the effects of corporate social responsibility on corporate identity of small and medium telecommunication firms in Kenya.

1.3.2 The Specific objectives

- i. To examine the effect of economic aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya.
- ii. To find out effect of legal aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya.
- iii. To examine effect of philanthropic aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya.
- iv. To examine the effect of ethical aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya.
- v. To examine and find out the effect of economic, legal, philanthropic and ethical aspect of corporate social responsibility on corporate identity of telecommunication firms in Kenya.

1.4 Research Hypotheses

- H₁: There is positive relationship between economic responsibility and corporate identity of telecommunication firms in Kenya.
- H₂: There is positive relationship between legal responsibility and corporate identity of telecommunication firms in Kenya.
- H₃: There is positive relationship between philanthropic responsibility and corporate identity of telecommunication firms in Kenya.
- H₄: There is positive relationship between ethical responsibility and corporate identity of telecommunication firms in Kenya.
- H₅: There is positive relationship between economic, legal, Philanthropic and ethical responsibility and corporate identity of telecommunication firms in Kenya

1.5 Significance of the Study

These research findings would help potential investors and shareholders to identify investment opportunity available to them, so that they can make best investment decision. In addition the study will also help the government and the financial sector in developing policies aimed at improving the performance of the SMEs in Kenya. The findings are also beneficial to public, customers and potential customers interested on effectiveness of customer service delivery mechanism offered by the SMEs. This will inform them on whether they would wish to continue doing business with the SMEs.

Policy makers and practitioners can use the results of this study to improve and reorient their plans so that they can increase the CSR participation rate of SMEs. This can potentially improve the standards of social life and the national economy on a macro scale, too. Participating SMEs will receive a summary of the outcomes of this study. This will allow them to gain a critical insight into the CSR practices of SMEs and inform them about the importance other businesses assign to stakeholders and communities. A comparison of their individual attitudes with the overall outlook may help them to reconsider their approach toward social involvement and encourage them to participate in CSR. Also, the findings would likely influence positively the behaviour of any management team to embark on social responsibility.

1.6 Scope of the Study

This study focused on three telecommunication companies in Kenya and these include Jamii Company Limited, Access Kenya and iWay Africa. All the companies targeted have their head offices in Nairobi County.

1.7 Limitations of the Study

According to Price and Murnan (2004), limitations are conditions, which go beyond control of any researcher, which may restrict study conclusions and their applications to other situations. Considering the nature of the topic especially where top management are mentioned, the researcher encountered non-responsive staff from the participants of the selected companies who participated in the study and be non-committal in discussing about issues in their institution fearing it might work against them. The researcher convinced and assured them that their names will not be disclosed in carrying out the exercise.

The researcher had limited by time and inadequate funds. This hindered the researcher from exploiting further the target sample. The researcher also experienced non-co-operation from the respondents who upon realizing that they are being interviewed could give false information. To overcome this limitation, the researcher assured the respondents that the findings would only be used for academic purposes.

1.8 Assumptions of the Study

According to Creswell (2009), methodological assumptions consist of assumption made by the researcher regarding the methods used in the process of qualitative research. The researcher made the following assumptions first that the responses were honest and truthful; secondly that the respondents were qualified enough to respond to the research questions and finally the research design was adequate for the purpose.

CHAPTER TWO

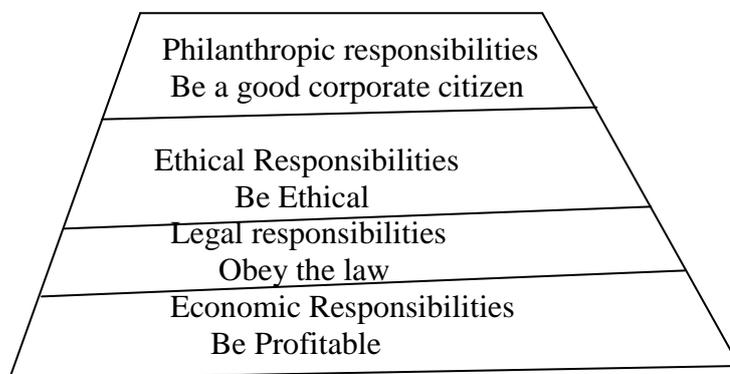
LITERATURE REVIEW

2.1 Introduction

This chapter discusses the theoretical background and reviews previous studies related to CSR and corporate identity. The concept of social responsibility is not a novel one. Although the idea was already considered early in the twentieth century; the current discussion of social responsibility was made popular in Bowen's book, *Social Responsibilities of the Businessman*, in which he urged businesses to consider the social implications of their decisions (Wehrich & Koontz, 2005).

According to Archie Carroll's pyramid of corporate social Responsibility (1996), states that corporation has four types of responsibilities the first being economic, to be profitable, second legal, to obey the laws set forth by the society, thirdly is the ethical, which is to do what is right even when business is not compelled to do so by law and the fourth one is the philanthropic also called discretionary responsibility which is best described by resources contributed by corporations toward social, educational, recreational and or cultural purposes.

Fig.2.0 Carroll Pyramid of Corporate Social Responsibility



Source: Carroll (1996)

2.2 Theoretical Framework

In the examination of the effects of CSR on corporate identify of telecommunication firms, this study utilizes three theories: The utilitarian theory, the managerial theory, and the relational theory. They have been discussed in detail in the following sections.

Relational theory has a root from the complex firm-environment relationships. As the term implies, interrelations between the two are the focus of the analysis of CSR. As indicated in

relational theory is further divided into four sub-groups of theories: business and society; stakeholder approach; corporate citizenship; and social contract. Business and society is proposed to mean 'business in society' in which CSR emerges as a matter of interaction between the two entities. One of the measures of CSR is the development of economic values in a society. Another is a person's obligation to consider the effects of his decision and action on the whole social system. Stated in the form of a general relationship, social responsibilities of businessmen need to reflect the amount of social power they have.

Stakeholder approach has been developed as one of the strategies in improving the management of the firm. It is also said as a way to understand reality in order to manage the socially responsible behavior of a firm. The stakeholder approach further considers a firm as an interconnected web of different interests where self-creation and community creation happen interdependently; and individuals behave altruistically. Based on Garriga and Mele's (2004) analysis, stakeholder approach is both within the integrative and ethical theories, where the former emphasizes the integration of social demands and the latter focuses on the right thing to achieve a good society. These are supported by the work of Mitchel, Agle and Wood (1997) where balances among the interests of the stakeholders are the emphases; and the work of Freeman and Phillips (2002) that considers fiduciary duties towards stakeholders of the firms, respectively.

Corporate citizenship of the relational theory strongly depends on the type of community to which it is referred. It is a path that a corporation may take to behave responsibly. Fundamentally, it is about the relationship that a corporation develops with its stakeholders, and therefore, the former has to continuously search for engagement and commitment with the latter. Corporate citizenship based on Garriga and Mele's (2004) analysis is an approach used under the integrative and political theories and is supported by Swanson (1995) and Wood and Lodgson (2002), respectively.

Finally, the social contract theory of the relational group refers to the fundamental issue of justifying the morality of economic activities in order to have a theoretical basis for analyzing social relations between corporation and society. Hence, CSR is derived from the moral legitimacy the corporation achieves in the society and understanding about CSR is contained in the justification of social actions that legitimize the behavior of the corporation. Garriga and Mele's (2004) analysis puts the social contract theory under the group of ethical theories, the approaches of which include universal rights (UN Global Compact, 1999) and sustainable

development (Korhonen, 2003). Both approaches of CSR are based on human rights, labor rights and respect for the environment.

2.3 The Formation of Corporate Identity through CSR

Previous studies have pointed out that CSR is an important dimension in the formation of a corporate identity (Bravo et al., 2012). Socially responsible organizations exert a positive influence on their employees that translates into favorable results. As such organizational identification is the extent to which people associate themselves with an organization (Dutton et al., 1994). In the literature, researchers have viewed organizational identity different from the organizational image. Identity represents what the organization wants to communicate to its stakeholders, while the image is what outsiders perceive about the organization (Scott and Lane, 2000).

With the integration of CSR, an organization can raise the stakeholder's power by providing opportunities for more interaction among the group members. It can also increase an organization's contribution toward a corporate identity by expanding its focus to other stakeholders apart from the customers (Scott and Lane, 2000). The stakeholder theory suggests that the behavior of an organization can be depicted by its ethics and values reflected in its organizational decisions (Maignan & Ferrell, 2004). Scott and Lane (2000) outlined three dimensions used by an organization to build up the corporate identity by increasing stakeholder interactions among the groups, conveying the organizational image in its communications and affiliation of stakeholders with its members.

Chattananon (2007) emphasize that consumer demographic characteristics are of great importance when forming corporate identity. The most important characteristics are: gender, age, education level, income level and marital status. Women have more positive attitude towards socially responsible companies in comparison with men (Ndubisi, 2006). Consumers holding higher education and higher income level have more positive attitude towards socially responsible companies in comparison with those of lower education and income levels. Chattananon (2007) stated that no conclusion could be made about the impact of age group and marital status on consumer's attitude towards socially responsible companies. The analysis of scientific literature showed that CSR has positive impact on favorable consumer attitude towards a socially responsible company and its products.

The nature of CSR in SMEs can be significantly different from CSR in large companies. For example, many companies report against variety of international reporting initiatives that were developed specifically for large organizations with a global footprint. A large organization operating in multiple jurisdictions is concerned with the organization's impact, both direct and indirect, on the economic Resources of its stakeholders and on economic systems at the local, national, and global levels, including such matters as employee wages, financial arrangements with customers and suppliers, and taxes.

Environmental impacts include the organization's products and services; energy, material and water use; greenhouse gas and other emissions; waste generation; impacts on biodiversity; use of hazardous materials; recycling, pollution, waste reduction and other environmental programmes; and the cost of non-compliance with environmental regulation. Social indicators concern an organisation's impacts on the social systems within which it operates, which can include labour practices (for example, diversity, employee health and safety), human rights (for example, child labour, compliance issues), and broader social issues affecting consumers, communities, and other stakeholders (for example bribery and corruption, community relations). It has to be stressed that it is a challenge for SMEs to adapt and narrow the broad CSR concept used by large and multinational companies and incorporated in the global reporting initiatives so that it has relevance for the CSR agenda of those SMEs with either a less significant global operation or none at all.

The relationships between SMEs and their key stakeholders notably employees and customers are qualitatively different from those of large businesses, characterized by a high level of informality. Customer relationships are often based on personal knowledge of the customer's needs, while employee relationships are more family-like, with greater cordiality and social integration. Such relationships, by virtue of their intimate nature, are seen as inherently more responsible as the more impersonal relationships associated with big businesses. Therefore, SMEs may consider themselves to be "responsible businesses", even though it may not be formally recognized (Southwell, 2004). This opinion was reinforced by the research project (2002), which showed that 96 percent of SMEs felt they have responsible business practices.

According to Balmer (2001), uniqueness of SMEs in their approach to CSR agenda and difference of their approach from large companies can also be demonstrated on their inherent strengths and weaknesses. Strengths of SMEs that should facilitate CSR implementation and

reinforce their CSR can be found in the lean organization structure that brings lower costs on management of the company, lower level of internal bureaucracy, and in this way more can be spend on CSR activities.

SMEs generate great number of innovations of lower rank, which can significantly improve their CSR either directly or indirectly. Personal and informal relationship of owner-managers or managers with employees and customers can both foster CSR in the company and assure credibility of CSR activities in the eyes of customers and employees. Usually SMEs represent local capital and local proprietary relations and results of undertaking often stay in respective community or region. Entrepreneurs are less anonymous to their community and quite frequently have personal, sometimes emotional, relationship to the community they live in and operate (Sheehy, 2006). These factors can positively influence implementation of CSR in the company and attitude of community towards the respective company.

Despite many strong points, there are also weaknesses that can hamper SMEs' efforts in implementing of CSR into their operation. This include; Lack of financial Resources that can be invested in CSR; Due to the financial constraints SMEs cannot employ top professionals who in turn could bring to the company unique and valuable know-how, e.g. also in the field of CSR; SMEs are often excessively burdened with state bureaucracy and frequent changes in legislation and do not have spare time and Resources for engagement in CSR; SMEs have worse access to information and consultancy services than large companies, which can play important role when implementing CSR in the company for the first time without previous experience Detomasi (2008).

2.4 Corporate Identity (CI)

Flavián, Guinaliu and Torres, (2005); Chattananon, et al. (2007) state that corporate identity is the understanding about the company by any stakeholder. Corporate identity is determined by the elements provided by controllable and uncontrollable sources of information. Worcester (2009) notes that CI consists of product image, brand image and brand consumer image. Yeo, Youssef (2010) state that CI is a source of competitive advantage: due to the fact that CI can only be formed over a long time, it becomes difficult to imitate. Besides CI creates consumer trust and deters competitors from entering the market.

LeBlanc, Nguyen (1995) note that corporate identity is dynamic and it can change because of particular events, shifts in consumer's environment or his personality. Rindell, Edvardsson, Strandvik (2010) state that CI can be divided into image-in-use and image heritage. Image heritage is based on consumer past experience and created by consumer himself. Image-in-use is the result of company's image forming activities. CI must be reviewed constantly and updated according to public opinion, beliefs and values (Herstein, Mitki, Jaffe, 2008). Wei (2002) states that company, which is able to change, is seen as innovative, open and becomes exceptional in its markets.

When constituting CI, the most important goal is to form positive attitude towards the company among present and potential consumers. CI is comprised of creating a positive corporate personality, marketing communications and channels as well as constant feedback from the target audience. Worcester (2009) emphasizes the importance of creating and managing CI. These authors agree that CSR has positive impact on CI. Lizarraga (2010), Pina *et al.* (2006), van Heerden, Puth (1995) state that positive CI provides company with individual features that lead to brand recognition, improve consumer and employee loyalty as well as corporate reputation.

LeBlanc, Nguyen (1995) observes that CI is dynamic and it can change because of particular events, shifts in consumer's environment or his personality. Rindell, Edvardsson, Strandvik (2010) state that CI can be divided into identity-in-use and identity heritage. Identity heritage is based on consumer past experience and created by consumer himself. Identity-in-use is the result of company's identity forming activities. CI must be reviewed constantly and updated according to public opinion, beliefs and values (Herstein, Mitki, Jaffe, 2008). Wei (2002) states that company, which is able to change, is seen as innovative, open and becomes exceptional in its markets. Rindell, Edvardsson, Strandvik (2010), Flavian, Guinaliu, Torres (2005), LeBlanc, Nguyen (1995) state that the longer the interaction between company and consumer, the stronger consumer's CI.

Corporate individuality consists of corporate philosophy, values and culture, strategic management, mission and objectives. Abratt, Mofokeng (2001) states that corporate individuality forms corporate identity, which forms CI. Spitzack (2009) emphasizes that corporate individuality is formed by CSR elements such as protection of human rights, reducing pollution, etc. According to van Riel, Balmer (1997) corporate individuality contains quality, integrity, value for money, technical innovation, social responsibility,

service, reliability and imagination. Perfect corporate individuality is formed if all the aspects are kept at same development level.

Yeo, (2010) and Abratt, (2001) in their study emphasize that CI is influenced by information provided by the company itself and other groups. CI is studied from two perspectives: companies and consumers. The approach of company is directed towards improvement of marketing activities while consumer's approach is based on his interpretation of CI and brand equity state that a crucial feedback exists: stakeholders are influenced by company's identity forming actions and they form CI in their environment. To sum up, CI is a complex concept, which covers corporate identity, individuality and marketing communications. CI is influenced by planned and accidental activities of the company. CSR is part of company's individuality.

2.5 Ethical in corporate identity

Socially responsible investment has been on the increase helping to ensure that corporate social responsibility has become an integral part of many senior managerial agendas, alongside that of corporate marketing and corporate identity (Lee, 2008). In addition, as discussed for the definition for corporate marketing, in order for organisations to be ethical, "corporate sustainability" or "corporate sustainable development" with regard to their organisational practices should also be part of the goal, through a focus on the triple bottom line concept which takes account for social, environmental and economic concerns via the headings of people, planet and profit (Slaper & Hall, 2011; Balmer, 2011).

Prior research focused on increased identification and loyalty with a company due to CSR activities (Bhattacharya & Sen, 2004). Rego et al., (2010) indicates that CSR is also increasingly perceived as a strategy of corporate concern for deepening both employee and consumer commitment and relationships with organisations over time. In addition, Hildebrand et al. (2011) have highlighted elsewhere in the *European Journal of Marketing*, how CSR has a unique ability to unify the disparate identities of a company (Balmer et al., 2009), positioning it as a pivotal instrument of corporate Ethical and corporate marketing. They further suggest that by taking the particular CSR perspective that they are advocating then "managers will be able to build a more congruent, coherent corporate identity and, consequently, more enduring and significant relationships with its stakeholders" (Hildebrand et al., 2011, in press).

Lizarraga (2010) argues that an increasing number of companies strive to express their CSR in order to improve their CI. CI influences corporate reputation. Corporate identity is due to one's sudden associations of a company, whereas reputation is deep, settled over a period of time belief in a company's abilities to act in one or another way (Smailiene, Jucevičius, 2009). CSR has positive impact on corporate economic performance, revenue growth, CI and reputation improvement and customer loyalty as well as relationship with all stakeholders (Navickas, Kontautiene, 2011).

In addition to forming attractive corporate reputation, CSR gives consumer a chance to feel he is making a right decision by choosing particular product (Green, Pelozo, 2011). Positive identity empowers the company to attract new customers and increase stakeholders' trust in the company (Flavian, Guinaliu, Torres, 2005). Lindgreen, Swaen (2010), Chattananon, Lawley (2007), Ward, Lewandowska (2006) emphasize that identity of a socially responsible company creates and strengthens competitive advantages, improves brand reliability, enforces CI, raises customer loyalty, creates emotional bond between the company and consumers. Yeo, Youssef (2010) note that CI comprises factual (output, financial results) and emotional (CSR, corporate personality) factors meaning CSR influences CI.

The results of global research by Edelman (2010) show that importance of CSR is increasing in consumer decision making process. It is extremely important to emphasize that CSR is becoming more and more important in emerging markets. TengFatt *et al.* (2000) note that consumer expectations and requirements have increased: consumers expect a company to be a citizen and a part of local community. 86% of consumers believe that CSR is as important as other business' everyday operations, 2/3 of consumers think that companies should support various societal and causal initiatives (Edelman, 2010). Socially responsible manner to conduct business should be the new business standard (Chattananon, 2003). Ailawadi *et al.* (2011), noted that socially responsible companies earn positive identity in the society due to the fact that they gain more mass media attention, form positive employee attitude towards the company. CSR influences CI but the lack of empirical research leaves the strength of causality unidentified.

Social responsibility is never forced on any corporate identity or by policy or other means; it is a voluntary effort on the part of the company to take various steps to satisfy the expectation of the different interest groups. These interest groups could be owners, investors, employees, consumers, government, society or community. Basically, the rationales for these

responsibilities are discussed subsequently under these points: Public Identity: Social responsiveness earns goodwill and reputation for the business. The earnings of business also depend upon the perception of the public about its activities. People prefer to buy products of a company that engages itself in various social welfare programmes. Again, good public identity also attracts honest and competent employees to work with such employers.

Government Regulation: To avoid the wrath of government regulations, businessmen usually discharge their duties voluntarily. For example, if any business firm pollutes the environment it will naturally come under strict government regulation, which may ultimately force the firm to close down its business. Instead, it is only logical for the business firm to engage it in maintaining a pollution free environment. Survival and Growth: Every business is a composite part of the society. So, for its survival and growth, support from the society is very much essential. Business utilizes the available Resources like power, water, land, roads, etc. of the society. So it is the responsibility of every business to spend a fraction of its earnings for the welfare of the society.

2.6 Conceptual Framework

The conceptual framework for this study will consist of the independent variables and dependent variable. The independent variables of the study will include; corporate social responsibility aspects on economic, legal, philanthropic and ethical. Dependent variable will be corporate Identity.

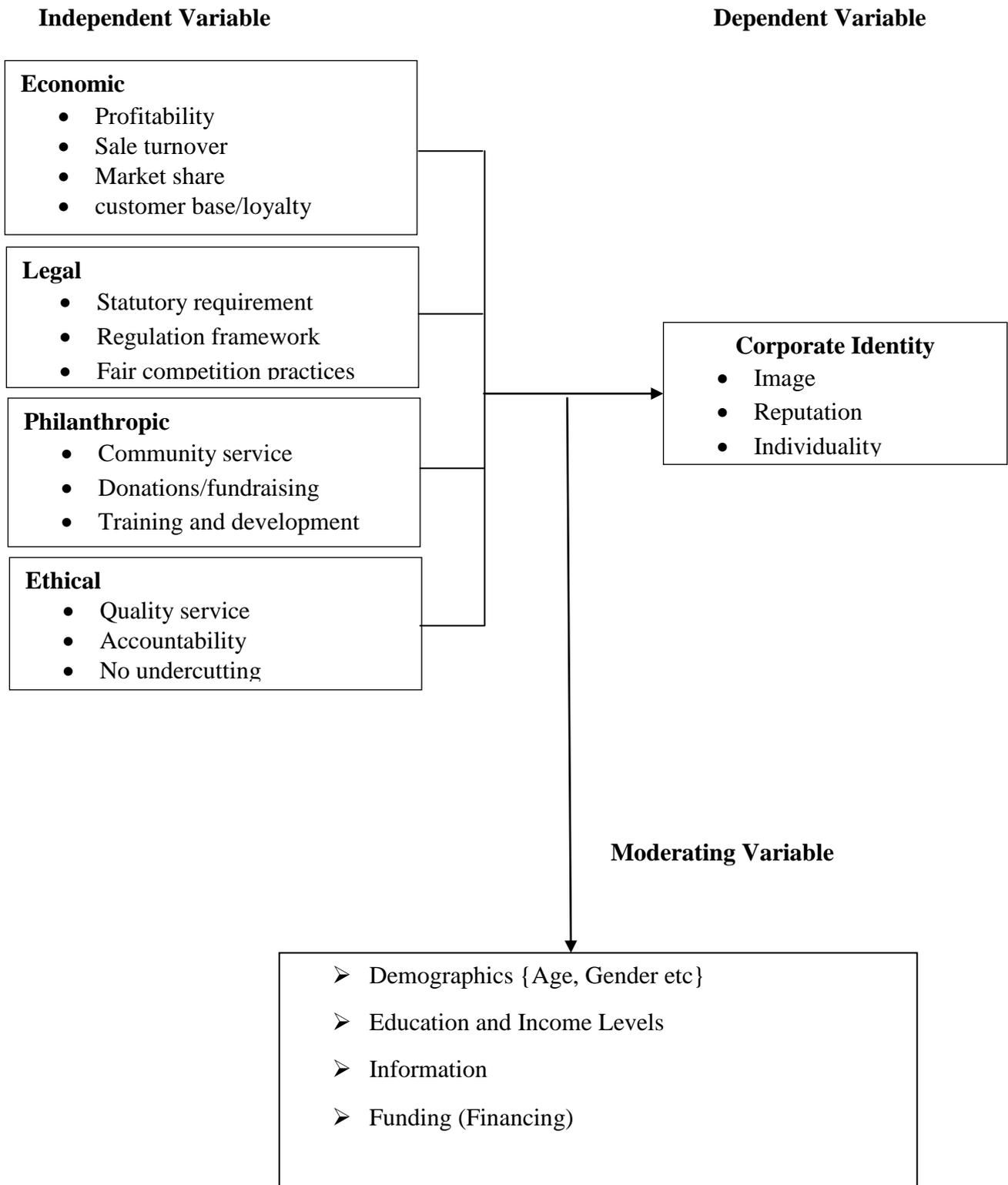


Fig 4.0 Conceptual framework showing independent (CSR) and dependent variables (CI)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is the detailed procedure used to answer the research questions; it includes a description of research design, sampling techniques, instrumentation and data analysis techniques. According to (Mugenda & Mugenda, 2003) research methodology describes the procedures that have been followed in conducting the study. It is also the stage at which techniques of obtaining data are developed and data is actually collected to test hypothesis. This chapter presents a discussion of the research methodology that was used in the study of the influence of corporate social responsibility on corporate identity of SMEs in Kenya. This chapter includes; the research design, population, samples, data collection, data analysis procedure as well as the ethical issues that was pertinent to this study.

3.2 Research Design

According to Becker, Bryman & Ferguson (2012) a research design is a plan that provides a framework for the collection and analysis of data. Considering the objectives in the current study, a descriptive research design was deemed suitable to answer the research questions. Descriptive research design was used as an indirect test of a theory or model some behaviors/situations cannot be studied any other way. The descriptive research described what exists and may help to uncover new facts and meaning.

Chandran (2004) notes that descriptive research designs are used in studies that answers the question who, what, when, where and how questions. This design attempted to describe the situation and problems affecting corporate social responsibility and its association with corporate identity of Telecommunication sector. The use of descriptive research design enabled to depict correctly the effect of corporate social responsibility has on corporate identity.

3.3 Population of the Study

Population refers to the entire group of individuals, events or objects having common observable characteristics (Mugenda & Mugenda, 2003). The target population of this study is all employees working in the telecommunication firms in Kenya. Specifically, the study targeted Jamii Telecom, Access Kenya and iWay. This has been presented in table 2.

Table 2 Target population

	Corporate Customers	Employees
Jamii Telecom	50	102
Access Kenya	35	93
iWay	40	85
Total	125	280

Source: Researcher 2016

3.4 Sample Design

Cramer and Howitt (2005) define sample size as the number of cases or entities in the sample studied. They are suggested that the question of an appropriate sample size is a complex issue, which depends on many factors. One important factor is the researcher's expectations of the trend of responses. The greater the trend the smaller the appropriate sample size and vice versa.

The study adopted Krejcie and Morgan's (1970) formula to determine the sample size of the study. Thus, the formula used to calculate the sample size is:

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

Where n = Sample Size

N = the total population

I = constant

E = limit of sampling error = 0.05

Therefore;

$$n = \frac{280}{1 + 280(0.05)^2}$$

$$= \frac{280}{1 + 0.7} = 165$$

$$= \frac{125 \times 30\%}{1} = 38 \text{ (Customers)}$$

The researcher used proportionate sampling to proportionately apportion equitably the sample size derived using the formula above on employees and proportionately sampled 30% of the total corporate customers of each of the three companies. The following table shows the sample size of employees and customers. The researcher visited the premises of the selected companies to pick those visiting the companies.

Table 3 Sample size (Employees)

	Total no. of Employees	Sample Size	Proportionate
Jamii Telecom	102	59	36%
Access Kenya	93	54	33%
iWay	85	52	31%
Total	280	165	100%

Source: Researcher 2016

Table 4 Sample size (Customers)

	Total no. of Customers	Sample Size	Proportionate
Jamii Telecom	50	15	39%
Access Kenya	35	11	29%
iWay	40	12	32%
Total	125	38	100%

Source: Researcher 2016

Table 5 Sample size (Combined)

	Total no. of Employees	Sample Size
Jamii Telecom	102	59
Access Kenya	93	54
iWay	85	52
Customers	125	38
Total	405	203

Source: Researcher 2016

3.5 Data Collection

Questionnaires were chosen as data collection instrument. Saunders et al (2007) suggest that a questionnaire is best suited to a situation where most of the questions are standardized and the researcher is confident that all respondents interpreted the questions in the same way. Further they state, the questionnaire is the best tool to be used in descriptive research where the researcher has undertaken some literature review and has understood the subject of research prior to data collection and extending further to draw conclusions from the data collected. Brym and Burgess (2012) is of similar opinion. On that note, within this current study the review of literature provided an understanding of the subject of the research problem. Given the context where a questionnaire is used, the research questions to be answered and the nature of data needed, the current study employed a questionnaire survey to answer the research questions. The following sub-sections provide explanations on questionnaire development, administration and strategies used to improve response rate.

This is a set-up plan on how to introduce the study to potential respondent and the follow-up, to ensure that maximum response is received from the sample, which is chosen. The researcher acquired a letter of introduction from the office of the Dean from the department of Business management of Egerton University.

Questionnaires were distributed to the respondent and about 7 to 14 days were given to respondent to complete questionnaire before collection. The researcher contacted the senior managers for booking appointment for interview. Questionnaires and interview schedules were used as the main tools for collection primary data. All the questionnaires were delivered to the respondents directly with the help of research assistants and picked later at the agreed date. The research assistants were adequately trained before the research is conducted. In the process, open ended and closed ended questions were used. The open ended are questions for which the respondents are asked to provide own answers. The closed ended questions are survey questions in which the respondent is asked to select an answer from among a list provided by the researcher (Babbie, 2004).

3.6 Validity and Reliability of Research Instruments

Validity of research instrument refers to the extent to which the instrument measures what it is supposed to measure (Amin, 2005). Validity concerns the accuracy and meaningfulness of inferences (Munyoki & Mulwa, 2012). There are three factors of describing validity namely; face, content and construct validity (Awino & Gituro, 2011). The face validity is confirmed

through the measurement scales used in the questionnaire as they reflect the key issues for each of the variables of the study. The researcher sought expert judgment on the content validity of the instruments from the supervisors.

Reliability is the ability of a research instrument to consistently measure characteristics of interest over time. It is the degree to which a research instrument yields consistent results or data after repeated trials, (Mugenda & Mugenda, 1999). Questionnaires were administered at two intervals to two service companies. Cronbach's alpha coefficient was used to carry out computation for each construct. The Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. This study used items whose alpha coefficient value of 0.7 and above as the cutoff point. This is an acceptable alpha according to George and Mallery (2003) rule of thumb.

3.7 Data Analysis

Data collected from the questionnaires were checked, coded, cleaned and entered into SPSS software for analysis. All the analysis of quantitative data was done using the Statistical Package for Social Sciences (SPSS) and descriptive summary statistics such as frequencies, percentages, will be used.

Findings were presented using descriptive statistical tools like graphs, tables and other measures of central tendency while qualitative data was analyzed to establish patterns, trends and relationships from the information gathered (Mugenda & Mugenda, 2003). To determine the relationship between variables, the study used Pearson correlation to measure significance between independent and dependent variables.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This study sought to establish the effect of economic aspect of corporate social responsibility on corporate identity of telecommunication sector; find out effect of legal aspect of corporate social responsibility on corporate identity of telecommunication sector; determine effect of philanthropic aspect of corporate social responsibility on corporate identity of telecommunication sector; and to assess the effect of ethical aspect of corporate social responsibility on corporate identity of telecommunication sector.

4.2 Response Rate

In this study, a total of 203 questionnaires were constructed, administered and sent to respondents for the researcher to collect them at a later date. Returned questionnaires were coded, entered into the computer and analyzed; the overall response rate was 84%. It can be noted that the high response rate was thought to be attributed mainly to clear and simple designed questionnaires, respondents were briefed about the content and purpose of the survey and were guaranteed that their replies would be treated in strictest confidence. Lastly, the high response rate was also attributed to the respondents' enthusiasm or willingness to participate obviously, to what they considered as an interesting subject to put their views across considering that this is their field of expertise which will contribute to the improvement of the sector.

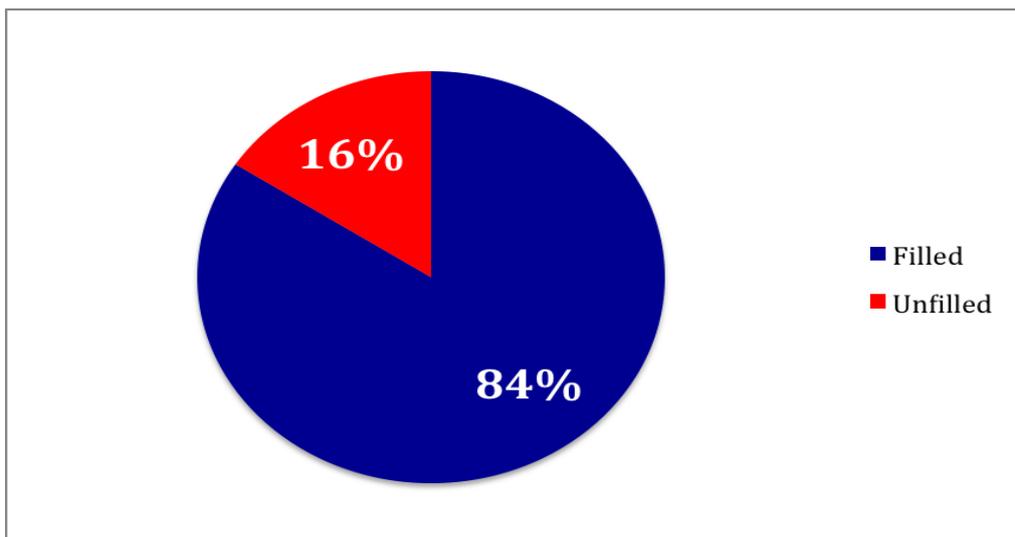


Figure 1 Response Rate

4.3 Reliability

A pilot study was carried out in order to determine reliability of the questionnaires. Reliability of the questionnaires was then evaluated through Cronbach's Alpha, which measures the internal consistency. The Alpha measures internal consistency by establishing if certain item measures the same construct. Table 4 shows that all the scales was significant, having an alpha above the prescribed threshold of 0.7.

Ethical aspect had the highest reliability ($\alpha=0.833$) followed by Philanthropic aspect ($\alpha=0.819$), then corporate identity ($\alpha=0.795$), while Legal aspect (0.778) and Economic aspect ($\alpha=0.711$) had the lowest. The study thus found that the analysis was reliable and could be used for further investigation. Nunnally (1978) established the Alpha value threshold at 0.7, which the study benchmarked against.

Table 6 Reliability Coefficients

Scale	Cronbach's Alpha	Number of Items
Economic aspect	0.771	7
Legal aspect	0.778	8
Philanthropic aspect	0.819	14
Ethical aspect	0.833	7
Corporate identity	0.795	14

4.4 Demographic information

4.4.1 Length of Service

With some level of working experience necessary in establishing the study objectives, the study found it necessary to establish respondents' length of service with respect to the number of years running/operating. Figure 4.1 presents the findings.

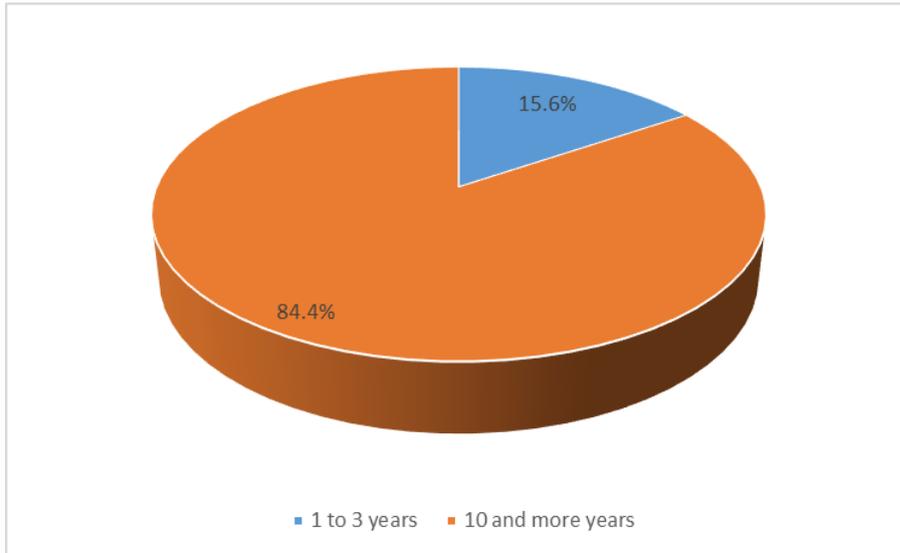


Figure 2 Length of services

It was established that a majority of respondent companies, 84.4% had been in operation for over 10 years while only 15.6% had worked for between 1 and 3 years. Respondent institutions can thus be termed as adequately experienced in CSR related issues and as such responses are hereby informed by a wealth of experience.

Respondent customers were also asked to indicate the length in years of engagement with the service provider. Figure 4.2 below presents the findings.

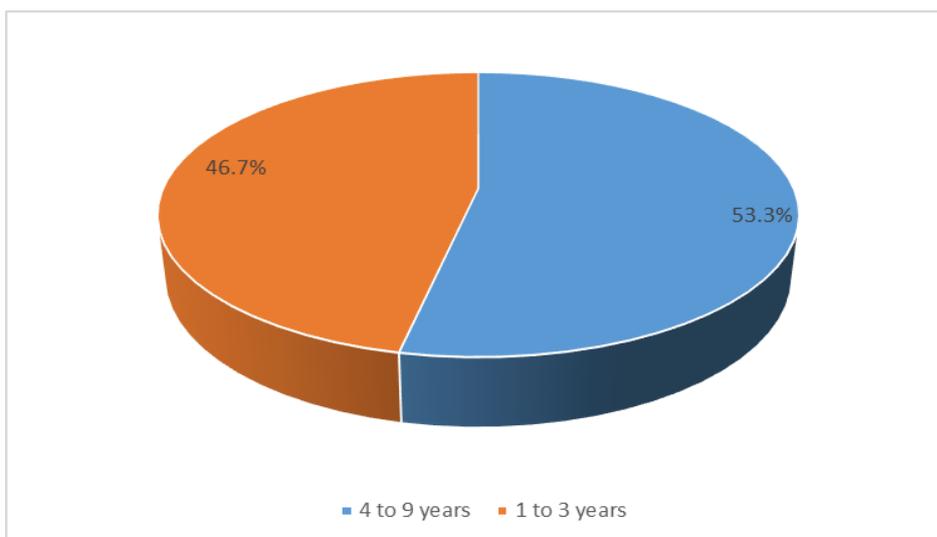


Figure 3 Length of engagement

The study findings show that a majority of respondent customers, 53.3% have engaged their respective service providers for between 4 to 9 years, closely followed by 46.7% having engaged their respective service providers for 1 to 3 years. A diversity in experienced is also expressed in the finding, with a majority of customers having had engagements with their service providers for over 4 years.

4.4.2 Number of employees

The study also sought to find out the number of employees respective respondent corporations had. This was with a view to determine the respective firm sizes as whether small, medium or large.

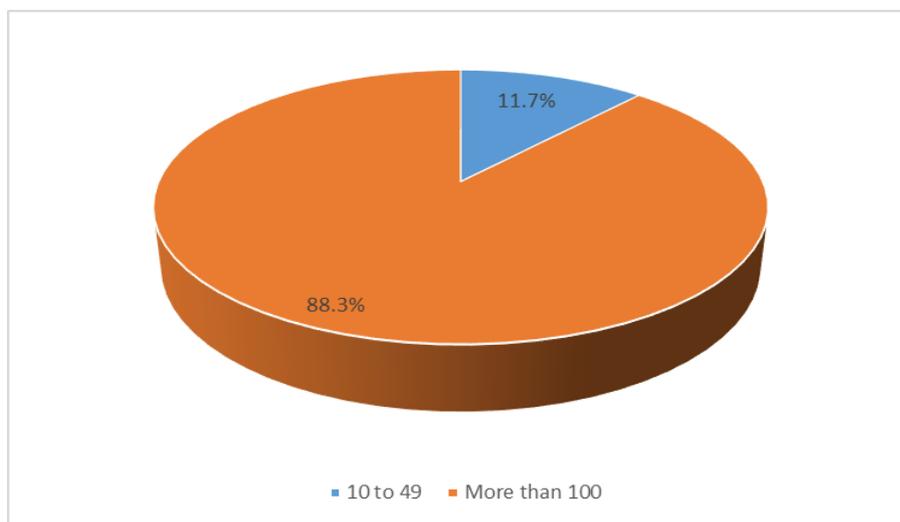


Figure 4 Number of employees

As indicated in figure 4, a majority of respondent corporations (88.3%) had over 100 employees, as compared to only 11.7% with between 10 and 49 employees. As such, based on the respective number of employees in corporations reached, a majority of respondent institutions can be termed as medium sized. Since small forms were also reached, the study can thus be termed as representative of different company sizes.

4.4.3 Ownership Structure

The study further sought to find out the ownership structure by respective corporations reached. This would give an indication of any trend in CSR activities with regards to ownership structure.

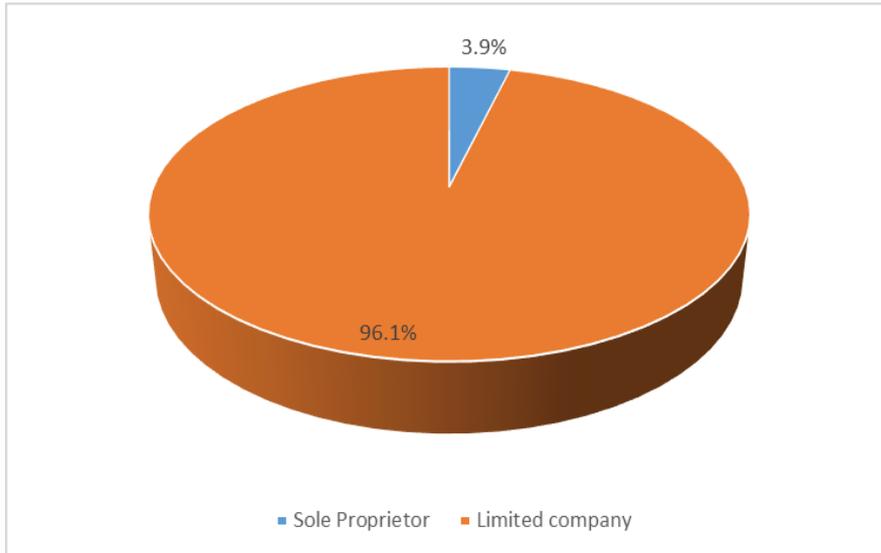


Figure 5 Ownership structure

A majority of respondent corporations (96.1%) are limited companies while only 3.9% are sole proprietorships. In this regard, whereas a majority of corporations are limited liability companies, the study also sampled different perspectives from sole proprietor respondents hence diversity in opinions.

4.4.4 Formality of Strategic Plans

The study sought to establish whether respondent companies had defined strategy in writing or at least mission and vision for the future. This would help determine the formality of strategic plans thereof.

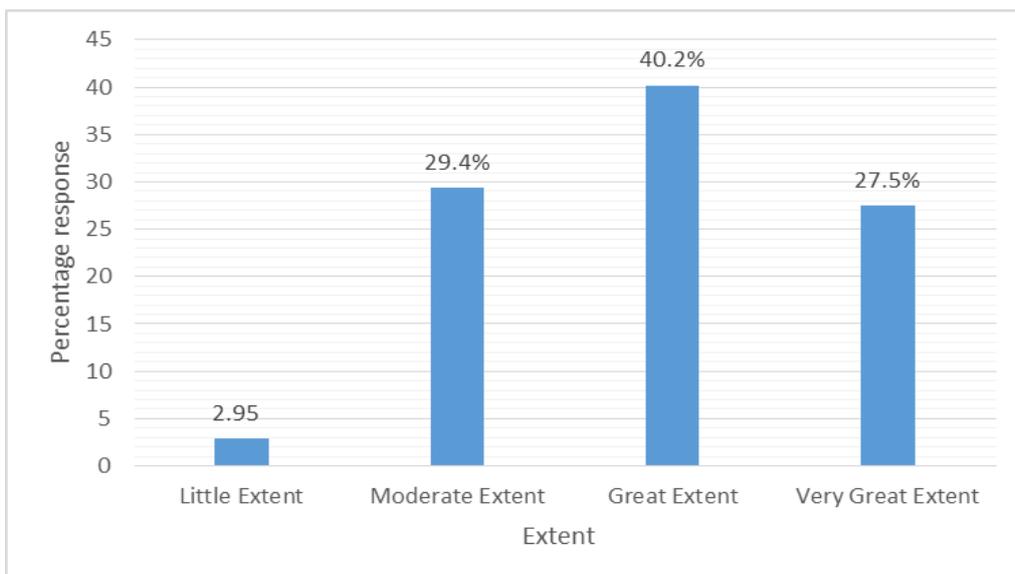


Figure 6 Formality of strategic plans

A majority of respondents, 40.2%, affirmed that to a great extent, their respective companies' strategic plans are formally written down to a great extent, followed by 22.4% of respondents affirming to a moderate extent while 27.5% indicated their respective companies' strategic plans are formally written down to a very great extent. It can be deduced therefore that in most corporations reached, strategic plans thereof are to a great extent formal.

4.4.5 Market Share

Respondents were further asked to indicate their respective market shares. This would help identify the market size respective companies controlled. This was also a relative indicator of firm size.

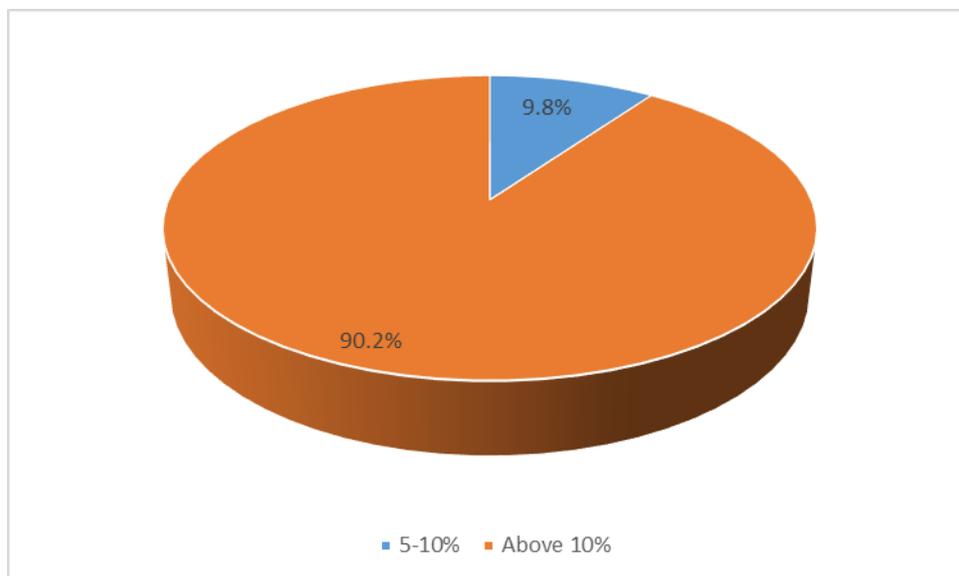


Figure 7 Market structure

As presented in figure 9, a majority of respondents (90.2%) have over 10% market shares. This is an indication that the study reached significant respondents with respect to the market share controlled thereof. Findings herein can thus be relied upon and inferences drawn from respective companies' experiences.

4.4.6 Customer - Service Provider Relationship

Respondents were asked to rank their respective relationships with the service providers, as whether very strong, strong, satisfactory or weak. This would help in the determination of the role played by various CSR aspects on the respective strengths of relationships thereof.

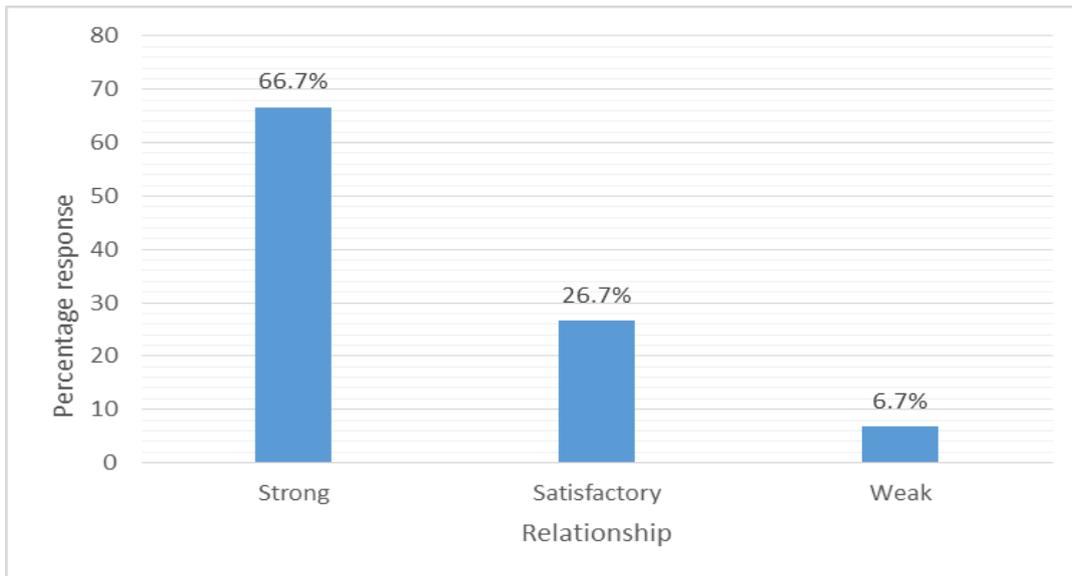


Figure 8 Customer service provider relationship

A majority of respondents (66.7%) consider their relationships with respective service providers strong, distantly followed by 26.7% considering the same as satisfactory. It follows then that for most customers, their relationships with respective service providers are strong to satisfactory.

4.4.7 Main Criterion

Respondent customers were further asked to indicate the main criterion for choosing a service provider. This would give an indication of the CSR aspect most customers prioritized.

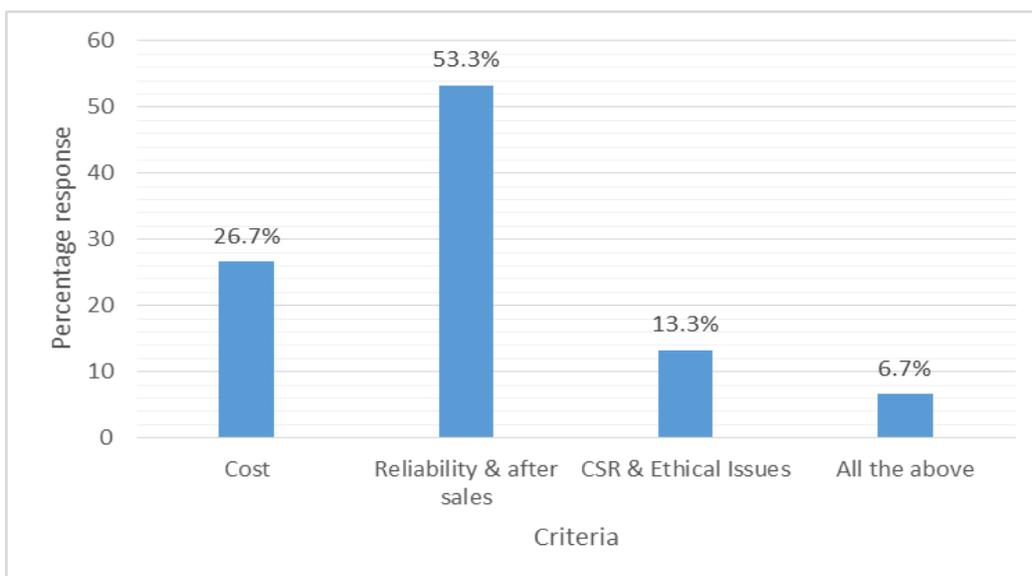


Figure 9 Main criteria

Majority of respondent customers (53.3%) considered reliability and after sales when choosing a service provider, followed by 26.7% considering cost while only 13.3% considered CSR and ethical issues. It can thus be deduced that a key consideration among a majority of respondent customers is reliability and after sales followed by cost. Customers can therefore be said to be more responsive to corporations they consider reliable.

4.4.8 CSR Involvement

Respondents were also asked to indicate the extent to which CSR Involvement would affect their choice of service provider.

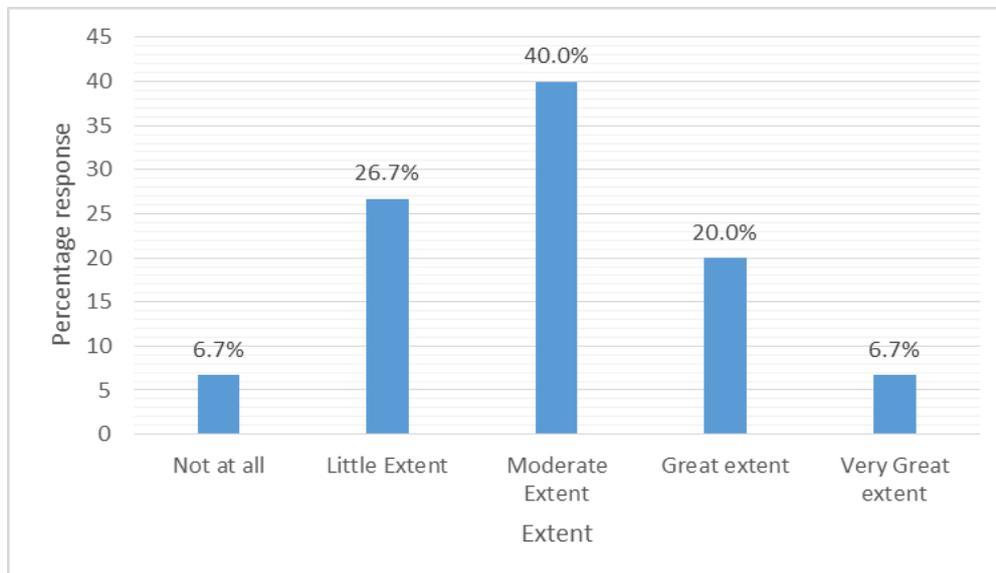


Figure 10 CSR Involvement

As shown, CSR involvement would affect a majority of respondents' (40.0%) choice of service provider to a moderate extent, distantly followed by 26.7% affirming to a little extent, then 20.0% to a great extent. It can be deduced from the foregoing that CSR involvement is moderately significant factor with respect to its influence on customer choice of service provider.

4.5 Economic Aspect

The study sought to establish the effect of economic aspect of corporate social responsibility on corporate identity of telecommunication sector. This section presents findings to pertinent

questions asked in this regard. Responses were given on a 5 point Likert scale, where: 1 = Not at all; 2 = Little Extent; 3 = Moderate Extent; 4 = Great Extent; 5 = Very Great.

Table 7 Economic aspect

	Not at all	Little Extent	Moderate Extent	Great Extent	Very Great Extent
Managers					
	%	%	%	%	%
CSR activities affect economic performance	0.0	2.9	55.9	28.4	12.8
Rate the company's practice of CSR has on the customer's retention	0.0	2.9	46.1	40.2	10.8
New customers' portfolio	0.0	4.8	44.1	41.3	9.8
Increased orders and sales from the customers	2.2	5.2	34.3	47.1	11.2
High response to the company's product	0.0	2.5	46.8	22.1	29.3
Customers					
CSR activities affect my purchase decision	13.3	13.3	66.7	6.7	
How do you rate the company's practice of CSR has on the customer's		20	66.7	13.3	

As tabulated, a majority of respondent managers affirm that to a moderate extent, CSR activities affect economic performance (55.9); rate the company's practice of CSR has on the customer's retention (46.1%); report new customers' portfolio (44.1%); and high response to the company's product (46.8%). To a great extent however, a majority report increased orders and sales from the customers (47.1%). A majority of respondent customers further affirm that to a moderate extent, CSR activities affect their purchase decision (66.7%); and rate the company's practice of CSR has on the customers moderate (66.7%).

It can thus be deduced that CSR practice among a majority of respondent firms is associated with moderately to greatly significant influences on economic performance thereof. It is specifically notable that among the key economic benefits include customer's retention, report new customers' portfolio, high response to the company's product; and increased orders and sales from the customers for practicing companies.

The finding agrees with Flavian e al. (2005) who found that positive identity empowers the company to attract new customers and increase stakeholders’ trust in the company. Lindgreen, Swaen (2010), Chattananon, Lawley (2007), Ward, Lewandowska (2006) emphasize that identity of a socially responsible company creates and strengthens competitive advantages, improves brand reliability, enforces CI, raises customer loyalty, creates emotional bond between the company and consumers.

4.6 Legal Aspect

The study sought to establish the effect of legal aspect of corporate social responsibility on corporate identity of telecommunication sector. This section presents findings to pertinent questions asked in this regard. Responses were given on a 5 point Likert scale, where: 1 = Not at all; 2 = Little Extent; 3 = Moderate Extent; 4 = Great Extent; 5 = Very Great.

Table 8 Legal aspect

	Not at all	Little Extent	Moderate Extent	Great Extent	Very Great Extent
Managers					
	%	%	%	%	%
My company engages in legal requirements of a responsible corporate citizen	6.9	4.9	26.5	51.9	9.8
Ease of doing business		2.9	26.4	48.1	22.6
Engaging in CSR partnership	2.8	6.9	38.3	28.5	23.5
Fair competition practices/Government engagement	2.2	6.5	28.5	34.3	28.5
Retention & attracting new & potential Customers	2.9	2.9	37.3	32.4	24.5
participation on CSR activities has increased the regulatory framework in both Corporate and individuals levels			43.3	52.4	4.3
Customers					
My service provider engages in legal requirements of a responsible corporate citizen		13.3	66.7	20	
I think service provider engages in fair competition	6.7	13.3	40	40	

Majority of respondent managers affirm that to a great extent, their respective companies engages in legal requirements of a responsible corporate citizen (55.9%); experience ease of doing business by practicing legal aspects of CSR (48.1%); experience fair competition practices/government engagement (34.3%); and that participation on CSR activities has increased the regulatory framework in both Corporate and individuals levels (52.4%). To a moderate extent however, a majority engage in CSR partnership (38.3%); and experience retention and attracting new & potential Customers (37.3%). A majority of respondent customers further affirm that to a moderate extent, their respective service provider engages in legal requirements of a responsible corporate citizen (66.7%); and thinks service provider engages in fair competition to a moderate to large extent (40.0%).

It follows then from the finding that CSR practice among a majority of respondent firms is associated with greatly to moderately significant influences on legal performance thereof. More specifically, it can be deduced that that practicing the legal aspects of CSR, a majority of firms experience ease of doing business; and fair competition practices/government engagement; and that participation on CSR activities has increased the regulatory framework in both Corporate and individuals levels. Further, it is found that a majority of customers perceive their respective service providers' CSR practice fair competition to a moderate to great extent.

The finding is in agreement with (Green2011) who offers that in addition to forming attractive corporate reputation, CSR gives consumer a chance to feel he is making a right decision by choosing particular product. Positive identity empowers the company to attract new customers and increase stakeholders' trust in the company (Flavian, Guinaliu, Torres, 2005). The finding also agrees with Ailawadi *et al.* (2011) who state that company which cares about wellbeing of society, environmental protection is seen favorably in comparison with a company which does not. Lizarraga (2010) notes that an increasing number of companies strive to express their CSR in order to improve their CI.

4.7 Philanthropic Aspect

The study sought to determine effect of philanthropic aspect of corporate social responsibility on corporate identity of Telecommunication sector. This section presents findings to pertinent questions asked in this regard. Responses were given on a 5 point Likert scale, where: 1 = Not at all; 2 = Little Extent; 3 = Moderate Extent; 4 = Great Extent; 5 = Very Great.

Respondent managers were first asked to indicate whether or not their respective companies participate in philanthropic CSR activities. This would give an indication of the prevalence of CSR participation in philanthropic activities among respondent companies.

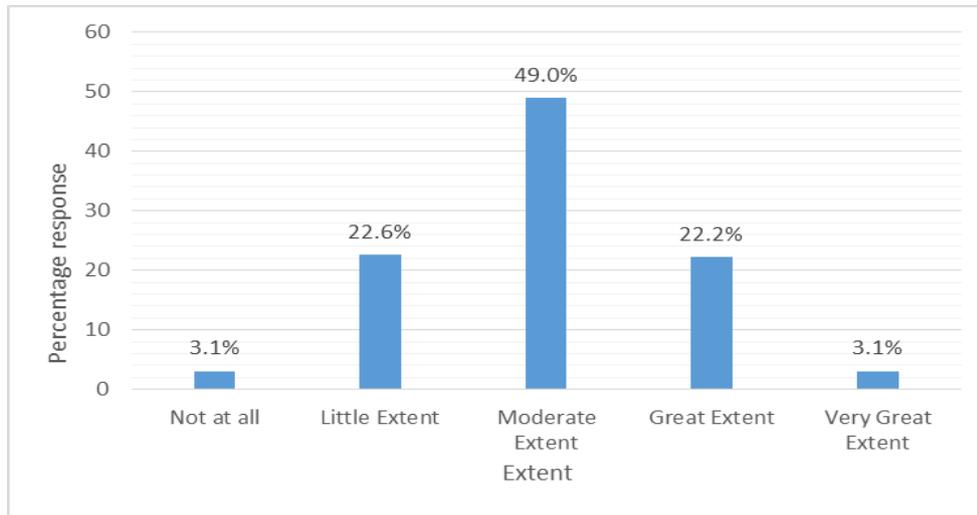


Figure 11 Participation in philanthropic

Majority of respondents, 49.0% of respondents affirmed that their respective companies participated in philanthropic activities as part of their CSR activities, followed by 22.2% affirming to a great extent. It follows then from the finding that a majority of respondent companies reached participate in philanthropic activities, to a moderate to great extent.

Respondents were then asked to indicate the activities respective company had been participating/supporting as part of its philanthropic activities.

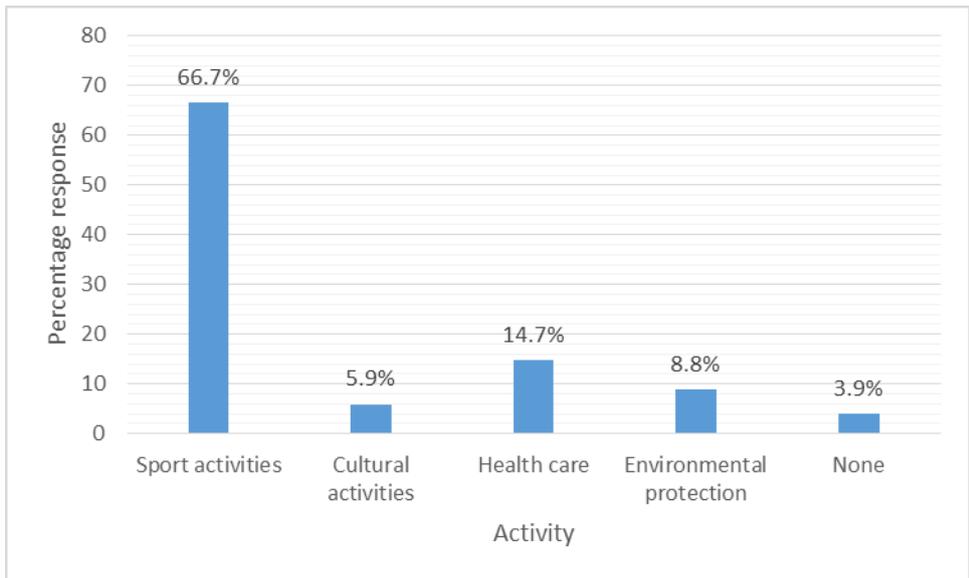


Figure 12 CSR activity by managers

As figure 14 presents, a majority of respondents (66.7%), affirmed that their respective companies participated in Sport activities as part of its philanthropic activities, distantly followed by 14.7% of respondents affirming to health care then 8.8% in environmental protection. It follows then that as part of their philanthropic activities, a majority of corporations reached participate in Sport oriented philanthropic activities.

The study probed respondent customers on which of the activities, their respective service providers had been participating/supporting. This was meant to corroborate responses by respondent managers.

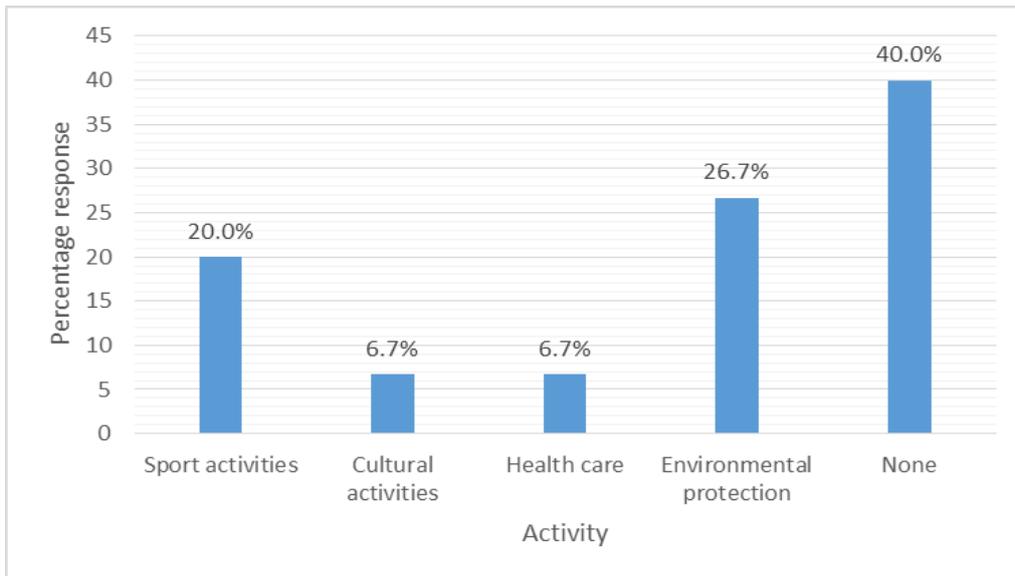


Figure 13 CSR activity by customers

As revealed in figure 15, a majority of respondents (40.0%) indicate that their respective service providers do not participate in any of the activities posed, as part of their philanthropic activities. This was followed by 26.7% affirming to environmental protection, then 20.0% to sport activities. As such, it can be deduced that whereas respective companies largely participate in sport activities as part of their philanthropic activities, their presence thereof is not felt by a majority of their customers. On the contrary, a considerable number of customers perceive philanthropic activities by respective service providers as being largely in environmental protection.

Respondents were asked to indicate using the criteria below, the major benefits realized while engaging in CSR philanthropic activities. This was on a 5 point scale, where: 1 – Not at all, 2 – Little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent.

Table 9 Philanthropic aspect

	Not at all	Little	Extent	Moderate	Extent	Great	Extent	Very	Great
	%	%	%	%	%	%	%	%	%
Managers									
Recruitment of new qualified employees	11.8	20.5	22.6	24.5	20.6				
Increase of current employees' loyalty (reduction of staff turnover/fluctuation)	3.9	13.6	29.5	33.4	19.6				
Improvement of employees' job satisfaction	4.9	8.8	34.2	22.6	29.5				
Improvement of relations with business partners and investors	3.9	7.8	36.3	24.5	27.5				
Improvement of customer satisfaction	8	10.6	30.4	18.6	32.4				
Customers									
Community service	6.7	26.7	26.7	20	20				
Donations	6.7	20	20	26.7	26.7				
Training and development	6.7	20	20	20	33.7				

Majority of respondent managers cite to a great extent, recruitment of new qualified employees (24.5%); and increase of current employees' loyalty (reduction of staff turnover/fluctuation) (33.4%). A majority further rank to a moderate extent, Improvement of employees' job satisfaction (34.2%); improvement of relations with business partners and investors (36.3%); and improvement of customer satisfaction (30.4%). A majority of respondent customers further affirm to either a moderate or little extent (26.7%) community service. A majority further cite donations to either a great or very great extent (26.7%) and Training and development to a great extent (33.7%).

It can be deduced from the foregoing that both the practicing companies and the service recipients, that is, the customers, realize a myriad of benefits. Among the common benefits realized by corporations include recruitment of new qualified employees, and increase of current employees' loyalty (reduction of staff turnover/fluctuation) (33.4%) while benefits common to customers include improvement of relations with business partners and investors and improvement of customer satisfaction.

Respondent managers were asked to indicate the extent to which various CSR aspects had been influenced/affected respective companies and therefore service provider's Corporate Social Responsibility the most. This was on a 5 point Likert scale where: 1 – Not at all, 2 – Little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent.

Table 10 CSR aspect influence

	Not at all	Little Extent	Moderate Extent	Great Extent	Very Great Extent
Managers					
	%	%	%	%	%
Economic		7.9	16.6	51.9	23.6
Legal	17.7	4.3	28.9	29.5	19.6
Philanthropic	21.6	17.5	19.6	28.5	12.8
Ethical	5.9	5.9	17.5	33.4	37.3
Customers					
Economic			53.3	40	6.7
Legal	6.7	33.3	33.3	20	6.7
Philanthropic	13.3	20	33.3	33.3	
Ethical		6.7	60	26.7	6.7

A majority of respondent managers (51.9%) affirm that economic aspects of CSR have influenced/affected respective companies' Corporate Social Responsibility the most, followed by Ethical (33.4%), then legal aspect (29.5%) and Philanthropic aspects (28.5%). On the other hand, a majority of respondent customers affirm that the ethical (60.0%) and economic aspects (53.3%) had influenced/affected respective service provider's Corporate Social Responsibility only to a moderate extent while 40.0% affirmed to a great extent. A majority (33.3%) rated legal aspects as either to a moderate or little extent; while the same number rated philanthropic aspects as either to a moderate or great extent.

It follows from the foregoing that to a great extent, economic and ethical aspects of CSR have influenced/affected respective companies' Corporate Social Responsibility the most, from the managers perspectives, while the same influenced\affected respective companies' Corporate Social Responsibility to a moderate extent, from the customer's stand point.

As a key indicator in philanthropic endeavors by corporations, the study sought to find out from respondent customer the extent to which respective service providers participated in community service.

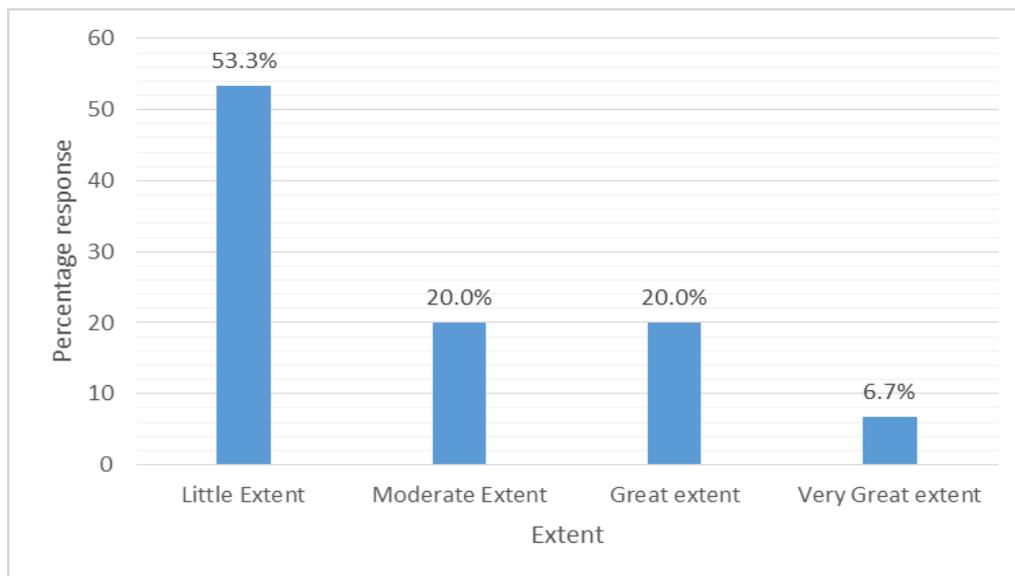


Figure 14 Community service

As presented in figure 16 a majority of respondent customers (53.3%) indicated that their respective service providers participate in community service only to a little extent, followed by 20.0% of respondents affirming to either moderate or great extent. From the foregoing, it can be deduced that a majority of respondent firms participate in community service only to a little extent. As such, in addition to sport activities, it would be strategic on the part of respondent companies to participate in community service.

The foregoing findings are in agreement with Ailawadi *et al.* (2011) who state that company which cares about wellbeing of society, environmental protection is seen favorably in comparison with a company, which does not. Accordingly, Lizarraga (2010), Pina *et al.* (2006), van Heerden, Puth (1995) state that positive CI provides company with individual features that lead to brand recognition, improve consumer and employee loyalty as well as corporate reputation.

4.8 Ethical Aspect

The study sought to assess the effect of ethical aspect of corporate social responsibility on corporate identity of Telecommunication sector. This section presents findings to pertinent questions asked in this regard. Responses were given on a 5 point Likert scale, where: 1 = Not at all; 2 = Little Extent; 3 = Moderate Extent; 4 = Great Extent; 5 = Very Great.

Table 11 Ethical aspect

	Not at all	Little Extent	Moderate Extent	Great Extent	Very Great
Managers					
	%	%	%	%	%
My company factors in ethical aspect in formulation of CSR activities			31.3	58.9	9.8
Rate how you perceive the extent to which the company owners/management are willing to invest more on Ethical aspect when dealing with CSR activities			39.3	50	10.7
The company has management factored in ethical standards in its policy statement on CSR		3.8	45.1	39.3	11.8
Customers					
Does your service provider offer quality service?			26.7	66.7	6.7
Do you think your service provider is accountable to customers and stakeholders?			40	53.3	6.7
Have you ever experience under cutting based on the contract you have with your service provider?	20	33.3	26.7	20	

The findings show that majority of respondent managers affirm that to a great extent, a majority of respondent companies factor in ethical aspect in formulation of CSR activities (58.9%); rate their of the extent to which the company owners/management are willing to invest more on ethical aspect when dealing with CSR activities as great (50.0%). A majority however affirmed only to a moderate extent that the company has management factored in ethical standards in its policy statement on CSR (45.1%).

A majority of respondent customers further affirmed that to a great extent (66.7), their respective service providers offer quality service; and that they are accountable to customers and stakeholders (66.7%). A majority however indicated that they have ever experience under cutting based on the contract they have with their service provider (33.3%).

It can thus be deduced from the foregoing that a majority of the corporations reached observe ethical protocols in their philanthropic undertakings. More specifically, it follows from the findings that a majority of respondent companies factor in ethical aspect in formulation of CSR activities and are willing to invest more on ethical aspect when dealing with CSR activities as great. It can also be noted from the findings that according to a majority of customers, their respective service providers offer quality service to a great extent; and that they are accountable to customers and stakeholders.

The study further sought to find out whether or not respondent companies have a written service charter on CSR and ethical issues being addressed.

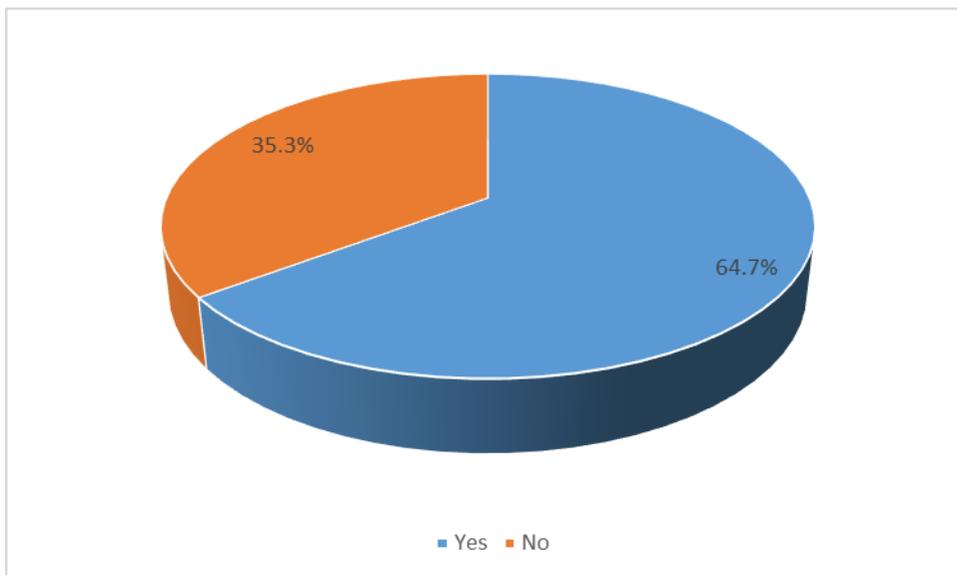


Figure 15 Service charter

Majority of respondents (64.7%) affirm that their respective companies have a written service charter on CSR and ethical issues being addressed. It can thus be deduced that a majority of respondent corporations observe ethical protocols in their execution of ethical activities as part of their CSR initiatives. These include among others, Service Level Agreements, Customer Service Charter and CSR guideline policy.

The finding agrees with TengFatt *et al.* (2000) who note that consumer expectations and requirements have increased: consumers expect a company to be a citizen and a part of local community. 86% of consumers believe that CSR is as important as other business' everyday operations, 2/3 of consumers think that companies should support various societal and causal initiatives (Edelman, 2010). The findings are also in tandem with socially responsible manner to conduct business should be the new business standard (Chattananon, 2003). Ailawadi *et al.* (2011), noted that socially responsible companies earn positive identity in the society due to the fact that they gain more mass media attention, form positive employee attitude towards the company.

4.9 Corporate Identity

Respondents were asked to rate the extent to which the following reasons make the company to adopt CSR practices. This was on a 5 point Likert scale where: 1 – Not at all, 2 – little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent. Table 4.8 below presents the findings.

Table 12 Corporate identity

	Not at all	Little Extent	Moderate Extent	Great Extent	Very Great
	%	%	%	%	%
Managers					
CSR affects corporate identity		2.9	26.5	55.9	14.7
If my company was a product, I would like it			37.3	37.3	25.4
My brand/company image is rated or perceived by our customers			46	48.1	5.9
Ethical motivation of top management		4.7	28.5	38.3	28.5
Promote corporate image		2.9	28.4	42.2	26.5
Increase of the efficiency		4.9	22.6	46.1	26.4
Greater employee satisfaction	2.9	8.9	24.5	43.1	20.6

Commercial advantages to new markets	10.8	32.4	26.4	30.4
Benefit in relationship with financial institutions and lenders	10.8	26.5	40.2	22.5
Public good and relations		37.3	40.2	22.5
Pressure from consumer association and media	40.2	18.6	16.6	14.7
9.9				
Customers				
CSR activities affect corporate identity of my service provider	6.7	53.3	33.3	6.7
If my service provider was a product, I would like it	6.7	20	73.3	

As presented in table 10, a majority of respondent managers affirm that to a great extent, their respective companies adopted CSR practices because CSR affects corporate identity (55.9%); If their company was a product, they would like it (37.3%); their respective brand/company image perception by their customers (48.1%); ethical motivation of top management (38.3%); Promote corporate image (42.2%); Increase of the efficiency (46.1%); Greater employee satisfaction (43.1%); Benefit in relationship with financial institutions and lenders (40.2); and Public good and relations (40.2%).

To a moderate extent however, a majority of respondent managers affirm that their respective companies adopted CSR practices because of Commercial advantages to new markets. Further, to no extent according to a majority (40.2), did pressure from consumer association and media cause their respective companies to adopt CSR. A majority of customer respondents affirmed that to a great extent, if their service provider was a product, they would like it (73.3%); and that to a moderate extent, CSR activities affect corporate identity of their service provider (53.3%).

It can be deduced from the foregoing finding that a majority of respondent companies engage in their respective CSR activities for a variety of reasons, key among which include effects thereof on corporate identity; to enhance their respective brand/company image perception by their customers; as an ethical motivation of top management; to increase of the efficiency; to realize greater employee satisfaction; to benefit in relationship with financial institutions and lenders; as well as public good and relations. It is also hereby concluded that CSR activities affect corporate identity only to a moderate extent.

The finding is in tandem with Yeo, Youssef (2010) who state that CI is a source of competitive advantage: due to the fact that CI can only be formed over a long time, it becomes difficult to imitate. Besides CI creates consumer trust and deters competitors from entering the market. Pina *et al.* (2006) emphasize that positive CI can raise sales, customer loyalty, attract new investors and employees. The study further agrees with Worcester (2009) who emphasizes the importance of creating and managing CI. These authors agree that CSR has positive impact on CI. Lizarraga (2010), Pina *et al.* (2006), van Heerden, Puth (1995) state that positive CI provides company with individual features that lead to brand recognition, improve consumer and employee loyalty as well as corporate reputation.

4.10 Pearson Correlation Analysis-Testing the strengths of associations

The study further conducted inferential statistics entailing both Pearson and regression analysis with a view to determine both the nature and respective strengths of associations between the conceptualized CSR aspects (independent) variables and performance (dependent variable) in the public sector in Kenya.

Table 13 Pearson correlation matrix-Testing relationship between CSR aspects and CI

	Corporate Identity	Ethical aspects	Legal aspects	Economic aspects	Philanthropic aspects
Corporate Identity	1				
Economic aspects	.716**	1			
	.000				
Legal aspects	.436**	.650**	1		
	.004	.000			
Philanthropic aspects	.798**	.485**	.115	1	
	.000	.001	.474		
Ethical aspects	.708**	.724**	.300	.692**	1
	.000	.000	.057	.000	

*Correlation is significant at the 0.05 level (2-tailed)

From the findings, a positive correlation is seen between the each CSR aspect variable and Corporate Identity. The strongest correlation was established between Philanthropic aspects and Corporate Identity ($r = .798$), and the weaker relationship found between Legal aspects and Corporate Identity ($r = .436$). Ethical aspects and Economic aspects are also strongly and positively correlated with Corporate Identity at correlation coefficient of $.708$ and $.716$ respectively. All the independent variables were found to have a statistically significant association with the dependent variable at 0.05 level of confidence. The study thus accepts all the alternative hypotheses stated and concludes that Economic Responsibility has a positive effect on Corporate Identity of Telecommunication sector; Legal Responsibility has a positive effect on Corporate Identity of Telecommunication sector; Philanthropic Responsibility has a positive effect on Corporate Identity of Telecommunication sector; and that Ethical Responsibility has a positive effect on Corporate Identity of Telecommunication sector.

4.11 Regression Analysis

To establish the degree of influence of CSR components on Corporate Identity, a regression analysis was conducted, with the assumption that: variables are normally distributed to avoid distortion of associations and significance tests, which was achieved as outliers were not identified; a linear relationship between the independent and dependent variables for accuracy of estimation, which was achieved as the standardized coefficients were used in interpretation.

The regression model was as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

$$\text{Corporate Identity} = \alpha + \beta_1 (\text{Ethical aspects}) + \beta_2 (\text{Philanthropic aspects}) + \beta_3 (\text{Legal aspects}) + \beta_4 (\text{Economic aspects}) + \epsilon.$$

Regression analysis produced the coefficient of determination and analysis of variance (ANOVA). Analysis of variance was done to show whether there is a significant mean difference between dependent and independent variables. The ANOVA was conducted at 95% confidence level.

Table 14 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 ^a	0.748	0.72	1.94285

a. Predictors: (Constant), Ethical aspects, Philanthropic aspects, Legal aspects, Economic aspects

Table 15 ANOVA

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	402.892	4	100.723	26.684	.000 ^a
1	Residual	135.888	36	3.775		
	Total	538.78	40			

a. Predictors: (Constant), Ethical aspects, Philanthropic aspects, Legal aspects, Economic aspects

b. Dependent Variable: Corporate Identity

Table 16 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
				Beta				
1	(Constant)	4.242	8.138		0.521	0.005		
	Economic aspects	0.336	0.112	0.353	3.011	0.005	0.834	1.198
	Legal aspects	1.576	0.905	0.205	1.742	0	0.348	2.877
	Philanthropic aspects	2.435	0.867	0.421	2.809	0.008	0.341	2.936
	Ethical aspects	0.61	0.998	0.099	0.611	0.002	0.541	1.848

a. Dependent

Variable:Corporate Identity

The result showed a coefficient of determination value (R) of 865^a , which depicts that, a strong linear dependence between all the CSR indicators and Corporate Identity. With an adjusted R-squared of .720, the model shows that Ethical aspects, Philanthropic aspects, Legal aspects and Economic aspects collectively explain 72.0% of the variations in Corporate Identity while 28.0% is explained by other factors not included in the model. The P-value of 0.000 implies that Corporate Identity has a significant joint relationship with Ethical aspects, Philanthropic aspects, Legal aspects, Economic aspects which is significant at 95% confidence level. This implies that the regression model is significant and can thus be used to assess the association between the dependent and independent variables. The regression coefficients further reveal both positive and negative associations between the dependent and the predictor variables.

The established regression equation was thus:

Corporate Identity = 4.242 + .336 (Economic aspects) + 1.576 (Legal aspects) + 2.435 (Philanthropic aspects) + .610 (Ethical aspects).

A unit change in Economic aspects would lead to a .336 change in Corporate Identity *ceteris paribus*; a unit change in Legal aspects would lead to a 1.576 change in Corporate Identity *ceteris paribus*; a unit change in Philanthropic aspects would lead to a 2.435 change in Corporate Identity *ceteris paribus* while a unit change in Ethical aspects would thus lead to a .610 increase in Corporate Identity. This implies that among other factors, Ethical aspects, Philanthropic aspects, Legal aspects and Economic aspects are strong and significant determinants of Corporate Identity in the Kenyan telecommunication sector.

4.12 Summary of Hypothesis Testing

The table 4.12 shows the summary of hypotheses test and the decisions on rejection or acceptance of Alternative hypotheses.

Table 17: Summary of Hypotheses Testing

Hypotheses	Significance	Decision
H₁: There is positive relationship between economic responsibility and corporate identity of telecommunication firms in Nairobi City County	0.005	P < 0.05 Accept alternative hypothesis
H₂: There is positive relationship between legal responsibility and corporate identity of telecommunication firms in Nairobi City County	0.000	P < 0.05 Accept alternative hypothesis
H₃: There is positive relationship between philanthropic responsibility and corporate identity of telecommunication firms in Nairobi City County.	0.008	P < 0.05 Accept alternative hypothesis
H₄: There is positive relationship between ethical responsibility and corporate identity of telecommunication firms in Nairobi City County.	0.002	P < 0.05 Accept alternative hypothesis
H₅: There is positive relationship between economic, legal, Philanthropic and ethical responsibility and corporate identity of telecommunication firms in Kenya	0.000	P < 0.05 Accept alternative hypothesis

The table 14 shows the summary of hypotheses tests were the entire alternative hypotheses were accepted and generally showing that CSR has a significant positive relationship with corporate identity of telecommunication firms in Kenya.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusion drawn from the findings and recommendations. The conclusion and recommendations drawn were focused on addressing the purpose of this study, which was to assess the effect of corporate social responsibility on corporate identity of Telecommunication firms in Kenya.

5.2 Summary of Findings

The study sought to establish the effect of economic aspect of corporate social responsibility on corporate identity of telecommunication sector. A majority of respondent managers affirm that to a moderate extent, CSR activities affect economic performance (55.9%); rate the company's practice of CSR has on the customer's retention (46.1%); report new customers' portfolio (44.1%); and high response to the company's product (46.8%). To a great extent however, a majority report increased orders and sales from the customers (47.1%). A majority of respondent customers further affirm that to a moderate extent, CSR activities affect their purchase decision (66.7%); and rate the company's practice of CSR has on the customers moderate (66.7%).

The study sought to establish the effect of legal aspect of corporate social responsibility on corporate identity of telecommunication sector. A majority of respondent managers affirm that to a great extent, their respective companies engages in legal requirements of a responsible corporate citizen (55.9%); experience ease of doing business by practicing legal aspects of CSR (48.1%); experience fair competition practices/government engagement (34.3%); and that participation on CSR activities has increased the regulatory framework in both Corporate and individuals levels (52.4%). A majority of respondent customers further affirm that to a moderate extent, their respective service provider engages in legal requirements of a responsible corporate citizen (66.7%); and thinks service provider engages in fair competition to a moderate to large extent (40.0%).

The study sought to determine effect of philanthropic aspect of corporate social responsibility on corporate identity of Telecommunication sector. A majority of respondent managers cite to a great extent, recruitment of new qualified employees (24.5%); and increase of current employees' loyalty (reduction of staff turnover/fluctuation) (33.4%). A majority further rank to a moderate extent, Improvement of employees' job satisfaction (34.2%); improvement of

relations with business partners and investors (36.3%); and improvement of customer satisfaction (30.4%). A majority of respondent customers further affirm to either a moderate or little extent (26.7%) community service. A majority further cites donations to either a great or very great extent (26.7%) or Training and development to a great extent (33.7).

The study sought to assess the effect of ethical aspect of corporate social responsibility on corporate identity of Telecommunication sector. A majority of respondent managers affirm that to a great extent, a majority of respondent companies factor in ethical aspect in formulation of CSR activities (58.9%); rate their of the extent to which the company owners/management are willing to invest more on ethical aspect when dealing with CSR activities as great (50.0%). A majority however affirmed only to a moderate extent that the company has management factored in ethical standards in its policy statement on CSR (45.1%).

A majority of respondent managers affirm that to a great extent, their respective companies adopted CSR practices because CSR affects corporate identity (55.9%); If their company was a product, they would like it (37.3%); their respective brand/company image perception by their customers (48.1%); ethical motivation of top management (38.3%); Promote corporate image (42.2%); Increase of the efficiency (46.1%); Greater employee satisfaction (43.1%); Benefit in relationship with financial institutions and lenders (40.2); and Public good and relations (40.2%).

5.3 Conclusion

It can be concluded that CSR practices are associated with moderately to greatly significant influences on economic performance thereof. It is specifically notable that among the key economic benefits include customer's retention, report new customers'; portfolio, high response to the company's product; and increased orders and sales from the customers for practicing companies.

Based on the data presented in the above sections, this study concludes that CSR is useful in corporate identity building because of its ability to facilitate corporate image attractiveness and thereby increase competitive advantage and overall company performance. CSR proves to be as much or even more important for smaller companies, not as a mean of cause-related marketing but as a way of generating a competitive advantage in the marketplace.

5.4 Recommendations

Based on the findings presented, the study recommends that firms should create positive image among potential customers, corporations ought to ensure among others, perfect product quality, reliable service, reasonable price, continuous innovation process, and a systematic work in favor of business stakeholders. Effective communication of CSR activities should provide an understanding and recognition of the value of the company, which in the final phase has an impact on corporate identity and subsequently on the corporate image.

The study has also demonstrated that CSR not only enhances a corporation's reputation for prospective employees by increasing organizational attractiveness and firm familiarity, but also influences incumbent employees.

Considering CSR approaches can function well in small corporate marketing budgets, it is recommended that managers can restructure their marketing spending without diminishing their corporate brand's presence for key stakeholders.

5.5 Suggestions for future studies

Since the present study focuses on the stakeholder view of the corporation, future studies can investigate differences and similarities of CSR effectiveness in various stakeholder groups such as investors and employees, to examine the specific relations between CSR approaches and stakeholder reactions.

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APPENDICES

Appendix I: QUESTIONNAIRE (MANAGEMENT)

A. General information about the company

1. How long has your company been running/operating?

- Less than one year 4 to 9 years
 1 to 3 years 10 and more years

2. How many employees do you have in your company?

- 1 to 9 50 to 100
 10 to 49 More than 100

3. What is the ownership structure of your company?

- Sole Proprietor Partnership
 Limited company

4. Is your company certified according to some standards (e.g. ISO 9000, ISO 14000, EMAS, Standard “Responsible Company“)?

- Yes, company is certified according to:
- Currently not, but my company is considering the following certification:
- No

5. Has your company defined strategy in writing (or at least mission and vision for the future)?

- Not at all
- Little Extent
- Moderate Extent
- Great Extent
- Very Great Extent

6. What is your Market Share?

- Below 5% 5-10% Above 10%

B. CSR and Economic

7. Does CSR activities affect economic performance?

- Not at all
- Little Extent
- Moderate Extent
- Great Extent
- Very Great Extent

8. How do you rate the company's practice of CSR has on the customer's retention?

- Not at all
- Little Extent
-

- Moderate Extent
- Great Extent
- Very Great Extent

9. How has the company’s engagement in Economic aspect CSR impacted on customers’ response?

1 – Not at all, 2 – Little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent

	1	2	3	4	5
New customers’ portfolio					
Increased orders and sales from the customers					
High response to the company’s product					

C. CSR and Legal

10. Does your company engage in legal requirements of a responsible corporate citizen?

- Not at all
- Little Extent
- Moderate Extent
- Great Extent
- Very Great Extent

11. Rate the following benefits of engaging in legal requirements on CSR activities based on the following criteria.

1 – Not at all, 2 – Little Extent, 3 – Moderate Extent, 4 – Great Extent and 5 – Very

Great extent

	1	2	3	4	5
Ease of doing business					
Engaging in CSR partnership					
Fair competition practices/Government engagement					
Retention & attracting new & potential Customers					

12. Has participation on CSR activities increased the regulatory framework in both Corporate and individuals levels?

- Not at all
- Little Extent
- Moderate Extent
- Great Extent
- Very Great Extent

D. CSR and Philanthropic

13. Does your company participate in philanthropic CSR activities?

- Not at all
- Little Extent
- Moderate Extent
-

- Great Extent
- Very Great Extent

14. Indicate in which of the following activities your company has been participating/supporting as part of its philanthropic activities

- Sport activities
- Cultural activities
- Health care
- Environmental protection
- Any other Activity
- None

15. Indicate using the criteria below the major benefits to your company while engaging in CSR philanthropic activities.

1 – Not at all, 2 – Little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent

	1	2	3	4	5
Recruitment of new qualified employees					
Increase of current employees' loyalty (reduction of staff turnover/fluctuation)					
Improvement of employees' job satisfaction					
Improvement of relations with business partners and investors					

Improvement of customer satisfaction					
Improvement of economic performance of the company (costs' reduction, sales' increase)					
Use of existing public incentives (tax incentives, subsidies, others)					
Improvement of company's reputation (better image)					

16. According to your opinion, which of the following CSR aspects has been influenced/affected by your company's Corporate Social Responsibility the most? **1 – Not at all extent, 2 – Little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent**

	1	2	3	4	5
Economic					
Legal					
Philanthropic					
Ethical					

E. CSR and Ethical

17. Does your company factor in Ethical aspect in formulation of CSR activities'?

- Not at all
- Little Extent
- Moderate Extent
- Great Extent
- Very Great Extent

18. Kindly rate how you perceive the extent to which the company owners/management are willing to invest more on Ethical aspect when dealing with CSR activities

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

19. Has the company management factored in ethical standards in its policy statement on CSR?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

20. Do the company's have a written service charter on CSR and ethical issues being addressed?

- Yes
- No

21. If yes give some of the service charter document?

F. CSR and Corporate Identity

22. Does CSR affect corporate identity?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

23. If your company was a product, would you like it?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

24. How is your brand/company image rated or perceived by your customers?

Not at all

Little Extent

Moderate Extent

Great extent

Very Great extent

25. By use of the following parameters, in your opinion, rate the extent to which the following reasons make the company to adopt CSR practices?

1 – Not at all, 2 – little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent

	1	2	3	4	5
Ethical motivation of top management					
Promote corporate image					
Increase of the efficiency					
Greater employee satisfaction					
Commercial advantages to new markets					
Benefit in relationship with financial institutions and lenders					
Public good and relations					
Pressure from consumer association and media					

Appendix I: QUESTIONNAIRE (CUSTOMERS)

A. General information about the company

1. How long has you been engaged with the service provider?

- | | |
|---|--|
| <input type="checkbox"/> Less than one year | <input type="checkbox"/> 4 to 9 years |
| <input type="checkbox"/> 1 to 3 years | <input type="checkbox"/> 10 and more years |

2. How is your relationship with the service provider?

- | | |
|---------------------------------------|---------------------------------|
| <input type="checkbox"/> Very Strong | <input type="checkbox"/> Strong |
| <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Weak |

3. What is the main criterion for choosing a service provider?

- | | |
|---|--|
| <input type="checkbox"/> Cost | <input type="checkbox"/> Reliability & after sales |
| <input type="checkbox"/> CSR & Ethical Issues | <input type="checkbox"/> All the above |

4. Please rank the criterion for choosing a service provider?

	High	low
Cost		
Reliability & after service		
Corporate Social Responsibility & Ethical Issues		

5. Would CSR Involvement affect your choice of service provider?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

B. CSR and Economic

6. Does CSR activities affect your purchase decision?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- V Great extent

7. How do you rate the company's practice of CSR has on the customer's?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

C. CSR and Legal

8. Does your service provider engage in legal requirements of a responsible corporate citizen?

Not at all

Little Extent

Moderate Extent

Great extent

Very Great extent

9. Do you think your service provider engage in fair competition?

Not at all

Little Extent

Moderate Extent

Great extent

Very Great extent

D. CSR and Philanthropic

10. Does your service provider participate in community service?

Not at all

Little Extent

Moderate Extent

Great extent

Very Great extent

11. Indicate in which of the following activities your provider has been participating/supporting as part of its philanthropic activities

Sport activities

Cultural activities

Health care

Environmental protection

None

12. Indicate using the criteria below the major benefits to a company while engaging in CSR philanthropic activities.

1 – Not at all 2 – Little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent

	1	2	3	4	5
Community service					
Donations					
Training and development					

13. According to your opinion, which of the following CSR aspects has been influenced/affected by your service provider's Corporate Social Responsibility the most? **1 – Not at all, 2 – Little extent, 3 – Moderate Extent, 4 – Great extent and 5 – Very Great extent**

	1	2	3	4	5
Economic					
Legal					
Philanthropic					
Ethical					

E. CSR and Ethical

14. In your opinion does your service provider offer quality service’?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

15. Do you think your service provider is accountable to customers and stakeholders?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

16. Have you ever experience under cutting based on the contract you have with your service provider?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

F. CSR and Corporate Identity

17. Does CSR activities affect corporate identity of your service provider?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

18. If your service provider was a product, would you like it?

- Not at all
- Little Extent
- Moderate Extent
- Great extent
- Very Great extent

19. How do you perceive the brand/Service provider's image?

Not at all

Little Extent

Moderate Extent

Great extent

Very Great extent

APPENDIX II: Work Plan

	Sep 2015	Oct 2015	Nov 2015	Jan-March 2016	April-May 2016
Developing Proposal					
Finalizing Proposal					
Proposal Defence					
Gain approval					
Data Collection					
Data analysis					
Write report					
Project Report Defence					
Finalise report					

Appendix III: Budget

ITEM	DESCRIPTION	COST (KSHS)
Proposal Writing	Print paper	3000
	Actual printing	5000
	Photocopy	4500
	Binding	4500
	Sub-Total	17,000
Data Collection	Travel and Lunch	10,000
	Sub-Total	10,000
Data Analysis	Photocopy	5000
	Photocopy papers	500
	Stationeries	5500
	Sub-Total	11,000
Report Writing	Printing	5000
	Photocopy	5000
	Binding	4000
	Sub-Total	14,000
	GRAND TOTAL	42,000