

# **CORPORATE SOCIAL RESPONSIBILITY STRATEGIES AND COMPETITIVE ADVANTAGE OF COMMERCIAL BANKS IN KENYA: CASE OF EQUITY BANK KENYA LIMITED**

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## **ABSTRACT**

Corporate social duty assumes an undeniably vital part in business obligation today. Financial, political, and social elements are forming CSR techniques around the globe. Socially mindful corporate execution can be related with a progression of main concern benefits like improved brand image, innovation and reputation in spite of the fact that much of the time, it appears that the time period of the expenses and benefits can be askew where the expenses are quick, and the benefits are not regularly acknowledged quarterly. The execution of business organizations is influenced by their techniques and operations in market and non - market situations. One develop that may catch a noteworthy component of these non-advertise techniques is corporate social obligation. The objectives of the study include; determining the influence of education programs, environmental programs, enterprise development programs and staff welfare programs on competitive gain of Equity bank Kenya Limited. The study was anchored on stakeholder's theory, strategic leadership theory and resource based view theory. The study used descriptive research design. The target population of this study was composed of all top management staff of equity bank in Kenya drawn from the head office in Nairobi who total to 145. Simple random sampling was used to choose the sample size of 44 which is 30 percent of the total study population. The examination utilized both essential and auxiliary information. Essential information was gathered using semi organized questionnaires directed to staff using pick and drop technique and through

email delivery. The instrument was verified for validity by the university supervisor and cronbach alpha was used to test reliability. Quantitative data collected was analysed by the use of statistical Package for Social sciences and excel. Findings were presented by use of tables, frequencies, percentages, means and standard deviation. From the findings, there is strong positive relation between education programs and competitive advantage of magnitude 0.853; this relationship is statistically significant  $p=0.000<0.05$ ; there is a strong positive relationship between environmental protection and competitive advantage of magnitude 0.629; the relationship is statistically significant  $p=0.000<0.05$ ; there is a moderate positive correlation between enterprise development and competitive advantage whose magnitude is 0.436; this relationship is significant  $p=0.002<0.05$  and there exists a strong positive relationship between staff welfare programs and competitive advantage with magnitude of 0.782; this relationship is statically significant. The study concludes that CSR led to good relations with the key stakeholders especially the customers; the bank balanced the need to adding shareholders value and good corporate citizens; CSR conservation initiatives led to enhanced customer loyalty; the bank sensitized the community on the need to conserve the environment; the bank educated SMEs on basic financial management skills. Entrepreneurship development empowered families who in turn remained loyal to the firm, CSR staff benefits leading to positive organization image. Employees got monetary benefits periodically. The study recommends that all the top management of all commercial

banks in Kenya should enhance their growth through Master-Card; Commercial banks should cooperate with the ministry of sports in order to participate in SOCCA and sports through funding of sporting activities in Kenya; the management of team of commercial banks and all organizations in Kenya should aim at

enhancing customer satisfaction. Commercial banks ought to sponsor their employees in advancing their careers.

**Key Words:** *corporate social responsibility, strategies, competitive advantage, commercial banks, Kenya, Equity Bank Kenya Limited*

## **INTRODUCTION**

Corporate social responsibility (CSR) has become a fundamental concept in the contemporary business world. The present business administrators are faced with complex key asset allotment choices which depend on their monetary results, as well as need to measure up to an arrangement of societal and developing partner desires. Environmental and social concerns are ending up progressively vital impacts on corporate methodology (Ebrahimi, 2011). The main idea behind the call for corporate social responsibility is that companies should become aware to their responsibility, extend the social, ecological and economic engagement and arrange them according to the processes in the company (Harvard Business Review, 2011). This is needful as it helps in giving back to the society in which the company operates. It also definitely helps in the creation of the company name in a manner that allows for the development of a practicable company strategy that enables a company to sustain profitability in a multimarket and competitive business, milieu that the world is today, (Webber, 2008).

Werther and Chandler (2010), say that the present-day CSR (additionally called corporate responsibility, corporate citizenship, and mindful business and corporate social open door) covers the connection between the organizations and the general public inside which they cooperate. It is an idea whereby business associations consider the enthusiasm of society by assuming liability for the effect of their exercises on clients, providers, representatives, investors, groups and different partners and additionally their environment. In the current years the idea of Corporate Social Responsibility (CSR) is spreading quickly in the entire world and every one of the divisions including banking. This predominance is on the grounds that the quick pace of globalization and social advancement requests to all companies, huge or little, neighbourhood introduction, to consider their CSR by enhancing the social and environmental execution (Wafula, 2012).

Aroni (2009) indicates that maintained upper hand is the interesting focused position created and kept up by an organization via its example of resource organization and extent of choices which is the goal of much business strategy today. All associations, business or non-business are dependably in rivalry in some shape. A high ground exists when the firm can pass on an unclear preferences from contenders however at a lower (cost advantage), or pass on benefits that outperform those of competitors (separation advantage). Thusly, a high ground enables the firm to make unrivaled incentives for its customers which can incite predominant advantages for itself.

Expanded weights on organizations plainly exhibit the degree to which outside partners are trying to consider organizations responsible for social issues and feature the possibly extensive money related dangers for any organizations whose conduct is regarded unsuitable.

Upper hand looks at the financial matters of an organisation's business concentrating on its capacity to create overabundance returns on capital and connections the business methodology with principal back and capital markets, for a more drawn out timeframe. At last, it is a company's upper hand that enables it to gain overabundance returns for its investors in light of the fact that without an upper hand, a firm has constrained monetary purpose behind it to exist. The need for creation of a lasting competitive advantage has recently led to revisions of both long term and short term goals. The CSR initiatives are some of the earmarked strategies utilized by some commercial banks.

Business banks are benefit making monetary foundations that assume a huge part in the money related framework. Business banks offer an extensive variety of corporate monetary administrations that address the particular needs of enterprises. They provide deposits, credits and trading facilities in financial markets, (Magutu, et al, 2009). The CBK, which falls under the ministry of funds docket is in charge of figuring the liquidity, slovenly and legitimate working of the budgetary framework. The Kenya banking sector contains 43 business banks, contract back organization and six deposit taking micro-finance institutions of local and international origin. Regional integration is taking hold within Kenya's banking sector with increase entry of regional banks such as Nigeria's, United Bank for Africa (UBA) also Eco - bank and the gulf region banks such as Gulf African bank and First community bank. There are roughly 8.3 million bank accounts in Kenya with an aggregate populace of more than thirty six million individuals; there is a reasonable extension for facilitate infiltration of the market. The need for creation of lasting competitive advantage has led to revision of both long term and short- term goals. The CSR initiatives are some of the earmarked strategies utilized by some commercial banks. Deliberate efforts have been undertaken by some banks to set aside annual budgets to run selected thematic CSR initiatives (CBK, 2014).

The Kenyan banking sector comprises of Commercial Banks, SACCOs, Micro Finance Institutions and most recently the Telecommunication companies. Currently only 10 million accounts are active in Commercial Banks with the bulk of the population relying on the other players in the sector. The competitive landscape is stiff with aggressive sales and marketing activities, product/service development and continuous innovation break through being employed with the aim of gaining a lasting competitive advantage. Unfortunately the different undertakings in the segment tend to be homogenous and in the case of new products they are easily duplicated and therefore competitive advantage is short-lived.

The key decisions of broad associations incorporate social and furthermore fiscal results, which are actually related. Guardian and Kramer (2006) discuss the nearness of the relationship among organizations and society, since an association's activities specifically influence the groups with which they work. This can incite either positive or negative results. Strategists and directors ought to consider societal wants and decisions, as there can be some charming alternatives when selflessness or organizations to society are considered. Decisions

from the method design process ought to consider the positive and negative impacts that may develop, for the business itself, and also for accomplices and society overall.

Corporate social obligation programs are appropriate to for all intents and purposes all associations and banks are sensitive to these projects as they need to endeavor to fulfill an assortment of partners. Business banks in Kenya work in a dynamic situation described by mechanical changes, rivalry, administrative necessities, monetary changes and sharp vital choices. The firm rivalry among the different players in the saving money industry has lead the banks to search for more imaginative methods for fulfilling their partners while in the meantime making benefit (Nwankwo, 1991).

### **Competitive Advantage**

Competitive advantage is how an organization will achieve its objectives in the face of competition from other organizations (Carroll & Shabana, 2010). In achieving this goal, an organization must perform better than other players in its industry must. In so doing, this could boil down to meeting the needs of the consumers more effectively and this could enable the service provider to command a higher price which can lead to increased revenues (Crowth & Aras, 2008). In achieving this goal an organization must perform better than other players in its industry. If the company is cost effective, it can then be able to command a lower price in its offering to the consumers and this can lead to increased revenues (Thompson, 2010). Nonetheless, a survey of methodologies for building upper hand outlines that marketing assumes a local role. Various prominent methodologies incorporate, solid market positions with items and administrations which are not effortlessly substituted, section obstructions, solid dealing position, portability hindrances, adjusted portfolio`s, centre abilities, innovation and speed or time based rivalry. Multinational Companies (MNC`s) can promote the adoption of CSR practices as part of their strategy so as to increase their competitiveness within the economy and industry.

In competitive advantage, the current globalized world, competition has become a buzzword with regard to organizational performance and survival (Porter & Kramer, 2012). Research has established that firms, which are unable to attain or sustain greater organizational performance often, collapse (Palmer, 2012). Thompson (2010) alludes that competitive advantage gives the customer a reason that lasts to prefer the company products to competitors. An organization derives its competitive advantage from either managing their costs or providing a unique offering to their market (Crowth & Aras, 2008).

According to Reverte (2009), to attain and sustain a competitive advantage, firms have to explore several alternatives including engagement in CSR strategies. Weber (2008), indicates that a health strategy is a fundamentally effective means of attaining a competitive advantage in a competitive business milieu as individual beneficiaries of the health assistance and their relatives, friends and acquaintances develop a feeling that they owe the firm a lot. As such, it is perceptible that a health strategy is a potentially effective way of attaining a competitive advantage.

Schwenker and Wulf (2013) have argued that increased involvement in certain CSR strategies result in the enhancement of organizational performance and competitive advantage (CA). Firms have also undertaken to increase their assistance to the health sector and the people in need of certain medical attention but lack proper resources and funds to realize such needs (Kariuki & Rotich, 2013). Hamori (2013) points out that sports strategy in CSR serves to establish a good corporation reputation, which in turn guarantees high performance by the employees. This gives the firm a competitive advantage relative to its key competitors thereby allowing the firm to retain its business performance (Harvard Business Review, 2011).

According to Westover (2010), CSR influences the rates of employee retention or employee turnover rates. Turnover is a procedure in which workers leave the organization and in this manner must be supplanted. Turnover is identified with representative inspiration. Extreme turnover can be an expensive issue, one with a noteworthy effect on efficiency. In any case, cost isn't the main reason turnover is critical. Long preparing circumstances, intruded on plans, extra additional time, botches and not having educated workers set up are a portion of the dissatisfaction related with intemperate turnover (Westover, 2010). It has been observed that a health strategy facilitates employee motivation in fulfilling their tasks to the firm and therefore facilitate organizational performance.

According to Waweru and Kalani (2009), local commercial banks have also used CSR as an effective competitive tool with respect to customer retention. In this regard, customers have found it easier and logical to conduct business with firms that they perceive as having concern for the socio-economic issues that they face. As such, the banks have engaged in CSR not only because of the legal demands but because of more so because of the potential of the process to help them attain a competitive advantage (Okiro & Ndung'u, 2013). These programs give individuals a feeling of pride in the association, induce cooperation and are a wellspring of motivation and connectedness. Building a Positive Workplace Environment is one of the best advantages of advancing social duty in the work environment. CSR for that reason is not just a benevolent gesture by corporations intending to look good to the community to enhance their profits. It is a precondition for good governance and corporate leadership as well as unrelenting profitability and operation. According to Brunsel (2009), CSR is in fact a business competitive marketing strategy that guarantees high organizational and product awareness thereby branding the firm as a corporation that cares about its consumers, the society it operates within as well as other stakeholders.

A differential favourable position is made when an organisation's item or administration varies from its rivals and are viewed as a superior alternative. The unmistakable abilities or centre skills, coming about because of the particular company's assets and capacities, encourage development, proficiency, quality and client responsiveness, which can all be utilized to accomplish either a lower cost structure or a separation item. Boone and Kurtz (2013) talk about the part of imitability of upper hands for long haul development prospects of organizations; they suggest that low-arrange upper hands, for example, cost favourable position can be imitated by contenders with access to less expensive assets. They additionally suggest the appropriation of solid brand image and mechanical advancement in different



business forms for the wellsprings of upper hand, as a result of larger amounts of manageability of such wellsprings of upper hand because of their trouble being imitated by competitors.

### **Corporate Social Responsibility (CSR)**

Corporate Social Responsibility alludes to a proceeding with duty by business to carry on morally and add to monetary improvement while enhancing the personal satisfaction of the workforce and their families and in addition of the neighbourhood group and society everywhere, (Holme and Watts, 2010). In this day and age, maintaining a business is not any more simply considering how to make benefits, but also involves incorporation of certain obligations in the general public. Such issues additionally broaden the organizations' view from a business level to a group or society level. This likewise mirrors a reality that purchasers' esteems are changing in the general public, organizations need to adjust to the changing estimation of shoppers and look for long term association with buyers in order to survive and develop, (Yuen et al, 2007).

Corporate social duty assumes an undeniably vital part in business achievement today. Monetary, political, and social variables are forming CSR methodologies around the globe. Socially dependable corporate execution can be related with a progression of main concern benefits like enhanced brand image, advancement and notoriety however much of the time, it appears that the time span of the expenses and advantages can be twisted where the expenses are quick, and the advantages are not frequently acknowledged quarterly (Aroni, 2009). The execution of business organizations is influenced by their methodologies and operations in market and non - market conditions. One develop that may catch a noteworthy component of these non-market techniques is corporate social obligation. Advocates contend that partnerships make all the more entire arrangement benefits by working with a point of view, while others argues that CSR over burden organization budgetary plan. Others battle CSR is simply window-dressing, or an endeavor to pre-empt the bit of governments as a watch pooch over successful multinational companies (Carroll & Buchholtz, 2000).

The extent of CSR is theoretically much unbound right now. The level headed discussion between the private part, thoughtful society and governments concentrates on a couple of key issues as there is no single regularly acknowledged arrangement of the primary segments of CSR. Frequently, CSR is identified with: Environmental assurance, human rights, community development, enterprise development, health promotion, and human disaster relief amongst many more. Selection and focus for different businesses is reliant on the strategic fit required. In the United Kingdom publicly listed companies are required to disclose ethical, social and environmental risk in its annual report, (Porter & Kramer, 2004).

### **Corporate Social Responsibility Strategy and Competitive Advantage**

Corporate social duty technique comprises of methodologies that a firm takes to pull in clients, withstand competitive pressure and improve the market place (Thompson & Strickland, 2002). An organization has upper hand at whatever point it has an edge over its adversaries in securing clients and shielding against aggressive powers. To create

competitive advantage, corporate strategy can be applied amongst investment banks in Kenya. A corporate strategy allows a firm to develop unrivalled competencies such as marketing, and design (Owiye, 2009). These capabilities can permit speculation banks to make an upper hand. For instance, a venture manager with the capability of showcasing can utilize it to pick up the upper hand in the speculation keeping banking industry in Kenya.

To make the most of the relationship between corporate strategy and competitive advantage, an investment bank ought to settle on the upper hand it needs to acquire and afterward build up the capabilities required. For instance, on the off chance that it needs to make an upper hand of skilled staff it should put resources into the competency advancement through representative preparing, inspiration framework and contracting experienced staff. Commercial banks specifically in Kenya experience a dynamistic environment where technological changes, competition, regulatory requirements, economic changes and opportunistic strategic decisions influence their operations. The stiff competition among the various players in the banking industry has led the banks to look for more innovative ways of satisfying their stakeholders while at the same time making profit (Nwankwo, 1991).

### **Equity Bank Kenya Limited**

Equity Bank Limited is incorporated, enlisted under the Kenyan Companies Act Cap 486 and domiciled in Kenya and it offers retail keeping money, microfinance and related administrations. The Bank has subsidiaries in Kenya, Uganda, South Sudan, Rwanda and Tanzania. Equity Bank was established as Equity Building Society (EBS) in October 1984 and was initially a supplier of home loan financing for the dominant part of clients who fell into the low pay populace. Having been pronounced actually insolvent in 1993, Equity's changed quickly into a microfinance and after that a business bank. Right now, Equity Bank has more than 8 million clients making it the biggest bank as far as client base in Africa and having almost 50% of financial balances in Kenya. Through a plan of action that is tied down on access, accommodation and adaptability, the Bank has advanced to end up plainly a comprehensive money related administrations supplier with a developing Pan African impression.

Equity Bank in 2008 set up the Equity Group Foundation (EGF). This development and imaginative vehicle has completely changed the idea of magnanimity and corporate social obligation. While Equity Group Foundation champions the financial change of the general population of Africa and looks for organizations along seven cluster topical territories, Equity Bank gives the framework of conveyance consequently lessening the operational expenses for the establishment and expanding the rate of profit for any social speculation. The social topical regions of center are: instruction and administration improvement; monetary proficiency, money related incorporation; entrepreneurship and innovation, health, environment and agriculture (Kamanda, 2007). The need for creation of a lasting competitive advantage has recently led to revisions of both long term and short term goals. The CSR initiatives are some of the earmarked strategies utilized by EBKL.



## **STATEMENT OF THE PROBLEM**

The overall goal for most organizations is to achieve a sustainable competitive advantage. This can be acknowledged when a firm supports benefits that surpass the normal for its industry. Corporate Social Responsibility in banks has turned into an overall request. These days, by perceiving CSR, banks from everywhere throughout the world embrace projects of instructive, social, and natural, and in addition wellbeing activities all went for making them more aggressive over their adversaries in the business. Moreover, they actualize sponsorship activities towards vulnerable gatherings and beneficent non-benefit associations. Many examinations have investigated the status of CSR in banks. Also, the zones of CSR drivers, effects, and practice are moderately all around investigated points. Be that as it may, different issues of CSR obstruction, CSR models in the bank and fruitful components and upper hand in managing an account segments are still inadequately showed; in this way, there is a solid requirement for more research on the vital issues contends, (Persefoni Polychronidou et al, 2013). Commercial banks in Kenya work in a dynamic situation described by innovative changes, rivalry, administrative prerequisites, and monetary changes and pioneering vital choices. The stiff competition among the various players in the banking industry has lead the banks to look for more inventive ways of satisfying their stakeholders while at the same time making profit. Banks in Kenya have been involved in CSR programmes in the area of education and training, health, sustainable environment, sports and enhancing the occupations of helpless groups in the society. There have been several studies regarding the relationship between CSR and business strategy. Murila (2013) contemplated corporate social obligation in East African Portland Cement Company Limited Kenya. The study found that corporate social duty can be utilized as an establishment for building an upper hand by both improving the association's productivity and expanding the estimation of its market. In another different study, Kagendo (2013) did an examination on CSR and upper hand of business banks in Kenya and the investigation set up that CSR exercises are incorporated with all component of showcasing the bank henceforth banks should utilize CSR keeping in mind the end goal to upgrade their level of intensity. Chege (2014) considered corporate social obligation and upper hand of business Banks in Kenya. The study concluded that banks use CSR as a strategy in order to drive overall goodwill in the society, to on board new clients and investors and to motivate employees. The study recommended sustained participation in CSR initiatives in order to drive brand appeal and sustenance into the future. This investigation tried to set up whether there is a connection between the technique of corporate social obligation and upper hand of business banks in Kenya.

## **GENERAL OBJECTIVE**

The fundamental research objective was to establish the effect of Corporate Social Responsibility on competitive advantage of commercial banks in Kenya a case of Equity Bank Kenya Limited.

## **SPECIFIC OBJECTIVES**

1. To establish the influence of education programs on competitive advantage of Equity Bank Kenya Limited.
2. To examine effect of environmental protection programs on competitive advantage of Equity Bank Kenya Limited.
3. To determine the influence of enterprise development programs on competitive advantage of Equity Bank Kenya Limited.
4. To establish the relationship between staff welfare programs and competitive advantage of Equity Bank Kenya Limited.

## **THEORETICAL REVIEW**

### **Stakeholder Theory**

This theory was proposed by Freeman in 1984. Partners hypothesis expresses the reason for the company as to give rate of profitability to investors and hence companies are viewed as instruments of making financial incentive for the individuals who chance capital in the venture, (Greenwood, 2001). It is trusted that the sole constituency of business administration is the investors and the sole worry of investors is benefit amplification. Any movement is legitimized on the off chance that it builds the estimation of the firm to its investors and isn't defended if the estimation of the firm is diminished, (Cochran, 1994). Corporate consumption on social causes speaks to an infringement of administration duty to investors to the degree that the use does not prompt higher investor riches, (Ruf et al, 1998). In connection to investor hypothesis, this suggests organization supervisors are obliged to cling to the target of amplifying long haul proprietor esteem. Partner hypothesis rose as another option to investor hypothesis, Spence et al (2001).

As per Windsor (2001), the term partner speaks to a softening of strict investor hypothesis. It perceives the way that most, if not all organizations have a vast and coordinated arrangement of partners, (Cochran, 1994) to which they have a commitment and duty, (Spence et al, 2001). This hypothesis challenges the view that investors have a benefit over different partners, (Freeman and Reed, 1983). The partner hypothesis is a reaction to monetary speculations that affirm that organizations should concentrate just on maximizing the financial interests of investors, (Orts & Schulder, 2002). As indicated by Kaler (2003), the partner approach includes a fundamental reformist position toward investor hypothesis, trying to move it toward more noteworthy value and a less determined focus on proprietor's interests instead of supplanting it altogether.

Deck (1994) recognizes that the reason for the organization is to make riches and circulate this among financial specialists. Be that as it may, he doesn't restrain financial specialists to insignificant investors and incorporates different gatherings, for example, workers and society who make interests in associations as information, abilities and framework. Partner hypothesis was extended by Donaldson and Preston (1995) who focused on the good and moral measurements of CSR, and also the business case for participating in such movement.

Donaldson and Davis (1991) contend that the stewardship hypothesis depends on the possibility that there is an ethical basic for directors to 'make the best decision', without respect to how such choices influence firm monetary execution. The hypothesis' application to this investigation is commenced on the background that the Chief Executive Officer (CEO) of Equity Bank Limited as supervisor saw the need to fulfil a greater lump of the partners or potentially customers by taking part in such exercises as advancing and moulding the eventual fate of the more youthful age by offering them the stage to bend their specialty in initiative and in addition in training.

### **Strategic Leadership Theory**

The hypothesis of key administration discovers its underlying foundations from the advancement of administration hypothesis by Fredrick Taylor in years 1856. The embodiment of key initiative includes the ability to take in, the ability to change and administrative astuteness (Boal and Hooijberg, 2001). This hypothesis features the elements of a pioneer and how they oversee emergency and keep up appropriate hierarchical structures, procedures and culture for reasons of gaining competitive advantage.. The effort of a leader is therefore very essential in the organization of human capital, financial resource, organization structure and process to achieve a competitive stand in the market

Waldman et al (2004) applies key administration hypothesis to CSR and noticed that organizations keep running by mentally stimulating CEOs accomplish more key CSR than similar firms. These authors attest that specific parts of transformational initiative will be emphatically associated with the penchant of firms to participate in CSR and that these pioneers will utilize CSR exercises deliberately. A key pioneer shows a disappointment or anxiety with the present; absorptive limit. Beatty and Quinn (2010) characterize vital authority as a consolidated duty of the pioneer, the supporter and the association. Administration presents challenges that call forward the best in individuals, and unite them around a common feeling of reason.

Strategic leadership incorporates deciding the company's key heading, adjusting the association's procedure to its way of life, demonstrating and imparting high moral guidelines, and starting changes in the company's methodology, when important. Key administration sets the company's heading by creating and conveying a dream of future and motivates association individuals to move toward that path. Not at all like vital authority, is administrative initiative by and large worried about the transient, everyday exercises, Pearce, J.A & Robinson R.B (2007). Equity Bank CEO provides strategic leadership to the organisations equity group foundation whose sole responsibility is social and economic transformation. With deliberateness, arrangement, and a higher reason; the work between the pioneer and the devotees can make a cooperative energy. This makes the theory relevant based on the need for effective management and leadership for CSR activities carried out in equity bank Kenya.

## **Resource Based View theory**

This theory was first proposed by Wernerfelt in 1980s. The asset based perspective of the firm (RBV) attracts consideration regarding the associations inside condition as a driver for upper hand and underscores the assets that organizations have created to contend in the earth. At last, firms that can use assets to execute an esteem making system not at the same time being actualized by any present or potential contender can accomplish upper hand advantage, Barney (1991). The RBV as a reason for the upper hand of a firm lies fundamentally in the use of a heap of important unmistakable or elusive assets at the company's transfer, Mwilu & Mercer (1983). Hart (1995) was the first to apply the RBV structure to corporate social obligation. The examination concentrated solely on ecological social obligation and declared that, for specific sorts of firms, natural social duty can constitute an asset or ability that prompts a managed upper hand.

The RBV has advanced various suppositions that might be valuable in the administration of associations: Resource Heterogeneity is the main presumption which expresses that the assets that associations have contrast starting with one organization then onto the next. In the event that associations would have a similar sum and blend of assets, they couldn't utilize distinctive methodologies to outcompete each other accordingly RBV accept that organizations accomplish upper hand by utilizing their diverse packs of assets. The second supposition of RBV is that assets are not versatile and don't move from organization to organization, particularly in short-run. Because of this stability, organizations can't duplicate opponents' resources and execute similar techniques. This is more genuine with the impalpable assets, for example, mark value, procedures, learning or licensed innovation that are generally fixed, (Hooley & Greenlay, 2005).

Barney (1991) proposed the VRIN system that looks at if assets are profitable, uncommon, expensive to mirror and non-substitutable. The assets and capacities that answer yes to every one of the inquiries are the ones that prompt managed upper hands. Assets are significant in the event that they help associations to expand the esteem offered to the clients. This is finished by expanding separation or/and diminishing the expenses of production. Resources that must be obtained by one or few organizations are viewed as uncommon. An organization that has important and uncommon asset can accomplish in any event brief upper hand. Be that as it may, the asset should likewise be exorbitant to mimic or to substitute for an opponent, if an company needs to accomplish maintained upper hand.

McWilliams and Siegel (2001) laid out a basic model in which two organizations deliver indistinguishable items, aside from that one firm adds an extra social ascribe to the item, which is esteemed by a few buyers and different partners. In this model, supervisors direct a cost/advantage examination to decide the level of assets to commit to CSR exercises by surveying the interest for CSR and assessing the cost of fulfilling the request.

## **EMPIRICAL REVIEW**

### **Education Programs and Competitive Advantage**

Education is the bedrock of social and economic development. For many poor families, education for their children, especially for the academically gifted, offers the only hope for breaking the cycle of poverty. In its 2012 Education for All Global Monitoring Report, UNESCO estimates that every one dollar spent on a person's education yields ten to fifteen dollars in economic growth over that person's working lifetime. Yet the report also cites that in Kenya, even with the reduction of secondary school fees, the expenses of teaching a kid are as yet twelve to twenty fold the amount of as the month to month wage of guardians in country regions, letting secondary school alone for reach. The challenge is similar in urban slums areas, UNESCO (2012).

According to Palmer (2012), CSR education strategies do not only result only in a onetime benefit for the firm. Studies have established that by engaging in community-empowering initiatives such as education, the company establishes or pursues a long-term growth strategy. The children and the youth that are educated and empowered today become the firm's future customers. Certainly, a good deed performed by the firms such as taking needy children to school creates a feeling or sense of purpose for the employees. In fact, studies have established that the beneficiaries of such programs are developing a sense that they owe the corporation and a lot and as such become unwavering customers of the firm. Hence, it is perceptible that CSR is an important way in which firms market themselves by establishing public presence (Lichtenstein et al., 2010).

For instance, Palmer (2012) argues that providing education to bright needy students or children from humble backgrounds increases the future potential of the children not only to become loyal customers of the firm but to empower their families who in turn remain loyal to the firm. Both the beneficiaries and their relations attribute their economic status and prosperity to the firm. This further leads to increase in market share, sales and profitability for the firm (Webber, 2008). Business associations are presently looked as corporate residents and all things considered are relied upon to satisfy certain metro duties. Another idea of 'corporate inner voice' is quick getting to be plainly well known and adequate. Since business uses bounteous social resources and has a significant huge measure of social power, in this way it needs to act as a corporate resident and help the general public in taking care of its issues (Gavai, 2010).

This investigates how an association supports the training of the splendid and destitute individuals from group with a specific end goal to empower them seek after instruction in spite of their level of neediness for measure up to circumstances in future. Kubai and Waiganjo (2010) studied the relationship between strategic corporate social responsibility and competitive advantage of commercial banks in Kenya Focusing on Equity Banks' Wings to fly program. The study revealed that corporate social responsibility had assumed a key part in impacting great client recognitions particularly among the recipients and they show an incredible ability to relate with the bank both now and later on. The education and leadership

development has led to promotion of Equity bank brand which leads to customer attraction due to the perception that the bank is sensitive to the needs of the community which leads to competitive advantage over its rivals

Husted and Allen (2001) took a gander at the issue of significant worth creation through key CSR territories. Their decisions from their discoveries recommend that administrators need to see how CSR is like and unique in relation to other conventional corporate market exercises in the event that they are to seek after esteem creation through CSR. They include those avenues for future research to clarify how CSR might be coordinated into firm procedures to make assets (resources) and capacities (schedules) that may prompt upper hand and unrivalled monetary execution.

### **Environmental Protection Programs and Competitive Advantage**

In the wake of seeing an expansion in natural corruption that was contributed by the deceitful business intrigue and human reckless state of mind (Banyte et al., 2010), business associations are swinging to CSR as its payback apparatus. Organizations would effectively try to coordinate natural thought into their operation and exercises. These incorporates advancing the upsides of eco-accommodating items Lee and Mohamad (2010), empowering eco-tourism; creating condition well-disposed conduct through working environment atmosphere (Naja, 2011) and some more. These studies have then turned into the observational establishment to the advancement of an all-encompassing hierarchical point of view to natural assurance or ECSR.

Subsequently, Williamson et al. (2006) have viewed ECSR as an idea about organizations additional exertion incorporating business concerns in their business operations and in their cooperation with their partners. It is seen as the commitment that organizations make to manageable improvement by adjusting and enhancing condition impacts without affecting business performance. Rahman and Post (2012) have tried to follow applicable experimental investigations and have endeavored to conceptualize ECSR and in the long run built up a dependable and substantial estimation instrument. While closing ECSR as a multidimensional develop, the majority of the measurements referred to in their investigation are more significant to corporate administration issues and hierarchical execution as the unit of examination. Studies connecting the execution of ECSR with outer partners, particularly its clients were not explored.

A critical avocation for endeavoring to investigate the ecological dimensions of CSR lies in the principal thought around which the "green business association" is assembled. An association that really grasped natural insurance and manageability needs to have a comprehensive and predictable vital administration approach (Velasquez-Manoff, 2009). Its hierarchical individuals are relied upon to hold shared suppositions and convictions about the significance of adjusting financial effectiveness, social value and ecological responsibility (Bertels, Papania and Papania, 2010). Peattie's STEP Framework likewise delineated the requirement for an adjusted and thorough view that considers the Social, Technological, Economic and Physical perspectives business operation (Peattie, 1995). This all-



encompassing perspective recognizes that lone through the energy about "entire elements" and positive collaboration among all partners (which incorporates clients, investors, contenders, residents, and government and legitimate establishments), will the association be fruitful. The associations need to indicate continuing consistency in its sense of duty regarding each part of ecological assurance and manageability challenges. The inspiration to be steady while executing an ecologically reasonable approach in each part of the CSR activities is a result of this all-encompassing hierarchical perspective.

As this is an exploratory attempt to relate ECSR to purchaser demeanor and conduct, we have chosen to allude to set up learns about CSR in endeavoring to recognize its measurements. The selection of measurements needs to mull over two critical elements. Right off the bat, the ECSR measurements must be conceivably significant to client level reaction with a specific end goal to coordinate it into the general promoting system. Clients must have the capacity to identify with the ECSR activities that are being executed by the association and could shape an assessment of it. Later analysis using exploratory factor analysis could uncover other dimensions relevant to the population understudy. Also, the decision of the underlying measurements of ECSR is made in light of closefisted contemplations. As a critical guideline of logical research, scientists ought to keep away from complex structure having unmanageable number of variables, while not trading off its noteworthy contribution (Sekaran, 2003).

As said before, the calculated measurements of ECSR are adjusted from existing studies where clients could identify with the association's CSR activity. There are purchaser conduct related investigations that moved toward CSR as a one-dimensional build (Pivato, Misani and Tencati, 2008; Becker-Olsen, Cudmore and Hill, 2006; Lee and Heo, 2009), while others approach it as having multi-measurements (Swaen and Chumpitaz, 2008; Abd Rahim, Jalaludin and Tajuddin, 2011; Mandhacitara and Poolthong, 2011). While the greater part of the said seems about appearance to allude to the entrenched Carroll's model (1979), the model itself unexpectedly did not particularly specified ecological security as a measurement of CSR. Thus following the similar approach, we have also decided to adapt aspects of the Carroll's CSR model in determining the dimensions of ECSR. The dimensions of ECSR are environmental customer welfare, environmental community involvement, and philanthropy. The subsequent section will discuss these dimensions more.

A great client encounter is a center component premier fruitful firm (Carroll, 1991; Cochran, 2007; Maimunah, 2009; Okada and Mais, 2010). By and large, e-client welfare activities are proposed to make and convey the best item for clients, finish item data, or give security item to them (Turker, 2009a, 2009b). This additionally incorporates giving eco-accommodating item to clients and guaranteeing the item condition offered to clients isn't unsafe to the earth. CSR activities through social and group contribution are refined by including individuals from the group in any CSR programs (Ailawadi, Luan, Neslin, and Taylor, 2011). ECSR practices to social and group among other could include projects, for example, natural training workshop; tree planting exercises, sorting out blood gifts, walkathon to underpins growth patients or supporting philanthropy occasions. The following are two case of e-group involvement.

The AEON Group kept on organizing different tree planting activities in Malaysia and in different nations, perceiving the significance of trees to our ecological system. One such tree planting movement was completed in conjunction with the opening of AEON Seri Manjung Shopping focus where staffs of the Company were among more than 800 members who planted more than 3,000 saplings in zone adjoining the shopping complex (Eon, 2012) while at UMW Toyota Motor Sdn Bhd., they effectively add to manageable advancement of the group. The Toyota Eco Youth (TEY) program was conceived in 2001, in a joint exertion between UMW Toyota Sdn Bhd and the Ministry of Education, to develop natural mindfulness and support regard for the earth among the adolescent in secondary schools in Japan. Generosity is expressed as the association's want to advance the welfare of others, communicated particularly by liberal gift of cash to great aims. In ECSR setting, magnanimity could be seen through giving budgetary sources to execute those exercises to upgrade ecological mindfulness and reactions among publics.

Dedication builds the activity of rehash buy by client, hence expands the benefit of the association for the long term time frame (Wang, Chen & Chu, 2009; Smith & Wright, 2004). Customer loyalty is frequently said to be the crucial driver in determining business growth (Clottey, Collier & Stodnick, 2008; Evanschitzky, 2011; Gee, Cotes & Nicholson, 2008). Some scholars have even recommended that loyalty is much more desired than customers' satisfaction (Heal, 2004; Taylor, Celuch & Goodwin, 2004). Kandampully & Suhartanto (2000) agreed that loyalty could be an effective business strategy to survive in the saturated market. Descriptions of customer loyalty includes, being an informal spokesperson to near relatives and friend, recommending them to buy and consume the item or spread positive news about experience of expending a similar item (Taylor et al., 2004; Mahmoud, Twebesoah & Danku, 2011; Mei-Lien, 2011) or positive word-of-mouth (Duffy, 2003). Several predictor variable of customer loyalty include service quality (Santouridis & Trivellas, 2010); effectiveness of loyalty programs (Saili, Mingli & Zhichao, 2012); consumer trust DeWitt, Nguyen & Marshall, 2007); brand personality (Farhat & Khan, 2011), among others. There are likewise are thinks about proposing positive connection amongst CSR and client dedication (Mandhachitara & Poolthong, 2011; Liu & Zhou, 2009).

Then again consumers' researches have also shown that consumers are more willing to purchase from companies that show higher commitment to environmental protection. Some would demonstrate their environmental commitment by their willingness to purchase quality green products, even at slightly higher prices (Carroll, 1991; Cochran, 2007; Rahman & Post, 2012; Sen, Bhattacharya & Korschun, 2006). However, we believe that being worried for nature does not simply mean selling environment friendly product, but rather it would include the hidden corporate culture, arrangement and practices that are unfastened by the comprehensive worry for the environment

### **Enterprise Development Programs and Competitive Advantage**

Miniaturized scale, small, and medium ventures are pivotal drivers of financial growth across Africa, accounting for more than 45% of employment and 33% of GDP continent-wide and up to 90% of all businesses in some countries (AfDB, IFC). In Kenya alone, there are an

estimated eight million micro-enterprises operating currently, contributing upwards of 20% of GDP. Approximately half of all Kenyan micro-entrepreneurs are women. Despite the significance of the sector to the continent's prosperity, many challenges persist including cumbersome and costly licensing and regulatory requirements, lack of access to capital and markets, and lack of business management knowledge and skills.

EGF pays particular attention to youth and women entrepreneurs, as both groups have been historically and disproportionately marginalized despite their potential to improve the economic outlooks of their households. Increasingly under this pillar, EGF also seeks to foster innovation among entrepreneurs and other partners to solve challenges that hinder enterprise growth and to support the development and widespread application of new ideas, systems, and technologies.

The Innovation and Entrepreneurship pillar of EGF strives to accelerate the growth and development of micro and small enterprises. Through its flagship programme, Entrepreneurship Education, EGF in association with The MasterCard Foundation and the International Labour Organization (ILO), provides a suite of services to promising micro and small entrepreneurs. These services include entrepreneurship training, which covers a range of business topics, including promoting, record continuing, costing, business arranging, individuals and efficiency, stock control and purchasing; mentorship through one-on-one business consultations and local business improvement groups; and business tips via mobile phones, EGF newsletter (2014).

A study conducted by Battaglia et al. (2014) on CSR and aggressiveness inside little and medium-sized ventures of fashion businesses from Italy and France with a specimen size of 213 demonstrates a huge relationship concerning the development procedure, both from the specialized and the authoritative perspective, and the palpable exhibitions. Kithika (2012) did a study on the impact of electronic trading on performance of investment banks and brokerage firms in Kenya. The study discovered that reception of e-exchanging has solid and importance minimal impacts on the execution of Kenyan venture keeping money industry. In this way, there exists positive connection between e-exchanging and venture banks and business firms' execution. It infers that electronic exchanging has made speculation saving money exchange to be less demanding by conveying administrations nearer to its clients henceforth enhancing venture managing an account industry execution.

### **Staff Welfare Programs and Competitive Advantage**

An organization with a solid corporate social duty has more drawn in workers. Nearly 60 per cent of representatives who are pleased with their organization's CSR program are locked in at their employments, as indicated by Double the Donation (2014). A decent CSR program must consider the necessities of its workers. Most American representatives need to work for an organization that thinks about them as people, a current report by Cone Communications found. Considering that the investigation found that Americans progressively feel their work and individual life are getting to be plainly mixed, organizations need to truly consider their employees' needs.

Volunteering is the conventional way for workers to take part in causes and issues that issue to them and it is as yet essential to representatives. Numerous representatives look to the organizations they work for to give fundamental approaches to volunteer through companywide days of administration (67 per cent) and friends drove exercises (67 per cent). Over portion of representatives are searching for more dynamic volunteer models: 63 per cent need smaller scale volunteerism, 61 per cent need paid administration leave, and 58 per cent need to take an interest through nightfall openings, Cone (2015). A decent CSR program can be utilized by an organization to enlist and hold representatives. Very nearly three-quarter (74 per cent) of those surveyed by Cone (2016) say work is all the more satisfying when their managers furnish them with chances to chip away at social and ecological causes. Seven out of ten surveyed (70 per cent) say they would be more faithful to a company that enables them to take an interest in imperative issues and causes.

At the point when workers choose which occupation to take; over half consider an company's CSR responsibilities. Furthermore, over half (55 per cent) say they would select to work for a socially dependable organization regardless of the possibility that the pay was less, while 51 per cent won't work for an organization without solid CSR duties. When, they work for an organization they need to be kept educated about the insights about their organization's CSR program. The majority share (75 per cent) think it is vital their organization share its objectives, progress and accomplishments with them. As indicated by Wentzel and Wigfield (2009), the connection between employee inspiration and efficiency isn't built up. The agreement, in any case, is that over the long haul inspiration prompts expanded profitability. The most grounded ramifications of a great part of the examination is that the two factors, inspiration and performance, are moderately autonomous of each other. There is by all accounts not less than two conceivable purposes behind this. The first is that in many employments varieties in motivation can't prompt varieties in profitability. Besides, notwithstanding when relationships do show up, the affiliations might be spurious, since both might be related with different components. At the end of the day, inspiration and profitability may have to a great extent isolate easygoing ways: one arrangement of components, for instance, Investment in innovation, decides efficiency, another set, for example is perceived value of prizes that produces work fulfillment (Westover, 2010).

Employee motivation implies the drive held by the organization's staff members to realize task objectives for the firm Pelosa (2015). It is the inspiration that employees have to perform a task to the best of their ability because they feel that their effort's not only helps the firm to grow and realize increased profits but that the tasks that they perform helps address a certain social need.

Palmer (2012) observes that the through CSR strategies the firm facilitates the motivation of its employees. The employees feel that their duties and tasks in the firm are transcends to the fulfillment of a profit objective as it helps alleviate social problems within the society. According to Webber (2008), motivated employees also develop a sense of satisfaction with the firm and with their tasks and duties within the firm and increase their productivity. Increased productivity is associated with increased financial action of the firms in terms of return on assets, increased profit margins among others (Aupperle, et al, 2015; Brunsel 2009).

According to Palmer (2012), in 2011 the DM Bicycle Company initiated a CSR strategy in city schools in US dubbed "Ride for Life". It was determined that the programs boosted the morale of the employees of the firm and contributed to greater public-firm relations. The Ride for Life initiative was aimed at raising funds for battling the devastating Batten Disease among children (Qu, 2010). While the strategy should have been potentially disastrous for the firm since it involved the diversion of bonuses and rewards to employees, it however resulted in the employee full support for the programs, employee motivation as well as increased sales and production for the firm. This was a typical incident in which CSR strategy; in this case a health strategy resulted in increased organizational performance (Crowth & Aras, 2008).

## **RESEARCH METHODOLOGY**

### **Research Design**

The study embraced a descriptive design which Mugenda and Mugenda (2003) portrays as an exploration plan which is a methodical, exact inquisitive into which the scientist does not have an immediate control of free factor as their appearance has just happened or in light of the fact that the naturally can't be controlled. Research configuration guarantees the examination is material to the issue and its strategies are practical for acquiring data. Expressive research configuration is worried about getting some answers concerning the how, who, when and where of a wonder in order to fabricate a profile (Mugenda & Mugenda, 2003).

### **Target Population**

A populace is an all-around characterized or set of individuals, administrations, components, and occasions, gathering of things or family units that are being examined. The target populace for study was all 230 management employees at Equity Bank Kenya Limited head office in Nairobi.

### **Sampling Design**

From the above populace of 220 an example of 20% was chosen on the populace utilizing stratified random sampling. As indicated by Mugenda and Mugenda (2003), representative sample is one that is at least 20% of the population of interest. Therefore the sample of 20% was a representative sample. The chosen populace is totally unrelated and is relied upon to give answers that will be one of a kind to the theme of the study.

### **Data Collection Instrument and procedure**

Essential information was gathered by the assistance of a semi organized questionnaire. The close-ended questions gave more organized reactions to encourage substantial suggestions while the open-ended questions gave extra data that won't be caught in the nearby finished inquiries. The examination utilized both primary and secondary information. Secondary data was collected from the records of the Equity Bank Foundation which is the CSR arm of the Equity group of companies. The CSR records showed the projects undertaken and also the competitive information was indicated from the financial statements of the bank.



## **Data Analysis and Presentation**

After data collection, a thorough check was done on the questionnaires before coding and using Statistical Package for Social Sciences (SPSS). The primary data collected through questionnaires was analysed using excel to obtain existing correlations. The correlations informed the researcher on existence or non-existence of a relationship between the banks involvement in CSR activities and the competitive advantage that accrues from this involvement. Quantitative data was presented in through tabulation, percentages, mean, standard deviation and frequencies.

## **RESEARCH RESULTS**

The study sought to determine the effect of Corporate Social Responsibility on competitive advantage of commercial banks in Kenya an instance of Equity Bank Kenya Limited. The study was guided by the following specific objectives: to establish the influence of education programs on competitive advantage of Equity Bank Kenya Limited, to examine effect of environmental protection programs on competitive advantage of Equity Bank Kenya Limited, to determine the influence of enterprise development programs on competitive advantage of Equity Bank Kenya Limited and to establish the relationship between staff welfare programs and competitive advantage of Equity Bank Kenya Limited. The study collected primary data using questionnaires. The analysis of the collected data yielded the following summary, conclusions and recommendations:

### **Educational Programmes**

The first objective of the study was to establish the influence of education programs on competitive advantage of Equity Bank Kenya Limited. From the findings, to a great extent; CSR led to good relations with the key stakeholders especially the customers with mean of 4.186 and standard deviation of 0.890, the bank balanced the need to adding shareholders value and good corporate citizens with mean of 3.947 and standard deviation of 1.084 and CSR education led to positive organization image with mean of 3.927 and standard deviation of 1.026. The bank education initiative led to unwavering customer support with mean of 3.865 and standard deviation of 0.762, education empowered families who in turn remained loyal to the firm with mean of 3.816 and standard deviation of 1.094, the bank endeavoured to increase the future potential of the children education with mean of 3.647 and standard deviation of 0.907, CSR education led to enhanced employee gratification with mean of 3.635 and standard deviation of 0.078. From the correlation analysis, the study established that there is strong positive relation between education programs and competitive advantage of magnitude 0.853; this relationship is statistically significant  $p=0.000<0.05$ .

### **Environmental Protection Programs**

The second objective of the study was to examine effect of environmental protection programs on competitive advantage of Equity Bank Kenya Limited. From the study findings, respondents of the study agreed to a great extent that; CSR conservation initiatives led to enhanced customer loyalty 4.369 and standard deviation of 1.086, the bank sensitized the



community on the need to conserve the environment with mean of 4.358 and standard deviation of 1.024, the bank endeavours to produce environmental friendly products with mean of 4.263 and standard deviation of 1.041, CSR environmental protection program led to positive organization image with mean of 3.946 and standard deviation of 1.086, environmental policy ensured there was minimal paper use in office with mean of 3.856 and standard deviation of 0.968, the bank environmental protection initiative established a public presence with mean of 3.695 and standard deviation of 0.847, the bank enhances growth through environmental conservation partnerships with mean of 3.616 and standard deviation of 1.043. The findings of correlation analysis indicated is a strong positive relationship between environmental protection and competitive advantage of magnitude 0.629; the relationship is statistically significant  $p=0.000<0.05$ .

### **Enterprise Development Programs**

The third objective of the study was to determine the influence of enterprise development programs on competitive advantage of Equity Bank Kenya Limited. From the findings, to a great extent; the bank educated SMEs on basic financial management skills with mean of 4.218 and standard deviation of 1.099, entrepreneurship development empowered families who in turn remained loyal to the firm with mean of 3.946 and standard deviation of 0.984, the bank balanced the need to adding shareholders value and good corporate citizens through enterprise development initiatives with mean of 3.927 and standard deviation of 1.055, the bank endeavoured to increase the future potential of the SMEs with mean of 3.792 and standard deviation of 1.053, bank enhanced growth through new business opportunities created from the enterprises developed with mean of 3.716 and standard deviation of 0.981, the bank had a group development initiatives aimed at enhancing SME development with mean of 3.648 and standard deviation of 0.784, CSR enterprise development led to positive organization image with mean of 3.647 and standard deviation of 1.054, the bank enterprise development initiative established a public presence with mean of 3.519 and standard deviation of 1.035. From correlation analysis, there is a moderate positive correlation between enterprise development and competitive advantage whose magnitude is 0.436; this relationship is significant  $p=0.002<0.05$ .

### **Staff Welfare Programs**

The last objective of the study was to establish the relationship between staff welfare programs and competitive advantage of Equity Bank Kenya Limited. From the findings, CSR staff benefits leading to positive organization image had mean of 3.895 and standard deviation of 1.094, employees getting monetary benefits periodically had mean of 3.841 and standard deviation of 1.501, CSR staff benefits led to enhanced employee gratification with mean of 3.764 and standard deviation of 0.892, the bank enhanced growth employee grants and loans with mean of 3.647 and standard deviation of 0.842, the bank supported staff growth and development initiatives with mean of 3.693 and standard deviation of 1.093, the bank endeavoured to increase the future potential of their employees with mean of 3.692 and standard deviation of 1.008. To a moderate extent however, the bank sponsored employees in advancing their careers with mean of 3.246 and standard deviation of 1.0004 and the bank

had a solid volunteering program which led to possible employment with mean of 3.181 and standard deviation of 0.994. The findings of correlation analysis indicated that there exists a strong positive relationship between staff welfare programs and competitive advantage with magnitude of 0.782; this relationship is statically significant.

## **CONCLUSIONS**

There is a strong positive and significant relationship between education programs and competitive advantage of magnitude. CSR led to good relations with the key stakeholders especially the customers. The bank balanced the need to adding shareholders value and good corporate citizens. CSR education led to positive organization image. The bank education initiative led to unwavering customer support. Education empowered families who in turn remained loyal to the firm. There is a strong positive and significant relationship between environmental protection and competitive advantage. CSR conservation initiatives led to enhanced customer loyalty. The bank sensitized the community on the need to conserve the environment. The bank endeavoured to produce environmental friendly products. CSR environmental protection program led to positive organization image. Environmental policy ensured there was minimal paper use in office. There exists a moderate positive and significant relationship between enterprise development and competitive advantage whose magnitude. The bank educated SMEs on basic financial management skills. Entrepreneurship development empowered families who in turn remained loyal to the firm. The bank balanced the need to adding shareholders value and good corporate citizens through enterprise development initiatives. There exists a strong positive and significant relationship between staff welfare programs and competitive advantage. CSR staff benefits leading to positive organization image. Employees got monetary benefits periodically. CSR staff benefits led to enhanced employee gratification. The bank enhanced growth employee grants and loans.

## **RECOMMENDATIONS**

The study recommends that all the top management of all commercial banks in Kenya should enhance their growth through Master-Card. Commercial banks in Kenya should embrace educational programs so as to enhance their public presence. Commercial banks should cooperate with the ministry of sports in order to participate in SOCCA and sports through funding of sporting activities in Kenya. Commercial banks and all companies generally in Kenya should strengthen their involvement in environmental protection by public sensitization and seminars on the need to conserves environment. The management of team of commercial banks and all organizations in Kenya should aim at enhancing customer satisfaction. Financial institutions in Kenya ought to improve on their enterprise development through provision of financial literacy seminars and road shows to people on a regular basis. Commercial banks ought to sponsor their employees in advancing their careers. It is also important to provide volunteering programs for the unemployed youths to equip them.

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