International Research Journal Of Business and Strategic Management

Volume 1, Issue 1, pp1-12, Dec 2, 2020, © International Research Journal Publishers
www.irjp.org

ASSESSING THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY IN COMMERCIAL BANKS IN KIAMBU COUNTY

Simon Rukungu Karanja [1], Martin Kweyu[2]

[1]Masters of Business Administration, Catholic University of Eastern Africa, (CUEA), Kenya.
[2]Lecturer, Catholic University of Eastern Africa, (CUEA), Kenya.

Accepted 2nd December, 2020

ABSTRACT

Corporate social responsibility (CSR) has become an important focus for corporations worldwide. The study sought to assess the implementation of Corporate Social Responsibility in Commercial Banks in Kiambu County. The study was based on the stakeholder theory, Social contract theory, Institutional Theory and Carroll's theory of CSR. This study adopted a descriptive survey design. The target population was the 7 commercial banks operating in Kiambu County from where 57 managers were selected for the study. Stratified random sampling was applied in getting 57 respondents for the study. Primary data was collected by use of a structured questionnaire. Data collected was analyzed by the use of descriptive statistics through SPSS (version 20) and presented in form of frequency tables, bar charts, graphs and pie charts. The study findings revealed that all the respondents' banks involve in CSR activities. The study findings further revealed employees are more concerned about economic responsibility while the customers are more concerned about ethical responsibility. The respondents indicated changing customer needs, poor CSR Policies, lack of top management support, political instability and limited funds for CSR as the challenges faced in the implementation of CSR activities in their organization. The study revealed that the main factors influencing the implementation of CSR were market competition, financial capability, communication among stakeholders and Company objectives. The study recommends that commercial banks evaluate and monitor the changing customer needs, formulate strong CSR policies and guidelines and increase the budget allocation to CSR activities.

Key Words; *Opinion/Attitudes, Challenges, Implementation of Corporate Social Responsibility*

INTRODUCTION

Corporate social responsibility (CSR) has become an important focus for corporations worldwide. CSR refers to the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (The World Business

Council for Sustainable Development, 2000). While by definition the concept of CSR is nothing new, today, more and more corporations are realizing that in order to stay 'competitive and relevant', it is extremely important that they behave in a socially responsible way (Calabrese et al., 2013). Moreover, according to Jayakumar, (2013) CSR provides legitimacy to corporate actions and activities which makes the subject of immense interest to government, business and society. As a result, corporate social responsibly has become an important research topic with studies of CSR appearing quite frequently. However, much of the research has focused largely on the developed world (Blowfield and Frynas, 2005).

The rationale for focusing on CSR in developing countries is twofold. Firstly, developing countries are where the social issues are most felt in the world (Visser, 2008). Secondly, developing countries face distinctive challenges in this area as compared to those faced in the developed world with regard to "low living standards, exploitation, poverty, unemployment and how to promote human development in general" (Hopkins, 2007). As suggested by Visser (2008) the changing context opens new avenues for research. Therefore, it is important that research is carried out on CSR in the developing world. As such, this research [assesses the implementation of CSR] explores attitudes towards CSR within the context of a developing country, Kenya specifically. In recent years, studies on CSR have received a lot of attention in the academic literature. According to Rosnal et al., (2013) there is mounting concern on how the future generations view the importance of embracing CSR in every business decisions.

The key responsibility in CSR implementation and performance lies with the managers, generally, and with the corporation's top management, specifically (Mamun & Ahmed, 2009). Furthermore, Cherry (1978) states that attitudes are often viewed as underlying variables which are assumed to influence or guide behaviour. Managerial attitudes directly influence managers' decision making in business, none more so than decision making in CSR participation, implementation and performance.

The Kenyan financial sector is largely dominated by banks which control 57 percent of the total assets in the financial sector. The vital role played by commercial banks in Kenya in financing economic development brings to the fore the need to study the funding structure of commercial banks. The banking environment in Kenya has, for the past decade, undergone many regulatory and financial reforms. These reforms have brought about many structural changes in the sector and have also encouraged foreign banks to enter and expand their operations in the country (Kamau, 2009). Kenya's financial sector is largely bank-based as the capital market is still considered narrow and shallow (Ngugi, 2006).

In Kenya, commercial banks play an important role in mobilizing financial resources for investment by extending credit to various businesses and investors. Lending represents the heart of the banking industry and loans are the dominant assets as they generate the largest share of operating income. Loans however expose the banks to the greatest level of risk. There are 44 licensed commercial banks in Kenya (43 if Charterhouse bank is excluded), one mortgage finance company and one credit reference bureau. Of the 45 financial institutions, 32 are locally owned and 13 are foreign-owned. The credit reference bureau, Credit Reference Bureau Africa was the first of its kind to be registered in Kenya by the Central bank of Kenya aimed at enabling commercial banks to share information about borrowers to facilitate effectiveness in credit scoring.

STATEMENT OF THE PROBLEM

It is indisputable fact that a number of large commercial banks such as Kenya Commercial Bank (KCB), Standard Chartered Bank and the Equity Bank have given some attention to CSR programs through various foundations. However, most banks appear not to be focused on developing and implementing CSR programs. Given their relatively good financial standing in the economy, commercial banks are expected to go beyond their mandate of providing financial services and extending credit by substantially engaging in CSR and thereby supplementing the government's effort in developing the economy.

Literature review reveals that this engagement has been inconsistent and insufficient. Ngurimu (2010), in a study on the CSR Practices in Micro Finance Institutions in Kenya, revealed that although a majority of financial institutions participated in CSR, most of them were involved in employee and product related activities other than community and environmental activities. Otieno (2009) did a study on the Practice of CSR by Commercial Banks in Kenya. The study revealed that the firms were involved in health education activities. Auka (2006) studied the factors influencing the practice of CSR of financial institutions in Kenya. The researcher found out that the institutions were involved in CSR activities influenced by the urge to gain corporate image. The current study differs from previous studies in scope and focuses as it concentrates on the implementation.

It must also be emphasized that CSR programs targeting rural areas that are characterized by constrained economic development will have the desired impact on their economies. This study intends to determine the current status on the implementation of CSR programs by commercial banks in Kiambu County with the main objective of assessing their success and failures.

Purpose of the study

The purpose of the study is to assess the implementation of Corporate Social Responsibility in Commercial Banks in Kiambu County

Research objectives

i. To determine the opinion/attitudes of bank managers in Kiambu county towards CSR
ii. To investigate the extent to which CSR has been implemented in commercial banks in Kiambu county
iii. To determine the challenges facing managers in the implementation of CSR in commercial banks in Kiambu county

LITERATURE REVIEW

Theoretical review

Stakeholder theory

Stakeholder theory, as its name would suggest, involve stakeholders. According to Price (2004), stakeholders consist of a group of people or individual who are involved in some capacity with the organization. Carroll (1991) stated that there is a natural fit between the idea of corporate social responsibility and an organization's stakeholders. The concept of stakeholder personalizes social or societal responsibilities by delineating the specific groups or persons business should consider in its CSR orientation."

Deegan (2006), argued that stakeholder theory can be divided into two major branches namely ethical (accountability model) and managerial. The first branch namely ethical, implies that the stakeholders have the right to be treated equitably for example stakeholders have intrinsic rights (Hamid and Atan, 2011). Secondly, the managerial branch states how stakeholders should be managed if the organization is to survive. Supportively, O'Dwyer(2002) states that the managerial branch posits that organizations will respond to the needs of stakeholders based on the power they can exert on the organization. Fair and ethical as it may be, adopting a stakeholder approach is by no means an easy and simple step to make, and rather constitutes a daily challenge for managers (Kakabadse et al., 2005).

CSR in the banking industry is usually defined through the stakeholder theory developed by Freeman (1984).The stakeholder theory suggests that firms have a responsibility to any group or individual who can affect or is affected by the achievement of the organizations objectives, namely, governmental bodies, political groups, employees, customers, suppliers, shareholders and the society at large (Phillips, 2003). This theory sees CSR as the collection of initiatives that companies carry out in order to comply with its obligations towards these groups (Perez and Bosque, 2014).

According to this theory, stakeholders are the primary targets for CSR initiatives. In this context, Perez and Bosque (2014) identified five CSR dimensions in the banking industry. Due to their multi-stakeholder platform, banks more so than other sectors have been under considerable demand and CSR pressures from customers, employees, governments, shareholders and the general public. Three reasons are assigned to this: Firstly, problems in the banking sector impact the efficiency of the overall economy; secondly, banks are in a leading position to catalyze the social behaviour of other businesses; and lastly, the competitive nature of the banking industry has meant that corporations have had to move towards a CSR agenda to gain competitive advantage (Koenitzer, 2013).

Institutional Theory

Institutional theory states that institutions play an important role in shaping the consensus within a firm regarding the establishment of an 'ecologically sustainable' organization. Institutional theory focuses on the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemes, rules, norms, and routines, become established as authoritative guidelines for social behavior (Scott, 2004). The basic similarity in all institutional theoretical claims is that something identified at a higher level is used to explain processes and outcomes at a lower level of analysis (Clemens and Cook 1999; Amenta 2005).

Scott (2001) asserts that institutions are social structures that have attained a high degree of resilience. They are composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life". Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artifacts. Institutions operate at different levels of jurisdiction, from the world system to localized interpersonal relationships.

Institutionalism' tend to avoid both individual-level explanations and explanations situated at the same level of analysis. Institutional theory has been applied to CSR in a paper by Jones (1995). The author concludes that companies involved in repeated transactions with stakeholders on the basis of trust and cooperation are motivated to be honest, trustworthy, and ethical because the returns to such behaviour are high. Institutional approaches have also been used to analyze environmental social responsibility. More specifically, Jennings and Zandbergen (1995) analyze the role of institutions in shaping the consensus within a firm regarding the establishment of an 'ecologically sustainable' organization. Institutions can be constraining, superimposing conditions of possibility for mobilization, access, and influence. Institutions limit some forms of action and facilitate others (Clemens and Cook 1999: 445). In regard with the study, the institutional theory stresses the need for institutions and organizations as Equity Bank Group to give back to the society since they are part and parcel of that society.

Carroll's theory of CSR

Among others, the most used and quoted theories of corporate social responsibilities (CSR) is Carroll's theory (1991). This model indicates that CSR constitutes four major kinds of social responsibilities, thus; economic, legal, ethical and philanthropic. Carroll considers CSR to be framed in such a way that the entire range of business responsibilities is embraced. The economic component is about the responsibility to profit and this responsibility serves as the base for other components. With regard to the legal aspect, society expects organizations to comply with the laws and regulations. Ethical responsibilities are about how society expects organizations to embrace values and norms even if the values and norms might constitute a higher standard of performance than required by law. Philanthropic responsibilities are those actions that society expect for a company to be a good corporate citizen. My study is based on Carroll's theory whose application has been premised on the backdrop that commercial banks have engaged in different forms of CSR activities.

Empirical review

Ibrahim and Parsa (2005) examined the differences between American and French managers' CSR orientations. Their study showed that American and French managers significantly differed with regard to CSR orientation. American managers expressed greater concern about the legal and ethical components of CSR than their French counterparts. French managers expressed greater concern about the economic and philanthropic components of CSR. Smith et al. (2007) investigated differences in CSR orientation between American and Japanese students. Their study finding supported the assertion that CSR orientation would vary across students of different cultures.

Smith et al. (2001) examined how personal characteristics and organizational characteristics influenced attitude to CSR orientations. Personal characteristics included gender and racial group while organizational characteristics included respondents' role, such as BOD, employee or customer. The study results indicated that both personal characteristics and organizational characteristics influenced attitude to CSR orientations. Employees were most concerned about economic responsibility whereas customers were most concerned about ethical responsibility. The results also indicated that women black employees and customers were more concerned about whether an organization fulfilled its philanthropic responsibility than males and whites.

Aupperle et al. (2005) utilized Carroll's (1979) four CSR orientations (economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility) in their study, which endeavored to assess how CEOs viewed CSR. Their study found that CEOs were capable of distinguishing between the four CSR orientations when sorting written statements reflecting each orientation. The study further indicated that the managers indicated CSR by its underlying strategic purposes (legitimacy, responsibility for social externality, and competitive advantage), its drivers (market, social regulation, and government regulation), and its orientations (economic, legal, ethical, and philanthropy).

Olayinka & Temitope (2011) used qualitative research method to examine the relationship between corporate social responsibility and financial performance in Nigeria. The study obtained data on variables which were believed to have relationship with CSR and financial performance. These variables included Return on Earnings, Return on Asset, Community Performance, Employee Relation and Environment Management System. The result shows that CSR has a positive and significant relationship with the financial performance measures. These results reinforced the accumulating body of empirical support for the positive impact of CSR on financial performance.

Mutunga (2013) assessed CSR and employee motivation in selected banks in Kenya. He noted that customers in the banking sector are given more priority in CSR since their deposits and loan transactions had a significant impact on the companies' profitability. This leaves the bank employees unattended to in relation to CSR issues. This was found to be inadequate since employees also want to feel part of the community. Murila (2013) assessed awareness and knowledge of CSR by internal and external stakeholders in a Kenyan firm and observed that management and the local community know about CSR but employees assumed it was something done for the community since they were less involved. His research was a case study and adopted questionnaires as its main data collection instrument.

Otieno (2011) undertook a study on the practice of CSR in Commercial Banks in Kenya and the challenges they face. The study targeted corporate managers involved in CSR. A descriptive survey was used and the questionnaire consisted of open ended structured and semi structured questions which was pretested for clarity. The results showed that in most of the companies, the Functional group in a company such as the Foundation, Marketing Department, and PR Department initiates CSR programs with the blessing of the CEO. The entry point for CSR practice has been concentrated on two aspects: community work and PR. Also getting the other functional groups involved in embedding the CSR strategy into the way the company plans and implements products and services is rare. More findings revealed that most companies leave the CSR implementation to the corporate foundation or its equivalent, while half say they let the public relations or corporate communications group take the lead.

Amara (2013) sought to determine the factors that influence choice of social corporate responsibility among commercial banks in Kenya. The study was conducted using a descriptive cross sectional census survey method, which was appropriate as it enabled the researcher to obtain information from a broader category of commercial Banks for comparison purposes. The target population was all the forty three registered Commercial banks in Kenya. The instrument of data collection was a semi structured questionnaire administered to persons in charge of social corporate responsibility. The data collected was analyzed using charts and graphs to identify the order of their significance. The study found out that majority of Commercial Banks are highly influenced by financial capability followed by everybody’s involvement in social corporate responsibility, communication among stakeholders, technology level, market competition, company objective, rating purposes by commercial banks association of Kenya, organizational structure and ethical consideration in order of significance.

The study findings also found that there is a significant influence of government policies, political instability, resource allocation, and literacy of commercial banks staffs, role allocation, incentives to employees and Staff retention to the choice of corporate social responsibility program in commercial banks. The study recommended that there is need to frequently do corporate social responsibility so as to have the good will from the community they operate from.

METHODOLOGY

This study adopted a descriptive survey design. The target population was 7 commercial banks operating in Kiambu County from where the managers were selected for the study. Currently, there are 57 managers working with commercial banks in Kiambu County. Due to the small size of the population, data was collected from all the managers in the 7 Commercial banks in Kiambu County. This gave a sample size of 57 respondents. Primary data was collected by administering a structured questionnaire. Data collected was analyzed by the use of descriptive statistics like percentages, means, standard deviations and frequencies. The information was presented in form of frequency tables, bar charts, graphs and pie charts. SPSS (version 20) was used in analysis of the data.

RESULTS AND DISCUSSION

Managerial attitudes towards CSR

The study sought to find out whether the banks involve in CSR activities.

Table 1: Whether the bank involves in CSR activities

Opinion	Frequency	Percentage
Yes	47	96
No	3	4
Total	**50**	**100**

From the study findings majority of the respondents as shown by 94% indicated that their banks involved in CSR activities whereas 4% indicated that they did not. This implies that commercial banks in Kiambu engage in CSR activities.

Table 2: Importance of aspects of CSR

Statement		Very Important	Important	less important	Not important	Not applicable
Voluntary activities	Frequency	16	29	3	1	1
	Percentage	**32**	**58**	**6**	**2**	**2**
Contributions to community programs	Frequency	15	33	1	1	0
	Percentage	**30**	**66**	**2**	**2**	**0**
Observation of laws and regulations	Frequency	32	10	7	0	1
	Percentage	**64**	**20**	**14**	**0**	**2**
Ethical leadership and practices	Frequency	27	16	4	1	1
	Percentage	**54**	**32**	**8**	**2**	**2**

The study sought to determine how important the aspects of CSR in commercial banks in Kiambu county. Majority of the respondents as shown by 64% indicated that observation of laws and regulations in the industry was very important in their banks. 54% indicated that ethical leadership and practices was very important in their banks. Majority of the respondents indicated that the aspects that were important in their banks as contributions to community programs as shown by 66% and voluntary activities as shown by 58% of the respondents. This indicates that the various aspects of CSR are important in commercial banks in Kiambu County.

Table 3: Achievements of CSR

Objective		Very great extent	Great extent	Moderate extent	Little extent	No extent
Profit maximization	Freq.	33	13	4	0	0
	%	**66**	**26**	**8**	**0**	**0**
Cost minimization	Freq.	19	27	2	2	0
	%	**38**	**54**	**4**	**4**	**0**
Sales maximization	Freq.	10	34	4	1	1
	%	**20**	**68**	**8**	**2**	**2**
Effective leadership	Freq.	26	18	3	2	1
	%	**52**	**36**	**6**	**4**	**2**

From the findings on the extent to which CSR has achieved various objectives in commercial banks, majority of the respondents indicated that their banks had achieved to a very great extent the objectives of profit maximization as shown by 60% and effective leadership as shown by 52%. Majority of the respondents indicated that CSR had achieved to a great extent the objectives of sales maximization (68%) and cost minimization (54%). This is an indication that CSR has achieved its objectives in the commercial banks in Kiambu County.

Table 4: Level of agreement on statements relating to CSR

Statement		**Strongly agree**	**Agree**	**Neutral**	**Disagree**	**Strongly disagree**
Personal characteristics affect my attitude towards CSR	Freq.	13	32	2	3	0
	%	**26**	**64**	**4**	**6**	**0**
Organizational characteristics influence the way I perceive CSR activities in my firm	Freq.	10	30	4	6	0
	%	**20**	**60**	**8**	**12**	**0**
Employees are more concerned about economic responsibility	Freq.	15	27	4	3	1
	%	**30**	**54**	**8**	**6**	**2**
Customers are more concerned about ethical responsibility	Freq.	8	37	0	5	0
	%	**16**	**74**	**0**	**10**	**0**
Women are more concerned about whether an organization fulfills its philanthropic responsibility than males	Freq.	12	34	3	1	0
	%	**24**	**68**	**6**	**2**	**0**

From the study findings on the level of agreement on statement relating to CSR, majority of the respondents as shown by 74% agreed that customers were more concerned about ethical responsibility of CSR. Majority further agreed that women were more concerned about whether an organization fulfilled its philanthropic responsibility than males (68%), personal characteristics affect their attitudes towards CSR (64%), organizational characteristics influence the way respondents perceive CSR activities in their firm (60%), and that employees are more concerned about economic responsibility (54%).

Challenges in implementation of CSR

Table 5: Challenges in implementation of CSR activities

Opinion	Frequency	Percentage
Yes	45	90
No	5	10
Total	**50**	**100**

The study sought to establish whether the respondents face any challenges in implementation of CSR activities in their organization. From the study findings all the respondents as shown by a 100% of the respondents indicated they face some challenges in implementation of CSR activities in their organization. This implies that indeed the respondents face challenges in implementation of CSR activities in their organization.

Table 6: Challenges in the implementation of CSR

Statement		**Very great extent**	**Great extent**	**Moderate extent**	**Little extent**	**No extent**
Limited funds for CSR	Freq.	7	28	8	7	0
	%	**14**	**56**	**16**	**14**	**0**
Political instability	Freq.	12	24	10	4	0
	%	**24**	**48**	**20**	**8**	**0**
Illiteracy of banks staffs	Freq.	2	4	16	22	6
	%	**4**	**8**	**32**	**44**	**12**
Lack of top management support	Freq.	12	33	2	3	0
	%	**24**	**66**	**4**	**6**	**0**
Poor CSR Policies	Freq.	13	31	6	0	0
	%	**26**	**62**	**12**	**0**	**0**
Government regulation	Freq.	19	30	1	0	0
	%	**38**	**60**	**2**	**0**	**0**
Changing customer needs	Freq.	28	15	6	1	0
	%	**56**	**30**	**12**	**2**	**0**

From the findings on the challenges in the implementation of CSR in commercial banks in Kiambu County, majority of the respondents as shown by 56% indicated that they faced the challenge of changing customer needs to a very great extent. Majority of the respondents indicated to a great extent on lack of top management support (66%), Poor CSR Policies (62%), Government regulation (60%) and limited funds for CSR (56%). Most of the respondents as shown by 48% indicated that they faced the challenge of Political instability to a great extent. However most of the respondents as shown by 44% indicated that their banks faced the challenge of illiteracy of banks staffs to a little extent. This implies that bank managers face various challenges in the implementation of CSR with changing customer needs as a major challenge.

Implementation of CSR

Table 7: Involvement in the implementation of CSR activities

Opinion	Frequency	Percentage
Yes	43	86
No	7	14
Total	**50**	**100**

The study requested the respondents to indicate whether they had been involved in the implementation of CSR activities in their organization. The study indicated that majority of the respondents as shown by 86% indicated that they have been involved in the implementation of CSR activities in their bank whereas 14% indicated that they have not been involved in the implementation of CSR. This is an indication that majority of the commercial bank managers in Kiambu are involved in the implementation of CSR activities.

Table 8: Level of agreement on statements relating to implementation of CSR

Statement		**Strongly agree**	**Agree**	**Neutral**	**Disagree**	**Strongly disagree**
All the departments are involved in the implementation of CSR	Freq.	0	5	7	34	4
	%	**0**	**10**	**14**	**68**	**8**
The entry point for CSR practice is concentrated on the aspects of community work and PR	Freq.	16	34	0	0	0
	%	**32**	**68**	**0**	**0**	**0**
CSR implementation is led by the customer care department in my bank	Freq.	18	32	0	0	0
	%	**36**	**64**	**0**	**0**	**0**
I receive support from the top management during the implementation of CSR programs	Freq.	0	8	2	34	5
	%	**0**	**16**	**4**	**68**	**10**
My bank is involved in volunteer activities in the community	Freq.	13	33	3	1	0
	%	**26**	**66**	**6**	**2**	**0**
My banks practices ethical leadership in CSR	Freq.	13	36	1	0	0
	%	**26**	**72**	**2**	**0**	**0**
My bank operates within the set laws and regulations	Freq.	16	31	3	0	0
	%	**32**	**62**	**6**	**0**	**0**
My bank is involved in questionable practices	Freq.	3	3	2	31	11
	%	**6**	**6**	**4**	**62**	**22**
My bank observes the laws affecting all customers and employees	Freq.	11	35	3	1	0
	%	**22**	**70**	**6**	**2**	**0**
Environmental laws are observed in my bank	Freq.	20	30	0	0	0
	%	**40**	**60**	**0**	**0**	**0**
My bank makes wise strategic decisions in regard to corporate responsibilities	Freq.	9	38	3	0	0
	%	**18**	**76**	**6**	**0**	**0**

The findings on the level of agreement on statements relating to implementation of CSR in commercial banks in Kiambu are tabulated in the table above. The table indicates that majority of the respondents agreed that their bank made wise strategic decisions in regard to corporate responsibilities as shown by 76%, their banks practiced ethical leadership in CSR as shown by 72%, their bank observed the laws affecting all customers and employees as shown by 70%, the entry point for CSR practice is concentrated on the aspects of community work and PR as shown by 68%, their banks were involved in volunteer activities in the community as shown by 66%, 64%, CSR implementation is led by the customer care department in their bank as shown by 62% and environmental laws were observed in their bank as shown by 60%. However majority of the respondents disagreed that all the departments were involved in the implementation of CSR as shown by 68%, they received support from the top management during the implementation of CSR programs as shown by 68% and that their bank was involved in questionable practices as shown by 62%.

Table 9: Factors influencing the implementation of CSR

Factor	Frequency	Percentage
Financial capability	29	58
Involvement of workers	23	46
Communication among stakeholders	30	60
Technology level	15	30
Market competition	34	68
Company objective	31	62
Organizational structure	18	36
Ethical consideration	27	54

The study sought to find out which various factors influence the implementation of CSR in the bank. From the findings, majority of the respondents as shown by 68% indicated that market competition affected the implementation of CSR in their bank. 62% indicated company objective, 60% indicated communication among stakeholders, 58% indicated financial capability, 54% indicated ethical consideration. Most of the respondents indicated the factors influencing implementation of CSR in their banks as involvement of workers as shown by 46%, Organizational structure as shown by 36% and Technology level as shown by 30% of the respondents. This is an indication that there are various factors affecting the implementation of CSR in commercial banks in Kiambu County.

CONCLUSIONS

The study concludes that managers in commercial banks in Kiambu County are involved in CSR activities. The banks also are keen in observation of laws and regulations in the industry, ethical leadership and practices, voluntary activities and contributions to community programs. Further the banks have various objectives connected to CSR that include profit maximization, effective leadership, cost minimization, and sale maximization. Employees are more concerned about economic responsibility with the customers more concerned about ethical responsibility.

The study concludes that commercial banks in Kiambu face challenges in the implementation of CSR activities. The changing customer needs is the main challenge facing commercial banks in the implementation of CSR. Other challenges that face banks in the implementation of CSR may include poor CSR Policies, lack of management support, political instability and limited funds for CSR.

The study concludes that the commercial bank managers in Kiambu have been involved in the implementation of CSR activities in their branches. The researcher also concludes that commercial banks observe laws concerning CSR. CSR implementation in Commercial banks in Kiambu is led by the customer care department since most of the CSR activities are based on the aspects of community work and PR handled by Customer care department. The commercial banks were found to make wise strategic decisions in regard to corporate responsibilities at the same time practicing ethical leadership in CSR.

The study further concludes that market competition is the major factor that influences the implementation of CSR in commercial banks in Kiambu County. Financial capability also affect implementation of CSR based on the inadequate fund for CSR.

RECOMMENDATIONS

Based on the findings, the study recommends that the government should come up with policies that would ensure that commercial banks participate in CSR activities that would help in community development and progress of the employees. It also recommends that banks evaluate and monitor the changing customer needs so as to come up with CSR activities relevant to customer needs; formulate strong CSR policies and guidelines to enhance the implementation of the CSR; increase the budget allocation to the CSR activities to facilitate the implementation of CSR and increase involvement of workers in the implementation of CSR. The study further recommends that banks top management embrace the importance of CSR and support the CSR activities. Top management support will go a long way in facilitating the CSR activities.

REFERENCES

Aguilera, R. V., Williams, C. A., Conley, J. M. and Rupp, D. E. (2006).Corporate governance and social responsibility: a comparative analysis of the UK and the US. *Corporate Governance and Social Responsibility*, 14 (3),147-156.

Chua, F. and Rahman, A. (2011).Institutional pressures and ethical reckoning by business corporations.*Journal of Business Ethics*, 98, 307-329.

Donaldson, T. (1982).*Corporations and Morality*. Englewood Cliff: Prentice Hall.

Ibrahim, N. A. and Parsa, F. (2005).Corporate social responsiveness orientation: Are there differences between U.S and French managers? *Review of Business*, 26 (1), 27-33.

Kakabadse, N. K., Rozuel, C. and Davies, L. L. (2005).Corporate social responsibility and stakeholder approach: A conceptual review. *International Journal of Business Governance and Ethics*, 1 (4), 277-302.

Moir, L. (2001). What do we mean by corporate social responsibility? *Corporate Governance*, 1(2), 16-22.

Ngurimu, L. (2010); *Corporate Social Responsibility Practices adopted by Micro Finance Institutions in Kenya.* Unpublished MBA Project, University of Nairobi.

Okwoma, D. (2012). *Relationship between Corporate Social Responsibility and Financial Performance of Commercial Banks in Kenya.*Unpublished MBA Project, University of Nairobi.

Otieno F. (2009). *The Practice of Corporate Social Responsibility by Commercial Banks in Kenya.* Unpublished thesis, University of Nairobi.

Sacconi, L. (1999) Codes of ethics as contraction constraints of the abuse of authority with hierarchies: A perspective from the theory of firm. *Journal of Business Ethics*, 21, (23), 189-202.

Smith, W. J., Singal, M. and Lamb, W. B. (2007) Corporate social orientation in Japan and the USA: A cross-cultural comparison. *International Journal of Organizational Analysis*, 15 (3), 181-209.

Smith, W. J., Wokutch, R. E., Harrington, K. V. and Dennis, B. S. (2001). An examination of the influence of diversity and stakeholder role on corporate social orientation. *Business and Society*, 40 (3), 266-294.