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Onyango, N. A., & Moronge, M.

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Onyango, N. A., *[1] & Moronge, M. [2]

[*1] Msc Candidate, Jomo Kenyatta University of Agriculture and Technology [JKUAT], Nairobi, Kenya
[2] Senior Lecturer, Jomo Kenyatta University of Agriculture and Technology [JKUAT], Nairobi, Kenya

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ABSTRACT

The purpose of the study was to identify the effect of corporate social responsibility strategies on performance of commercial banks in Kenya. The target population was 200 respondents from the 42 commercial banks. A descriptive design was adopted for the study. Data was analysed by the use of descriptive statistics and inferential statistics using SPSS which were presented using mean, standard deviation and percentages. The analysis was visually displayed using frequency tables. It was notable that there existed a relationship between independent variables and dependent variable with a correlation coefficient of 0.759. The coefficient of determination was between zero and one. The data showed that the high R square was 0.576. It showed that the independent variables in the study were able to explain 57.60% variation in the performance of commercial banks while the remaining 42.40% was explained by the variables or other aspects outside the model. This implied that these variables were very significant and they therefore needed to be considered in any effort to boost performance of commercial banks. The findings demonstrated the important factors to enhancement of performance of commercial banks to include adoption of corporate responsibility strategy such as support innovation strategy, community development strategy and support entrepreneurship strategy. The current study should therefore be expanded further in future in order to determine the effect of other corporate social responsibility strategies on performance of commercial banks in Kenya. Existing literature indicated that as a future avenue of research, there was need to undertake similar research in other government institutions and public sector organizations in Kenya and other countries in order to establish whether the explored factors could be generalized to affect performance of the financial institutions.

Key Words: *Innovation Strategy, Community Development Strategy, Environmental Initiatives, Support Entrepreneurship Strategy*

INTRODUCTION

Corporate social responsibility (CSR) has become a fundamental concept in the contemporary business world. Today's business executives are faced with complex strategic resource allocation decisions which are not only based on their financial outcomes, but also have to measure up to a set of societal and emerging stakeholder expectations. Environmental and social concerns are becoming increasingly important influences on corporate strategy (Ebrahimi, 2011). The main idea behind the call for corporate social responsibility is that companies should become aware to their responsibilities, extend the social, ecological and economic engagement and arrange them according to the processes in the company. 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 (Nordberg, 2011).

Carroll & Shabana (2010) say that the present-day CSR (also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) covers the relationship between the corporations and the society within which they interact. It is a concept whereby business organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as their environment. In the recent years the concept of Corporate Social Responsibility (CSR) is spreading very rapidly in the whole world and all the sectors including banking. This prevalence is because the fast pace of globalization and social development appeals to all corporations, big or small, local orientation, to take their CSR into account by improving the social and environmental performance (Luo & Bhattacharya, 2012).

Corporate social responsibility (CSR) has become one of the most pressing issues for corporations worldwide. Many consumers and businesses in the U.S. and Europe as well as in Australia are reluctant to purchase goods from manufacturers or retailers who are associated with "sweat-shop" type or other socially irresponsible practices (Aupperle, Carroll & Hatfield, 2015). A socially responsible corporate reputation is, therefore, becoming an important aspect of corporate branding that allows firms to differentiate their marketing mix and obtain a better position in both the business-to-business and the business-to-consumer markets. One of the main reasons to apply CSR is to increase the brand equity of the venture (Angelidis, Massetti. & Magee-Egan, 2008).

Corporate social responsibility plays an important role in a firm's life in the U.S. today. It is not enough for companies to generate a profit. U.S. citizens expect them to generate a profit and conduct themselves in an ethical and socially responsible manner. The U.S. Sentencing Commission Guidelines help organizations facilitate this expectation, which is vital for corporate growth and maintaining a competitive edge (Carroll & Shabana, 2010). Managers who deal with ethical and social responsibility problems oftentimes aren't dealing with optimal solutions. Managers often settle for solutions that suffice or cause the least harm. Managers charged with choosing the ethical or socially responsible path often face problems with no clear solution. Since the formation of the European Union, corporate social responsibility has garnered heightened attention in Europe. This is evidenced by their development of sustainability strategies. The Sustainable Development Strategy for Europe was approved in June 2001. It stated that social cohesion, environmental protection, and economic growth must coexist (Carroll & Shabana, 2010).

Studies show that countries differ in their dedication to being perceived as socially responsible. Ebrahimi (2011), states that the absence of a universal definition of CSR may be the reason. Gathungu & Ratemo (2013) study found that businesses in the U.S., U.K., the Netherlands, and France do not ascribe equal importance to projecting a socially responsible image. They found that businesses in different countries employ different devices to communicate their CSR principles, processes, and stakeholder issues.

Kitzmueller & Shimshack (2012) conducted a study on the impact of Corporate Social Responsibility on bank profitability with particular reference to United Bank for Africa (UBA) Plc. The study used annual reports of United Bank for Africa (UBA) Plc. Data used include corporate social responsibility expenditure and profit after tax for the period of 2006-2012. Data relating to cost/investment/expenditure as the case may be for the bank on corporate social responsibility and profitability was used to construct ordinary least square (OLS) model of regression to which was analyzed using SPSS. Result showed that Corporate Social Responsibility spending has short term inverse effect on Net Profit but in the long run it will provide better returns. The paper recommended that government should put Policy framework in place that will be design for corporate social responsibility in Nigeria to ensure compliance by setting mechanisms and institutions for the implementation of Corporate Social Responsibility.

Kariuki &Rotich (2013) on the impact of CSR on the corporate financial performance of companies listed on Johannesburg securities exchange asserts that through three different mechanisms, finance is shown to drive CSR. During the early financing, business culture and strategy can be influenced by the choice of projects banks finances. An example is the green project finance in the Netherlands which offers credit for investment projects that improve the environment. The second mechanism involves community investing. In this strategy, minority groups such as women, low and middle income earners that are likely to be marginalized by financial institutions are provided access to capital and basic banking products. The third mechanism is project finance. As stated earlier, banks are sometimes criticized for the actions of their clients; hence it becomes important to rationalize the projects they finance.

Moon (2011) for example, studied the relationship between social accounting practice and profitability in the oil industry in Kenya and found that profitability was one of the factors that determine CSR practice. Moon (2011) studied factors that influence corporate social responsibility in commercial banks in Kenya and found that profitability was one of the factors that influence CSR practice in banks. Mermod & Idowu (2013) established that there is no relationship between CSR and financial performance. Whereas many studies have been done on CSR, none of the studies has focused on the sole impact of CSR on organizations' financial performance.

Studies in Kenya have proved that there is a link between CSR and firm profitability. Ebrahimi (2011), during his study on effect of CSR on financial performance of commercial banks in Kenya, realized that CSR has an effect on ROA and ROE. Carroll & Shabana, 2010) realized that all firms listed at NSE had incorporated CSR in their mission statements. According to Luo & Bhattacharya (2012), commercial banks can use CSR to create a platform for improving their brand value and to promote themselves. The link between CSR and corporate performance can only be clear if the components of the CSR programs in an organization are clearly identified before the relationship of the joint and several functions can be established.

There are 44 commercial banks in Kenya out of which 31 are locally owned, while 13 are foreign owned. Three of the locally owned banks are publicly owned by shareholders while twenty eight are private. Nine of the foreign owned banks are locally incorporated. In addition to the forty four financial institutions, there are seven representative offices of foreign banks (CBK, 2014). Commercial Banks have taken keen interest in CSR in the last few years. This is evident from their annual reports and websites where they provide a statement on their CSR involvement. In most of their end of year financial reports, they dedicate pages highlighting their contributions to CSR. These institutions have engaged in activities that include education and leadership development, financial literacy and access, entrepreneurship, agriculture, Health, innovation, environmental sustainability, enterprise development, humanitarian intervention, business ethics, community development and corporate governance and workplace issues (Kariuki &Rotich, 2013).

Statement of the Problem

The commercial banks CSR investment during the 2009 to 2011 period spent Ksh 73 Million in 2009, Ksh 124 million in 2010, Ksh 96 million in 2011, Ksh 115 Million in 2012 and Ksh 207 Million in 2013 on CSR(Okiro et al., 2013). The aim of CSR investment is important in achieving customer satisfaction and community appreciation (Rotich, 2015).

Previous studies have shown different findings in analyzing the relationship between CSR and firm performance. Mishra and Suar (2010), Mugisa (2011),Teimouri et al. (2011*),* Babalola (2012*,* and Cheng et al. (2014)revealed a positive relationship between CSR and firm performance. Here, CSR activities involve external perception on the firm. Surroca et al. (2010) and Madueñoa et al. (2015)also indicated that maximizing the firms' in tangible resources as a mediating factor will improve CSR influence on the firm performance.Olowokudejo et al.environmental issues need the involvement of an environmental management (Post et al. 2011).The aforementioned empirical studies have demonstrated that there is an association between CSR and firm’s financial performance. The studies have shown that there is a close relationship between CSR and firm’s long run profitability. However, these studies have failed to accurately show how a firm’s financial performance would improve per shilling spent on CSR. The study conducted on effect of corporate social responsibility on financial performance of commercial banks in Kenya has been the last 6 years. The studies have failed to show how much each of the 42 commercial banks in Kenya spent on CSR. The current study seeks to find out the effect of corporate social responsibility strategies on performance of commercial banks in Kenya in the past 4 years. Therefore, these studies have failed to tell the effects that CSR activities has on a firm’s financial performance; hence there exists a knowledge gap. This study is therefore aiming at filling this gap by posing the question: “Does corporate social responsibility strategies have effect firm’s financial performance**?**

Research Objectives

The main objective of the study was to establish the effect of corporate social responsibility strategies on performance of commercial banks in Kenya. The specific objectives were:

- To establish how supporting innovation affect performance of commercial banks in Kenya.
- To establish how environmental initiatives affect performance of commercial banks in Kenya.

- To identify the community development strategy affect performance of commercial banks in Kenya.
- To establish how supporting entrepreneurship affect performance of commercial banks in Kenya.

LITERATURE REVIEW

Theoretical Review

Agency Theory

Generally, 'shareholder value-oriented' goes along with the agency theory, which has been dominant in many business schools in the last decades (Qu, 2010). In this theory, owners are the principals and managers are their agents. The manager bears fiduciary duty towards the owners and is generally subject to strong incentives in order to alienate their economic interests with those of the owners, and with the maximization of shareholder value. Today, it is commonly accepted that under certain conditions the satisfaction of social interests contribute to maximizing the shareholder value and most large companies pay attention to CSR particularly in considering the interests of people with a stake in the firm. In this respect, Sagebien & Lindsay, (2011) has proposed what he calls 'enlightened value maximization'. This concept specifies long-term value maximization or value-seeking as the firm's objective which permits some trade-offs with relevant constituencies of the firm.

To distinguish profitable CSR from others which are not, Moon (2011) proposed the concept of SCSR to refer to policies, programs and processes which yield substantial business related benefits to the firm, in particular by supporting core business activities, and thus contributing to the firm's effectiveness in accomplishing its mission. From this perspective, there is an ideal level of CSR determinable by cost-benefit analysis and depending on several factors (McWilliams and Siegel, 2011). This requires a careful calculation of the optimal level of social output in each situation for maximizing shareholder value. The theory relates to the study where company managers conduct corporate social responsibility on behalf of the owners/shareholders with the objective of improving the company's brand and overall profitability. CSR may be used as a risk management strategy where the company managers and employees may act on behalf of company owners and stakeholders to mitigate risk by improving company image.

The Theory of Social Costs

The focus on corporate non-economic effects on the socio-economic system is the basis for responsibility allocation Nordberg (2011). In other words, problems of modern corporate responsibility deal with the fair allocation of social costs. Moreover, the social costs literature influences indirectly attempts at measuring social performance. The terms 'social cost' point out, at a very basic level of analysis, the same concept. Problems arise in the literature with regard to the study of 'external economies'. According to Nordberg (2011), external economies have to be secured by the concentration of many small businesses of a similar character in particular localities or by the localization of industry. The location of small enterprise is thought of as a matter of exogenous advantage when they can be placed among a cluster of similar enterprises. There is always some part of the enterprise's activities that affects the environment.

A transition from 'external' to 'social' is a short logical passage, in fact social forces here co-operate with economic. There are often strong friendships between employers and employees but neither side likes to feel that in case of any disagreeable incident happening between them, they must go on rubbish against one another (Nordberg, 2011). Pearce &

Robinson (2011) starts out from Marshall's intuitions in order to introduce the problem of the firm's social costs, or the 'real' theoretical basis of social responsibility. This difference assumes importance in welfare economics, as it can be social revenues or losses. The fact that we can distinguish between social and private profits or losses implies a series of problems in terms of evaluation. The issue of social costs relates to the organization originating the costs and to their coverage. Of the two, the latter produces a huge debate. Based on the fact that the problem is of justifying state intervention in the economy and making it easier to reach a 'natural' equilibrium, this assumption has important consequences in terms of social responsibilities (Pearce & Robinso, 2011).

The state's role in the economic system aims to cover social costs and may be intended as the state assuming responsibilities in order to preserve the national product and citizens' welfare. Thus, its natural counterpart should be that of leaving no responsibilities to the corporation that produces the cost even if indirectly or involuntarily. This issue makes it clear that paying for social costs is a matter of contracting and that it has to be assumed by either the firm or by the state (Carroll & Shabana, K. (2010). From a different perspective, Nordberg (2011) tries to shift the issue to corporate production factors. The main thesis is that the costs of the transaction between citizens and government determine whether the state intervenes in the economy or not (Coase, 1988). Paying for social costs is a matter of contracting (Carroll &Shabana, 2010). This theory applies to social education strategy which relates to the study when the company spends a lot of financial resources on corporate social responsibility so as to gain profitability in the market.

Stakeholder Theory

In stakeholder theory, the purpose of the firm is to create wealth or value for its stakeholders by converting their stakes into goods and services or to serve as a vehicle for coordinating stakeholder interests (Ebrahimi, 2011). Stakeholder theory was first presented as managerial theory. Accordingly, the corporation ought to be managed for the benefit of its stakeholders: its customers, suppliers, owners, employees and local communities, and to maintaining the survival of the firm (Ebrahimi, 2011). The decision making structure is based on the discretion of the top management and corporate governance, and frequently it is stated such governance should incorporate stakeholder representatives. Stakeholder theory of CSR is related to the belief that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contact. Thus, stakeholder theory takes into account individuals or groups with a stake in the company including shareholders, employees, customers, supplier and local community (Angelidis et al., 2008).

According to Aupperle et al., (2015), the stakeholder concept provides a new way of thinking about strategic management. By paying attention to strategic management, executives can begin to put a corporation back on the road to success. However, it is also a normative theory which requires management to have a moral duty in order to protect the corporation as a whole and, connected with this aim, the legitimate interests of all stakeholders. Carroll &Shabana, K. (2010) stated that management, especially top management, must look after the health of the corporation, which involves balancing the multiple claims of conflicting stakeholders. The term stakeholder was meant by Carroll & Shabana (2010) to generalize the notion of stockholder as the only group to whom management need to be responsible. 'Stakeholder' can be taken in two senses. In a narrow sense, the term stockholder includes those groups who are vital to the survival and success of the corporation. In a wide sense, it includes any group or individual who can affect or is affected by the corporation (Freeman, 1984). Thus, stakeholders are identified by their interests in the affairs of the corporation and it is assumed that the interests of all stakeholders have intrinsic value (Carroll &Shabana, 2010).

The base legitimacy of the stakeholder theory is on two ethical principles; principle of corporate rights and principle of corporate effects (Freeman and Reed, 1983). Both principles take into account the Kant's dictum respect for persons. The former establishes that the corporation and its managers may not violate the legitimate rights of others to determine their future. The latter focused on the responsibility for consequences by stating that the corporation and its managers are responsible for the effects of their actions on others. There is the problem of solving conflicting interests between stakeholders. Several authors, accepting the basic stakeholder framework, have used different ethical theories to elaborate different approaches to the stakeholder theory, and specifically to solve conflicting stakeholder demands.

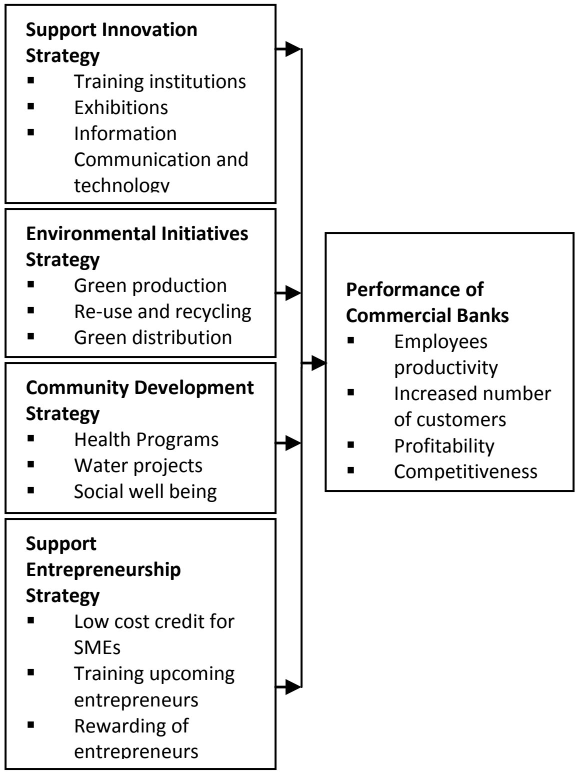
It has been proposed, among others, the following theories: Feminist Ethics, the Common Good Theory, the Integrative Social Contracts Theory and the Doctrine of the fair Contracts (Ebrahimi, 2011). Freeman accepted these pluralistic ethical approaches by presenting stakeholder model as a metaphor where different ethical theories find room. The company conducts corporate social responsibility with the help of stakeholders that is, its customers, suppliers, owners, employees and local communities, and to maintaining the survival of the firm and improve profitability. This theory relates to triple bottom line strategy where customers are beneficiaries and key stakeholders in the company.

Relational Theory

In physics and philosophy, a relational theory is a framework to understand reality or a physical system in such a way that the positions and other properties of objects are only meaningful relative to other objects. In a relational space-time theory, space does not exist unless there are objects in it; nor does time exist without events (Kitzmueller & Shimshack, 2012).The relational view proposes that space is contained in objects and that an object represents within itself relationships to other objects. Space can be defined through the relations among the objects that it contains considering their variations through time. The alternative spatial theory is an absolute theory in which the space exists independently of any objects that can be immersed in it (Ebrahimi, 2011).

Relational theory has its root from the complex firm-environment relationships. Corporate citizenship of the relational theory strongly depends on the type of community to which it is referred. It is a path that a corporation may take to behave responsibly. Fundamentally, it is about the relationship that a corporation develops with its stakeholders, and therefore, the former has to continuously search for engagement and commitment with the latter. Corporate citizenship, according to Moon (2011), is an approach used under the integrative and political theories and this is supported by McWilliams & Siegel (2011). This theory is sub-divided into four categories namely business and society, stakeholder approach, corporate citizenship and the social contract. The theory relates to community development strategy where communities are customers to the organization. The organization conducts CSR to improve the welfare of the communities who in turns purchase goods and services from the organization who thus contributing to the performance of the organization.

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 2.1: Conceptual Framework

Performance of Commercial Banks in Kenya

Corporate social responsibility aims at improving organization performance. Social responsibility has become a strong and irreversible part of corporate actions. When managed effectively, CSR programs and projects can create significant benefits in terms of reputation and returns as well as the motivation and loyalty of employees. CSR can also contribute toward strengthening valuable partnerships. Nordberg (2011) state that CSR strategies can create competitive advantages if used properly, pointing out that there is a positive association between strategic social responsibility actions and competitive advantage.

Some researchers have argued that CSR can improve the competitiveness of a company in the long run, implying a positive relationship between the CSR involvement of a company and its financial success (Qu, 2010). The relationship between CSR and financial performance represents the least understood area of CSR (Angelidis et al., 2008). While studies suggest a mild positive relationship, this connection has not been fully established and the mechanisms through which firm's financial performance can be enhanced through CSR is not well understood (Sagebien & Lindsay, 2011). Most researchers argue that good corporate reputations have strategic value for firms that possess them. Firms with assets that are valuable and possess a competitive advantage may expect to earn superior returns. Those whose assets are difficult to imitate may also achieve sustained superior financial performance (Qu, 2010).The viewpoint for positive correlation between CSR and CFP suggest that a company's explicit costs are opposite of the hidden costs of stakeholders. Therefore, this viewpoint is proposed from the perspective of avoiding cost to major stakeholders and considering their satisfaction (Peloza, 2015). Pearce & Robinson (2011) pointed out that some stakeholders regard CSR as a symbol of reputation and the company reputation was improved by actions to support the community resulting in positive influence on revenue. Sagebien & Lindsay (2011) had an opinion that businesses can turn a social problem into long term economic opportunity and economic benefits, productive capacity, human competence, well-paid jobs and wealth.

Supporting Innovation Strategy

In this environment, innovation can be regarded as being the outcome of specific research and development projects that are intended for this purpose. In this context, innovation will also include the serendipitous identification of more efficient methods of doing business or new types of products or services that may not have occurred to a business if it has no CSR initiatives in the first place.

by incorporating both intended and potentially unexpected (and unintended) outcomes into a company strategic business plan, the CSR process can serve as a framework in which such innovations can be identified and then exploited to the company's advantage. Banks engage in CSR activities through supporting Jua kali sector, drama festivals and ICT projects (McWilliams & Siegel, 2011).

Environmental Strategy

In fact all morally driven initiatives under CSR including environment are considered as true CSR or ethically driven CSR initiatives, which really qualify under the CSR as, defined by Kitzmueller & Shimshac (2012). First the priority areas and issues of environmental degradation shall get more attention. Second the activities/initiatives can be continued for long time wherever required to achieve saturation thereby getting maximum advantage to stakeholders and recognition to Corporation. Third the pooling of funds (State and Corporation) will allow scaling up of efforts and fourth the approach will allow participation, which in turn brings more transparency for all the participating stakeholders. Banks may engage in environmental initiatives like green procurement and environmental conservation (Carroll & Shabana, 2010).

Community Development Strategy

Community Development CSR strategy has an effect on organization performance. Corporate social responsibility (CSR) refers to strategies corporations or firms conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development. This article analyses the meaning of CSR based on some theories available in literature (Pearce & Robinson, 2011). It is argued that three theories namely utilitarian, managerial and relational theories of CSR supported by works of other scholars in the area could be used to suggest that CSR becomes an international concern due to globalized nature of business that knows no border. CSR is evolving in its meaning and practice. The article then discusses the role of CSR in community development because the very logic of CSR is towards seeing its impact in community socially, environmentally and economically. Competencies required by CSR managers are also analyzed in order to have a better understanding of the practical aspects of CSR. Finally, conclusions and implications for future research are discussed. Banks may engage in implementing water projects, health programmes and social programmes (Nordberg, 2011).

Support Entrepreneurship Strategy

Every country in the world is trying to promote entrepreneurship by various means including Corporate Social Responsibility (CSR). Entrepreneurship is seen as an alternative to unemployment and poverty which could be the panacea for development (McWilliams & Siegel, 2011). There is a growing perception among entrepreneurs that success cannot be achieved solely through maximizing short-term profits and the growing importance of corporate social responsibility (CSR) on business success and positive impact on society is accepted. However, it is important to understand how companies can join the effort to promote entrepreneurship effectively. Banks engage in activities aimed at supporting entrepreneurship e.g providing low cot credit, training, mentorship and rewording upcoming entrepreneurs (Moon, 2011).

Empirical Literature

Performance

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The study by Carroll & Shabana (2010) investigated whether US commercial banks in aggregate were taking substantive steps at being socially responsible, if their socially responsible activities had changed since the financial crisis, and whether they were being rewarded for their actions. The study used publicly available data on CSR to analyze CSR strengths and CSR concerns. It found out that the largest banks consistently had higher CSR strengths and CSR concerns during the sample period. Further, this group saw a steep increase in CSR strengths and a steep drop in CSR concerns as the worst of the financial crisis passed. The study also found that more profitable banks, banks with higher capital ratios, and banks that charged lower fees on deposits had significantly higher CSR strengths.

The researchers found out that banks with more females and minorities on the board of directors had significantly higher CSR strengths. Examining the relation between CSR and bank performance, the researchers realized that the largest banks appeared to be rewarded for being socially responsible as both size adjusted ROA and ROE were positively and significantly related to CSR scores. Thus, after the financial crisis, the biggest banks that had been accused of putting their own interests ahead of their customers and the financial system as a whole worked to repair their reputations by turning to more socially responsible activities. For these banks, the increased participation in socially responsible activities was related to improved financial performance.

Support Innovation Strategy

Corporate Social Responsibility (CSR) has become a widely used term in business. Recent studies in this area show that the implementation of appropriate CSR practices can produce a positive impact on the performance of an organization (Moon, 2011). Furthermore, it is believed that there is a link between innovation and CSR related practices. Even though information in the area of CSR is widely available there is little evidence of previous work that explicitly addresses the link between CSR and innovation, within the context of SMEs in particular. The purpose of this research is to define the nature of this link and to increase awareness of sustainable

CSR practices in SMEs by illustrating that these practices can generate real value to the business. The work described in this paper has an exploratory nature. It presents the findings from a fieldwork study and the initial version of a model that aims to clarify the link between CSR and innovation (Nordberg, 2011).

Despite worldwide discussion on the need and benefits for CSR, there are opposing views to the pursuit of CSR activities by companies as revealed by the studies reviewed in this paper. Empirical studies of the relationship between CSR and financial performance comprise essentially two types (Nordberg, 2011). The first uses the event study methodology to assess the short-run financial impact (abnormal returns) when firms engage in either socially responsible or irresponsible acts. The results of these studies have been mixed. Some researchers believe that CSR principles do not make firms profitable as this is against classical theories of how market works. Those researchers are of the view that the only social responsibility of business is to use its resources and engage in activities designed to increase profits. On the other hand, others are of the opinion that firms who perform CSR know how the market works. In a survey by the Economist Intelligence Unit, only 4% of respondents thought that CSR was a waste of time and money (Baruch, 2013). Some studies that are of interest in this paper are reviewed below (Qu, 2010).

Corporate social responsibility (CSR) playa an increasingly important role in business success today, and economic, political, and social factors are shaping CSR strategies around the world. Approached strategically, CSR has the potential to generate opportunity, innovation and competitive advantage for organizations while solving pressing social problems. Pearce & McWilliams & Siegel (2011) conducted a study on the effectiveness of CSR strategies on organizational performance by ascertaining whether responsibility towards primary stakeholders influences the financial and non-financial performance of commercial banks. The author focused on the Equity Bank in Kenya. Content analysis of the Bank's financial reports between the years 2006 and 2012 was done to ascertain the relationship between CSR and performance of the Bank. The establishment of EGF, a fully fledged subsidiary of Equity Bank, to handle all aspects of social responsibility for the Bank is a clear attestation of how important and serious the institution considers CSR in their day-to-day operations. The categorization of the CSR strategies into thematic areas showed that, to the Eank, social responsibility is not just a philanthropic deed to society but a strategic tool for furtherance of business objectives, including stakeholder relationships. The study recommended the need for organizations to be more inclusive and participatory among all the stakeholders at all levels of implementation as well as further research to determine the level at which CSR impacts on performance and the influence of prior organizational performance on social responsibility.

Environmental Initiatives Strategy

Qu (2010) examined the relationship between CSR and firm performance in Kenya, using a sample of 352 firm-years during the period 2005–2012. CSR was measured using four dimensions relevant to Kenya: employee CSR, product/service CSR, community CSR and environmental CSR, and aggregated using my own CSR index. Firm performance was measured using both ROA and ROE. Content analysis was used to collect data from the financial reports of companies. The results indicate a positive and significant relationship between employee CSR, product/service CSR and community CSR and firm performance; environmental CSR, on the other hand, was not significant. The overall CSR index was found to be positive and significant to both measures of firm performance.

Sagebien & Lindsay (2011) conducted a study to investigate the factors influencing Corporate Social Responsibility programmes implementation in the commercial banks in Kenya. Currently there are 44 commercial banks in Kenya as per the Central Bank of Kenya 2011. From 2005 to date commercial banks are actively engaging themselves in the CSR Programmes. The findings of this study will be significant to the commercial bank management in the decision making to know whether they should continue investing in CSR or not. Other people who will benefit include the stakeholders, researchers and scholars. The study investigated the factors like: physical environmental effects like environmental conservation, stakeholder's values, company's policy guidelines and regulation, ethical practices and views of CSR in relation to profitability. These factors were independent variables which directly influence CSR as the dependent variable. The research used descriptive research design. The target population was from the 44 commercial banks and the respondent comprised of 18 commercial banks with 1 CSR manager and 1 CSR officer from each bank giving a total sample size of 36 respondents. The research made use of self-administered questionnaires as a tool of data collection. The researcher was expected to create awareness to various stakeholders of commercial banks on which factors influence CSR programmes implementation among the commercial banks in Kenya.

Peloza, J. (2015) conducted a study on factors that influences implementation of its CSR policies and activities at Equity bank. The study took a mixed approach and sample size of 100 was selected using stratified random sampling. Data was generated using questionnaires and interviews. Findings show that though there might be factors like government and intergovernmental standards compelling organizations to engage in CSR, generally organizations do so out of ethical concerns and moral obligation and not necessarily out of pressure

The KPMG in its latest report India's CSR reporting survey 2015 has explored CSR initiatives and compliances of top 100 listed companies in India as mandated in Companies Act 2013 and Rules. It is heartening to observe that the mandatory provisions like making CSR policy available on web domain, CSR disclosure in annual report etc. are now by and large being complied by all the companies (except a few) after the enactment of Company Law, 2013. Charity, donations and other philanthropic activities, which are now termed as CSR in modern term, had been an integral part of business activities in the past across the globe including India. In our country after independence (post 1990 era) liberalization, globalization and privatization have facilitated phenomenal rise in economic growth of companies and simultaneously their quest and efforts to achieve sustainable development further necessitated adoption of various CSR initiatives more conspicuously as their contribution to society.

As per Ministry of Corporate Affairs (MCA), during 2014-15 a total of 6338 crore rupees were spent on CSR activities by 51 Public Sector Undertakings (PSUs) and 409 Private companies. As per report of Ernst & Young, the mandate of spending 2% of average profits of the past three years on CSR activities may cover around 8000 companies under its ambit and bring approximately Rs. 14000 to 15000 crores per annum for various CSR activities. The expectations from this policy change are likely to offer new windows of opportunities both for the Corporate and government not only to assist and supplement the ongoing programmes of government for its various social, economic and environmental interventions but also to provide opportunities for new innovations to Corporates while addressing various challenges to achieve equitable and sustainable economic development thereby ensuring maximum possible contribution from business(s).

Community Development Strategy

Sagebien & Lindsay (2011) conducted a study to determine the effect of corporate social responsibility on financial performance of commercial banks in Kenya. Financial performance was measured by use of net profits before taxes obtained from audited statements of comprehensive income. For uniformity purposes, net profits before taxes was chosen since some commercial banks had treated expenses on CSR as tax exempt while others had not. Investments were measured by considering loans to customers (except to other banks and corporations), investment in treasury bonds and government securities, investment in shares for trading purposes and investment in subsidiaries. Investment in CSR was measured using monetary spending on social activities. Data was obtained from commercial banks audited financial statements, websites, publications and annual reports. Commercial institutions that did not participate in CSR activities or that had not kept data pertaining to CSR were excluded. Secondary data from the year 2009 to 2013 was used for analysis.

Using descriptive research design, the study tested for linear relationship between financial performance and corporate social responsibility. The study used multiple regression analysis and the five years secondary data to analyze the effect of corporate social involvement on financial performance. Financial performance was the dependent variable while corporate social responsibility and investments were the independent variables in the multi linear regression. The study revealed that not all commercial banks report their CSR involvement. Out of the 44 commercial banks studied, only eight provided the necessary and complete data that was appropriate for the study. The study findings were that expenses on social course have an effect on financial performance of commercial banks in Kenya (Sagebien & Lindsay, 2011).

Support Entrepreneurship Strategy

Luo & Bhattacharya (2012) conducted a study to investigate the factors determining the growth of commercial banks in Kenya. Specifically it was to establish the factors and determine the relationship between the growth of commercial banks and these factors. The study was a descriptive research using a survey approach. The forty three commercial banks in Kenya made up the population of this study. The findings of the study was that most important financial factor was cash flow management, job safety and security, the upgrading and the educating of members, research and development, having technological edge above others, good management practices of the banks and their sites, maintenance of the high quality of products, commitment to customer satisfaction and maintenance of good relations with clients. The most important government support factor was government assistance/tax incentives. The regression analysis indicated that the constant term and the coefficients of the independent variables were not significant as shown by their -values, but the whole regression was not significant. However, the coefficient of determination showed that the independent variables, strongly explained the growth of the banks. The study therefore recommends that banks aiming at growth should reinforce cash flow management. Further, the banks should focus on job safety and security and the upgrading and the educating of members.

Kitzmueller & Shimshack, (2012) conducted a study to establish the role of banks CSR in empowering women entrepreneurs in Small and Micro Enterprises (SMEs) in Umoja market in Nairobi, Kenya- A case of Cooperative Bank of Kenya. The questions explored were i) What role has Cooperative Bank of Kenya (Westlands Branch) played in empowering SMEs owned by women entrepreneurs in Umoja market in Nairobi, Kenya ii) How many small scale women entrepreneurs in Umoja market has Cooperative bank (Westlands Branch) assisted so far iii) In which industry do these small scale women entrepreneurs mainly operate iv) What challenges has Cooperative bank faced in pursuing such endeavours v)What can be recommended to Cooperative bank and other lending institutions in the future. Random sampling approach was applied and 100 women entrepreneurs were picked. Questionnaires and interview methods were used as the main data collecting instruments. Findings revealed that Cooperative bank has helped finance many small scale women entrepreneurs in Umoja market, SMEs in Umoja are mainly sole proprietorships operating businesses such as: salons, food outlets, transport, clothing shops among others, the challenges faced by the bank are mainly: nonpayment, diversion of funds, poor financial management among others.Among the recommendations put forward are: extension of loan repayment period, giving of loans in terms of assets, educating customers on the importance of loan repayment, training women entrepreneurs in areas of finance, budgeting and general management aspects and further research in this field.

RESEARCH METHODOLOGY

The researcher considered the descriptive design study to be appropriate for the study since data was gathered from commercial banks. The population of study in this research was the employees in the 42 commercial banks in Kenya involved in the CSR strategies. Commercial banks in Kenya are licensed, supervised and regulated by the Central Bank of Kenya (CBK) as mandated under the Banking Act (Cap 488). The study used structured questionnaires to obtain information from study respondents. The study also used correlation analysis and multiple regression analysis to analyze the degree of relationship between the variables. The Multiple Regression model that aided the analysis of the variable relationships was as follows: $\mathbf{Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon}$,
Where;

Y= Performance of Commercial banks (dependent variable);
β_0= constant (coefficient of intercept);
β1…β_4= regression coefficient of four variables
X_1= Support Innovation Strategy (independent variable);
X_2= Environmental Initiatives Strategy (independent variable);
X_3= Community Development Strategy (independent variable);
X_4= Support Entrepreneurship Strategy (independent variable);
ε = Error term;

RESEARCH FINDINGS AND PRESENTATION

Performance of Banks

The study sought to examine the effect of corporate social responsibility strategies on performance of commercial banks in Kenya, attributed to the influence of support innovation, environmental initiatives, community development strategy and support entrepreneurship. The study was particularly interested in the key indicators, namely employees productivity, increased number of customers, profitability and competitiveness with all the three studied over a 5 year period, running from 2012 to 2016. Findings in Table 1 reveal improved performance of the banks across the 5 year period running from the year 2012 to 2016. Employees productivity recorded positive improvement with a majority affirming to less than 10% in 2012 (38%) and 2013(36%), to 10% in 2014 (36%) then more than 10% in 2015 (40%) and 2016 (36%).

A similar trend was recorded in increased number of customers, growing from less than 10% (40%) in 2012, to more than 10% in 2013 (35%), 2014 (36%) and 2016 (38%). Further, profitability recorded positive improvement with a majority affirming to less than 10% in 2012 (38%) and 2013 (36%), to 10% in 2014 (34%) and 2015(40%) then by more than 10% in 2016 (36%). It was deduced from the findings that performance of commercial banks indicators have considerably improved as influenced by the corporate social responsibilities such as support innovation, environmental initiatives, community development strategy and support entrepreneurship. The study findings are in line with findings by Nordberg (2011) who stated that CSR aims at improving the organization performance. When CSR is well practiced in an organization, there can be significant benefits such as good reputation, highly motivated and loyal employees and strengthened and valuable relationships with clients which increase the performance. The study established that there is a positive association between CSR and competitive advantage of the organizations.

Table 1: Performance of Commercial Banks

Employees Productivity	**2012**	**2013**	**2014**	**2015**	**2016**
Increased by less than 10%	38	36	34	32	30
Increased by 10%	28	34	36	28	34
Increased by more than 10%	34	30	30	40	36
Customer base	**2012**	**2013**	**2014**	**2015**	**2016**
Increased by less than 10%	40	35	32	26	26
Increased by 10%	36	34	32	34	36
Increased by more than 10%	24	32	36	40	38
Increase of Profits	**2012**	**2013**	**2014**	**2015**	**2016**
Increased by less than 10%	38	34	32	26	32
Increased by 10%	36	30	34	34	32
Increased by more than 10%	26	36	34	40	36

Supporting Innovation Strategy

The study sought to assess the influence of supporting innovation on performance of commercial banks in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). Table 2 presents the findings. The scores of 'strongly disagree' and 'disagree' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.

Table 2 presents the findings as tabulated, a majority of respondents were found to highly agree that there is support for innovation CSR strategy affects the bank profits and competitiveness (3.220). The bank support the jua kali sector as part of CSR to enhance profits and client satisfaction (3.456); the bank support the exhibitions to enhance employee productivity in the organization (3.908); Support for the ICT enhance employee productivity and competitiveness in the market (3.652); The bank has adopted the innovation for the clients and employees to generate opportunity and competitive advantage for the bank (3.210); The bank is engaged in promotion of exhibitions to promote competitiveness in the market (3.198). The study findings are in tandem with literature review by Lai and Wong (2012) who states that the firms adopts support innovation strategies compete based on their resources and capabilities, and distinctive capabilities for sustained competitive advantage and superior performance.

Table 2: Influence of Supporting Innovation on Performance of Commercial Banks

Description	Mean	Std. Dev
Support for innovation CSR strategy affect the bank profits and competitiveness	3.220	.562
The bank support the jua kali sector as part of CSR to enhance profits and client satisfaction	3.456	.520
The bank support the exhibitions to enhance employee productivity in the organization	3.908	.368
Support for the ICT enhance employee productivity and competitiveness in the market	3.652	.310
The bank has adopted the innovation for the clients and employees to generate opportunity and competitive advantage for the bank.	3.210	.490
The bank is engaged in promotion of exhibitions to promote competitiveness in the market	3.652	.209

Environmental Initiatives Strategy

The study sought to assess the influence of environmental initiatives strategy on performance of commercial banks in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). Table 3 presents the findings. The scores of 'strongly disagree' and 'disagree' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.

Table 3 presents the findings as tabulated, a majority of respondents were found to highly agree that the bank support environmental programs to improve the company's image in the market (3.234). The bank is involved in the environmental conservation to enhance company's' image thus increased market share (3.456); The bank support the green environment initiatives to enhance firm public participation in the public to promote increased number of customers (3.269); The environmental initiatives supported by the bank have increased the number of the customers in the market (3.356); The bank has adopted the adequate green environmental initiatives especially with the manufacturing firms to generate opportunity and competitive advantage in the market (3.116); The bank is engaged in promotion of environmental programs for both the formal and informal sectors to promote competitiveness in the market (3.220). The study findings are in tandem with literature review by Carroll and Shabana (2010) who established that environmental initiatives like green procurement and environmental conservation improve the company's image in the market thus may influence its performance.

Table 3: Influence of Environmental Initiatives on Performance of Commercial Banks

Description	Mean	Std. Dev
The bank support green production programs to improve the company's image in the market	3.234	.235
The bank is involved in the re-use and recycling to enhance company's' image thus increased market share	3.456	.520
The bank support the green distribution to enhance firm public participation in the public to promote increased number of customers	3.269	.221
The green production in the environment supported by the bank have increased the number of the customers in the market	3.356	.310
The bank has adopted the adequate green environmental initiatives especially with the manufacturing firms to generate opportunity and competitive advantage in the market	3.116	.569
The bank is engaged in green distribution programs for both the formal and informal sectors to promote competitiveness in the market	3.220	.220

Community Development Strategy

The study sought to assess the influence of community development strategy on performance of commercial banks in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). The scores of 'strongly disagree' and 'disagree' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.

Table 4 presented the findings as tabulated, a majority of respondents were found to be neutral that the bank support health programs to improve the company's image in the market (3.445). The bank is involved in the water projects initiatives to enhance company's' image thus increased market share (3.230; The bank support the social well-being to enhance firm public participation in the public to promote increased number of customers (3.220); The health programmes supported by the bank have increased the number of the customers in the market (3.350); The bank has adopted the adequate social well being especially with the public to generate opportunity and competitive advantage in the market (3.552); The bank is engaged in promotion of water projects for both the formal and informal settlements to promote competitiveness in the market (3.468). The study findings are in agreement with the findings by by Sagenian and Lindsay (2011) who established that social courses through the corporate social involvement has an effect on the performance of the commercial banks.

Table 4: Influence of Community Development on Performance of Commercial Banks

Description	Mean	Std. Dev
The bank support health programs to improve the company's image in the market	3.445	.321
The bank is involved in the water projects initiatives to enhance company's' image thus increased market share	3.230	.368
The bank support the social well-being to enhance firm public participation in the public to promote increased number of customers	3.220	.252
The health programmes supported by the bank have increased the number of the customers in the market	3.350	.310
The bank has adopted the adequate social well being especially with the public to generate opportunity and competitive advantage in the market	3.552	.520
The bank is engaged in promotion of water projects for both the formal and informal settlements to promote competitiveness in the market	3.468	.280

Support Entrepreneurship Strategy

The study sought to assess the influence of support entrepreneurship strategy on performance of commercial banks in Kenya. This section presented findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). Table 5 presented the findings. The scores of 'strongly disagree' and 'disagree' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.

Table 5 presented the findings as tabulated, a majority of respondents were found to be neutral that the bank offers the clients with the low cost credit to improve the company's image in the market (3.550). The bank was involved in the training of the upcoming entrepreneurs to enhance company's' image thus increased market share (3.452); The bank support the rewarding of the entrepreneurs to enhance firm public participation in the public to promote increased number of customers (3.210); The low cost credits supported by the bank have increased the number of the customers in the market (3.450); The bank has adopted the rewarding of the entrepreneurs to generate opportunity and competitive advantage in the market (3.330); The bank engaged the clients in the training of the upcoming entrepreneurs to gain skills to start and enhance their businesses (3.220). The study findings were in agreement with the literature review by MCWilliams and Siegel (2011) the banks performance maximizing profits and the growing importance of corporate social responsibility on the business success and positive impact on society was accepted. Banks engagement aimed at supporting entrepreneurship for example low cost credits, training activities and rewarding of the upcoming entrepreneurs enhanced the performance of these banks.

Table 5: Influence of Support Entrepreneurship on Performance of Commercial Banks

Description	Mean	Std. Dev
The bank offers the clients with the low cost credit to improve the company's image in the market	3.550	.335
The bank is involved in the training of the upcoming entrepreneurs to enhance	3.452	.450

company's' image thus increased market share		
The bank support the rewarding of the entrepreneurs to enhance firm public participation in the public to promote increased number of customers	3.210	.460
The low cost credits supported by the bank have increased the number of the customers in the market	3.450	.223
The bank has adopted the rewarding of the entrepreneurs to generate opportunity and competitive advantage in the market	3.330	.590
The bank is engages the clients in the training of the upcoming entrepreneurs to gain skills to start and enhance their businesses	3.220	.218

Multiple Regression Analysis

The study adopted a multiple regression analysis so as to establish the relationship of independent variables and dependent variables. The data showed that the high R square was 0.576. It showed that the independent variables in the study were able to explain 57.60% variation in the performance of commercial banks while the remaining 42.40% was explained by the variables or other aspects outside the model. This implied that these variables were very significant and they therefore needed to be considered in any effort to boost performance of commercial banks.

Table 6: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
	.759	.576	.538	.020

The study further used Analysis of Variance (ANOVA) in order to test the significance of the overall regression model. The results of Analysis of Variance (ANOVA) revealed that the significance of the F-test was done to test the effect of independent variables on the dependent variable simultaneously. The F-statistic test basically shows whether all the independent variables included in the model jointly influence on the dependent variable. Based on the study results of the ANOVA Test or F-test in Table 7, obtained F-count (calculated) value was 136.002 greater the F-critical value (Table) (5.320) with significance of 0.002. Since the significance level of 0.002< 0.05 we conclude that the set of independent variables affect the performance of commercial banks (Y-dependent variable) and this showed that the overall model was significant. Thus corporate social responsibility (support innovation, environmental initiatives, community development strategy and support entrepreneurship) played a significant role in the performance of commercial banks in Kenya

Table7: ANOVA

Model	Sum of Squares	d.f	Mean Square	F	Sig.
Regression	20.890	4	5.2225	136.002	.002[a]
Residual	55.680	145	.03840		
Total	29.017	149			

NB: F-critical Value = 5.320

The results of multiple regression analysis obtained regression coefficients t value and significance level as indicated in Table 8. The study conducted a multiple regression analysis so as to determine the relationship between the dependent variable and independent variables. The general form of the equation was to predict performance of commercial banks from support innovation, environmental initiatives, community development strategy and support entrepreneurship is:(**$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$**) becomes: $Y= 5.008+ 0.702X_1+ 0.668X_2+ 0.560X_3 + 0.782X_4 + 0.764$. This indicates that Performance of Commercial Banks = 5.008 + 0.702* Support Innovation Strategy + 0.668*Environmental Initiatives Strategy + 0.560*Community development Strategy + 0.782*Support Entrepreneurship Strategy + 0.764

From the study findings on the regression equation in Table 8 established, taking all factors into account (independent variables) constant at zero performance of commercial banks would be 5.008.The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in support innovation would lead to a 0.702 increase in performance of commercial banks; a unit increase in environmental initiatives would lead to a 0.668 performance of commercial banks s, a unit increase in community development strategy would lead to 0.560 increase in performance of commercial banks and a unit increase in support entrepreneurship would lead to 0.782 increase in performance of commercial banks.

Table 8: Regression Coefficient Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	**β**		
(Constant)	5.008	.764		6.555	.000
Support Innovation	.702	.138	.565	5.056	.003
Environmental initiatives	.668	.111	.554	6.009	.008
Community development strategy	.560	.107	.355	5.210	.011
Support Entrepreneurship	.782	.135	.632	5.764	.000

CONCLUSION AND RECOMMENDATIONS

From the descriptive statistics the study established that there is support for innovation CSR strategy affects the bank profits and competitiveness .The commercial banks support the jua kali sector as part of CSR to enhance profits and client satisfaction. The commercial banks supports the exhibitions to enhance employee productivity in the organization. Support for the ICT enhances employee productivity and competitiveness in the market. The commercial banks have adopted the innovation for the clients and employees to generate opportunity and competitive advantage for the bank. The bank is engaged in promotion of exhibitions to promote competitiveness in the market

According to the study findings, the study established that the commercial banks support environmental programs to improve the company's image in the market. The commercial banks are involved in the environmental conservation to enhance company's' image thus increased market share. The commercial banks support the green environment initiatives to enhance firm public participation in the public to promote increased number of customers. The environmental initiatives supported by the commercial banks have increased the number of the customers in the market. The commercial banks have adopted the adequate green environmental initiatives especially. The commercial banks are engaged in promotion of environmental programs for both the formal and informal sectors to promote competitiveness in the market.

From the descriptive statistics majority of respondents were found to be neutral that the bank support health programs to improve the company's image in the market. The commercial banks are involved in the water projects initiatives to enhance company's' image thus increased market share. The commercial banks support the social well-being to enhance firm public participation in the public to promote increased number of customers. The health programmes supported by the commercial banks have increased the number of the customers in the market. The commercial banks have adopted the adequate social well being especially with the public to generate opportunity and competitive advantage in the market. The commercial banks are engaged in promotion of water projects for both the formal and informal settlements to promote competitiveness in the market.

The study established that support entrepreneurship strategy influence performance of commercial banks in Kenya. The respondents were neutral that the commercial banks offer the clients with the low cost credit to improve the company's image in the market. The commercial banks are involved in the training of the upcoming entrepreneurs to enhance company's' image thus increased market share. The commercial banks support the rewarding of the entrepreneurs to enhance firm public participation in the public to promote increased number of customers. The low cost credits supported by the commercial banks have increased the number of the customers in the market. The commercial banks have adopted the rewarding of the entrepreneurs to generate opportunity and competitive advantage in the market. The commercial banks engage the clients in the training of the upcoming entrepreneurs to gain skills to start and enhance their businesses.

The study sought to examine the effects of corporate responsibility strategy on performance of commercial banks in Kenya, attributed to the effects of supporting innovation, environmental initiatives, community development and support entrepreneurship. From inferential statistics, a positive correlation is seen between each determinant variable and performance of commercial banks in Kenya. The strongest correlation was established between support entrepreneurship and performance of commercial banks in Kenya. All the independent variables were found to have a statistically significant association with the dependent variable at ninety-five level of confidence. Analysis of variance was further done and it was established that there was a significant mean. This is since the p values of their coefficients were all less than 0.05.

Conclusions of the Study

Based on the study findings, the study concluded that performance of commercial banks in Kenya is affected by supporting innovation, environmental initiatives, community development and support entrepreneurship as the major factors that mostly influence performance of commercial banks in Kenya. The study concludes that support entrepreneurship are the first important factor that affects performance of commercial banks in Kenya The regression coefficients of the study show that support entrepreneurship has a significant influence on performance of commercial banks in Kenya. This implies that increasing levels of support entrepreneurship would increase the levels of performance of commercial banks in Kenya. This shows that support entrepreneurship has a strong positive influence on performance of commercial banks in Kenya.

The study concludes that supporting innovation is the second important factor that affects performance of commercial banks in Kenya. The regression coefficients of the study show that supporting innovation has a significant influence on performance of commercial banks in Kenya. This implies that increasing levels of supporting innovation would increase the levels of performance of commercial banks in Kenya. This shows that supporting innovation has a strong positive influence on performance of commercial banks in Kenya.

Further, the study concludes that environmental initiatives are the third important factor that affects performance of commercial banks in Kenya. The regression coefficients of the study show that an environmental initiative has a significant influence on performance of commercial banks in Kenya. This implies that increasing levels of environmental initiatives would increase the levels of performance of commercial banks in Kenya. This shows that environmental initiatives have a strong positive influence on performance of commercial banks in Kenya.

Finally, the study concludes that community development strategy is the fourth important factor that affects performance of commercial banks in Kenya. The regression coefficients of the study show that community development strategy has a significant influence on performance of commercial banks in Kenya. This implies that increasing levels of community development strategy would increase the levels of performance of commercial banks in Kenya. This shows that community development strategy has a strong positive influence on performance of commercial banks in Kenya

Recommendations of the Study

The study recommends that there is need for support for innovation CSR strategy to increase bank profits and competitiveness of the commercial banks .The banks should support the *jua kali* sector as part of CSR to enhance profits and client satisfaction. The commercial banks should support the exhibitions to enhance employee productivity. The support for the ICT enhances employee productivity and competitiveness in the market.

There is need for the commercial banks to support environmental programs to improve the company's image in the market. The banks should be involved in the environmental conservation to enhance company's' image thus increased market share. The commercial banks should support the green environment initiatives to enhance firm public participation in the public to promote increased number of customers. The environmental initiatives supported by the bank can the number of the customers in the market. From the formal and informal sectors

The study recommends for the commercial banks to be involved in the support of community development programs to improve the company's image in the market. The commercial banks need to be involved in the health programs, water projects initiatives and social well being to enhance company's' image thus increased market share and enhance firm public participation in the public to promote increased number of customers.

The study recommended for the support entrepreneurship strategy to enhance performance of commercial banks in Kenya. The banks should be involved in the training of the upcoming entrepreneurs to enhance company's' image. There is need for the rewarding of the entrepreneurs to enhance firm public participation in the public to promote increased number of customers. The commercial banks should provide a low cost credit to attract customers.

Areas for Further Research

The study was a milestone for further research in the field of performance of commercial banks Africa and particularly in Kenya. The findings demonstrated the important factors to enhancement of performance of commercial banks to include adoption of corporate responsibility strategy such as supporting innovation strategy, environmental initiatives, community development strategy and support initiatives strategy. The current study should therefore be expanded further in future in order to determine the effect of legal framework on adoption performance of commercial banks in Kenya. Existing literature indicates that as a future avenue of research, there was need to undertake similar research in other government institutions and public sector organizations in Kenya and other countries in order to establish whether the explored factors can be generalized to affect performance of the financial institutions.

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