EFFECT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES ON PERFORMANCE OF SELECTED COMMERCIAL BANKS IN KENYA

BY

LENAH JEBET CHEBOROR

This Dissertation is submitted in partial fulfillment of the requirements of the award of a Master of Business Administration (MBA) from St. Paul's University

August 2014

ST PAUL'S UNIVERSITY

Print to PDF without this message by purchasing novaPDF (http://www.novapdf.com/)

ABSTRACT

The main purpose of this study is to investigate the effects of Corporate Social Responsibility (CSR) on performance of selected commercial banks in Kenya. The study will be guided by the following research objectives: a) To find out the CSR practices used by selected commercial banks in Kenya, b) To examine the effect of CSR on the performance of selected commercial banks in Kenya, c) To investigate the relationship between CSR and financial performance in selected commercial banks in Kenya and d) To suggest the measures that can be put in place to enhance the effect of social corporate responsibility on performance in selected commercial banks in Kenya. The study targeted only four out of forty four banks registered under the Kenyan Bankers Association. The study sample consisted of sixty six members of staff out of whom forty four responded. Simple random sampling procedure was used to arrive at the sample. Questionnaires was be used to collect data from the selected sample. The collected data was processed with the help of a computer application, namely SPSS and presented using quantitative approach. Descriptive analysis such as frequencies and percentages was used to present the quantitative data. From the analysis, the study revealed that all the selected commercial banks in Kenya had been able to integrate CSR (CSR) as part of their functionality. The study also showed that CSR practices had an effect on the financial performance of selected commercial banks in Kenya. Further, CSR enabled the banks to create trust among their customers and hence cultivating a strong image in the society. Despite the established association between CSR practices and banks' performance, much more gains could be realized if financial institutions actively involve all their stakeholders (internal and external) in CSR agenda. The study suggests banks to put in place sound policy framework to encourage the best practices of CSR which are geared towards enhanced employee and organizational performance.

ST PAUL'S UNIVERSITY

Print to PDF without this message by purchasing novaPDF (http://www.novapdf.com/)