

**THE INFLUENCE OF CSR ON THE BRAND IMAGE AMONG KENYA
COMMERCIAL BANKS**

BY

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MASTER OF SCIENCE IN COMMERCE (FINANCE AND ACCOUNTING)

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DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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ABSTRACT

THE INFLUENCE OF CSR ON THE BRAND IMAGE AMONG KENYA COMMERCIAL BANKS

Corporate social responsibility is described as creating financial success in methods that uphold ethical ideals and respect individuals, communities, and the environment. Performance of socially responsible corporations is linked to several benefits for the bottom line. First off, businesses that exercise social responsibility have better brands and reputations. Socially responsible businesses also encounter fewer unfavorable uncommon situations. Companies that are seen as having a strong commitment to CSR frequently have an improved capacity to recruit and retain personnel. Effectively, it is being argued more and more that doing socially conscious corporate action is necessary to safeguard the bottom line and increase shareholder value by raising a brand's reputation. Therefore, there is a need to evaluate how such activities affect the brand image given the increased interest in Corporate Social Responsibility (CSR) in the banking industry. However, the Kenyan banking industry hasn't given this link any attention. Therefore, the study sought to ascertain how CSR affected brand perception from the perspectives of Kenya's listed commercial banks. The study was also based on the following specific objectives, to: explore the influence of corporate philanthropy on the brand image of Kenya commercial banks; establish the impact of corporate environmental protection on the brand image of Kenya commercial banks and find out the impact of community volunteering on the brand image of Kenya commercial banks. Attribution theory and the Triple Bottom Line Model (TBL) served as the foundation for this study. A descriptive study design was used by the researcher. The study focused on all Kenyan listed commercial banks. All 11 of the listed banks were chosen as the sample size for the study using a census sampling approach. The NSE provided the secondary data that were used in this investigation. Financial statements from the listed companies served as the data source. The Income statements and the Balance Sheets were among these. The study's foundational accounting ratios were calculated using the data. Multiple linear regressions and descriptive statistics were utilized in the study to analyze the data. According to the study's findings, the banks' ongoing CSR initiatives help to increase consumer identification of their brand and market trust since people want to do business with organizations that care about their communities. The study came to the further conclusion that listed commercial banks employ sustainable growth and financial performance to spur economic expansion and create wealth for shareholders. This is accomplished by maintaining brand awareness, increasing consumer loyalty, and encouraging staff participation for networking purposes. The report goes on to say that the wellbeing of society, the environment, and the economy are crucial for attaining sustainable development. All three depend on one another. As a result, the failure of one directly and negatively affects the success of the other two. Consequently, the health of business and society are closely linked. The environment, the economy, and society will all gain from being interconnected and investing in society.

Keywords: CSR, Brand Image, Banking Sector, Philanthropic, Community Volunteering

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ACRONYMS AND ABBREVIATIONS

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TERMS AND DEFINITIONS

- CSR** the contemporary idea encompasses a company's obligation to its customers, the environment, and society at large
- Brand Image** the image, which is seen as emotional, conveys perceptions of the goods and services that underpin the company's success
- Philanthropic** activities have an effect on the company's brand image through taking part in community protection initiatives, building amenities that the community needs, and awarding grants and scholarships to deserving people and organizations
- Community Volunteering** promoting goodwill, fostering teamwork, and finding ways to improve the quality of life for their stakeholders at the community level through volunteering.
- Corporate Environmental Protection** a company's involvement in CSR initiatives that are environmentally focused

CHAPTER 1: INTRODUCTION

1.1 Background of the Study

In today's competitive, connected, and fast-paced market, intangible assets are the primary source of long-term value development for businesses. Kim and Chao, (2019) observe that, understanding the value of intangibles in decision making, resource (capital) allocation, corporate governance, and financial reporting is one of the issues faced by organization leaders. According to Iorait, (2018), brand image is one intangible asset that is highly significant to businesses while also being quite challenging to quantify. A brand is the value that a consumer adds to a product's base value. A price premium over what the customer would pay for an unbranded product results from this added value (Visconti, 2020). Therefore, any product will have some intrinsic worth because of how well it is made. However, consumers' opinions and perceptions of the product have the potential to enhance its intrinsic value.

Corporate social responsibility, or CSR, is a significant intangible asset that improves company image and is becoming a more widely accepted notion in the international market. Studies (Hafez, 2018; Lee & Lee, 2018) in the past have demonstrated that CSR practices are advantageous to businesses because they provide strong benefits in a variety of ways, such as improved brand awareness and brand image. Corporate social responsibility is described as creating financial success in methods that uphold ethical ideals and respect individuals, communities, and the environment by Business for Social Responsibility (BSR, 2017). Williams (2020) defines CSR as efforts that appear to enhance some social good, above and beyond what is necessary to uphold legal and business obligations. Customers frequently favor businesses with improved corporate image. Adopting CSR procedures by businesses aids in creating strong

company reputations, often known as intangible assets. CSR is also known as social marketing since it has the potential to build brand equity through brand image (Hafez, 2018).

The extent to which each corporation engages in corporate social responsibility varies. According to Tarek (2019), the discrepancies rely on the size of the particular company, the industry in question, its business culture, stakeholder demands, and how historically advanced the company is when it comes to engaging in CSR. According to Rao and Dhar (2019), while some businesses aim to incorporate CSR into all facets of their operations, others concentrate on a single area that is viewed as the most crucial for them or where they have the greatest impact or vulnerability. Examples of such areas include the environment or human rights. The CSR principles must be a part of the company's strategic planning and values, and management and staff must be dedicated to implementing them successfully. The CSR strategy must also be in line with the company's unique corporate objectives and core capabilities.

1.1.1 Concept of corporate social responsibility

A rising number of people are interested in learning more about the CSR idea in-depth. The social component of business behavior may be traced back to the antiquated Roman Laws, giving CSR a long and rich history. Since that time, CSR has seen significant change (Agudelo, Jóhannsdóttir, & Davdsdóttir, 2019). The contemporary idea encompasses a company's obligation to its customers, the environment, and society at large. The legal, ethical, economic, and discretionary aspects of an organization's social responsibility (philanthropic).

According to Fordham & Robinson (2018) and Meseguer-Sánchez et al. (2021), the economic aspect of CSR essentially represents a company's economic obligations to society, such as ensuring it has a workable business model. Creating legal guidelines that firms must abide by is part of the legal aspect of CSR. This includes fundamental norms of behavior like

labor laws and environmental regulations. While the philanthropic dimension encapsulates volunteer activities of giving back to the society, the ethical dimension indicates expectations that a corporation behaves consistently with societal norms (Fordham & Robinson, 2018; Meseguer-Sánchez et al., 2021).

The validity and worth of business answers to CSR issues are hotly contested. According to Matuszak and Rozanska (2017), there is substantial opposition to the idea that society's problems are best managed by democratically elected governments as CSR interacts with many of the topics that are typically dealt with by the government, such as human rights and community investing. It is maintained that because corporate resources are inadequate for solving these social issues, they shouldn't be misallocated.

The one and only social responsibility of business in a free society, according to Friedman (1970), as cited by Khudhair, Norwani, Ahmed, and Aljajawy (2019), is to use its resources and engage in activities that will increase its profits as long as it plays by the rules of the game, that is, participates in open and free competition without deception or fraud. He contends that a CEO who diverts funds and resources that would otherwise go to owners, employees, and customers in order to distribute them in accordance with the wishes of the minority does not act in the principal's best interests. He prefers that the government deal with social issues. In this approach, the administration levies a tax and uses the money collected for "social" causes, which is intolerable because they lack the authority and expertise to do so (Khudhair et al., 2019).

Contrarily, there are numerous calls from other parties for corporate adoption of the CSR principles. Even though the government is primarily in charge of solving those problems, private businesses can make a significant contribution (Fukuyama & Tan, 2021). The argument of the

altering power dynamics is another. 51 of the top 100 economies in the world, as determined by Gross Domestic Product (GDP), are United States (US) businesses, according to the OECD, while just 49 are nation states (Meseguer-Sánchez et al., 2021). As a result, companies now wield more economic power, and as a result, they should be taking on more responsibility for solving social issues.

Companies may lack the resources to handle some social or environmental issues, but from another angle, it's possible that they are still in the greatest position to help solve the issues at hand. For instance, while the government establishes the rules and minimum requirements for the workplace, a business can further enhance the working environment and the level of living for its employees (Gallego-Sosa et al., 2021). A business cannot disregard the issues in the environment it operates in. A company may suffer harm as a result of political turmoil, resource depletion, or the poverty of a nation state's inhabitants. For instance, resources that are inputs in the production process and which were plentiful at the start of the industrial revolution are today limited, polluted, or declining in many parts of the world. Naturally, this comes at an additional cost to the businesses and may drive them to move or shut down (Murawski, 2018).

1.1.2 Brand image

Most organizations are now aware of the importance of branding as brand rivalry continues to heat up (Iorait, 2018; Kim & Chao, 2019). When a customer associates a brand with something, their impressions of that brand are said to be reflected in their memory. The image, which is seen as emotional, conveys perceptions of the goods and services that underpin the company's success (Iorait, 2018). According to Kim and Chao (2019), consumers' perceptions of a brand are a major motivator for increased spending or buy intent. Because a positive brand

image boosts consumers' identification and pleasure, customers who have a stronger and more positive brand image trust the brand and are inclined to keep buying it.

Due to the importance of brand image in creating brand equity and boosting competitiveness, it has been extensively explored. Brand equity is a term used by marketers to refer to brand value. However, this may be confusing because it could be interpreted as saying that the "equity" belongs to the corporation. The equity, however, resides in the consumer's conception of the product, associations with it, self-described narrative about it, and engagement experience. Although marketing aids in the creation of this equity, the consumer ultimately owns it (Visconti & Weis, 2020). Even while marketers are allowed to own things like trademarks, the brand is not the trademark; it is merely a legal safeguard.

Visconti (2020) asserts that despite the company's lack of ownership of the brand, it does have significant control over it. And the International Accounting Standards Board (IASB) accounting definition of a company asset is having control over something as a result of past events that gives rise to the expectation of future financial advantages (Taylor, 2020). A brand is undoubtedly an intangible asset because it has no physical components and does not convert to cash over the course of a year. However, a good brand has value for the consumer and will therefore likely bring the business money over time. Wu and Chen (2019) also noted that developing a great brand image takes time. The brand is therefore an intangible financial asset for the company that owns it.

While there are various measures available to marketers to gauge brand strength, such as brand awareness, these don't fully capture how powerful a brand is in influencing consumer choice. Therefore, a brand that performs well on marketing measures may not always transfer into a brand that works effectively as an economic resource for a company. There are various

accounting-based techniques that are outlined in the ISO 10668 standard from 2010 ("Brand Valuation—Requirements for Monetary Brand Valuation," available at www.iso.org). The Standard provides the value with a variety of valuation approaches and methods to choose from. The Income Approach, Market Approach, and Cost Approach are the three methods of valuation. There are various options for each strategy. A valuer must have extensive knowledge of the available valuation techniques (Keller, & Brexendorf, 2020). The best approach to use for a given valuation will depend on the goal of the valuation, the brand's and market's features, and the data that is available.

The present value of the predicted future earnings over the course of the brand's remaining usable economic life is how the income method rates a brand. This method of valuing companies and other assets is widely employed (Fukuyama & Tan, 2021). The brand's existing cash flows, expected growth, the risk associated with future earnings, the brand's useful economic life, and tax concerns are some specific assumptions that call for investigation and analysis. With the market, or sales comparison approach, value is determined by comparing it to transactions involving comparable brands (Waiswa, 2018). This strategy necessitates a thorough analysis of the two brands' comparability, taking into account elements like the markets they serve, their respective brand strength, their legal protection, and the state of the economy at the time of the transactions. The price agreed in a purchase may reflect strategic values and synergies that are not available to the current owner, and this must be taken into consideration (Keller, & Brexendorf, 2020).

The cost approach evaluates a brand's worth based on the money spent creating it, as well as its replacement or replication costs. It is predicated on the idea that a wise investor wouldn't spend more money on a brand than it would take to replace or replicate it. According to Anees-

ur-Rehman, Wong, Sultan, and Merrilees (2018), a company's brand equity worth will be reflected in the price of its shares if its stock is publicly traded. The influence of the strategy on the return on the owner's equity investment, or "ROE," is the best indicator of added value for privately held businesses. Since the ROE and the share value of publicly traded companies are linked, it offers a solid foundation for assessing the general efficacy of a brand management plan. In essence, ROE calculates the rate of growth of an owner's investment in a business. This idea is used by investors to assess whether a corporation is offering appropriate compensation for the risk involved in holding shares of the company. As a result, brand image in this study will be assessed using changes in share prices and ROE after CSR initiatives were implemented in Kenyan Commercial Banks.

1.1.3 Overview of Kenya's commercial banks

According to the Central Bank of Kenya's directory, as of December 31, 2020, the Kenyan banking industry included the Central Bank of Kenya (CBK), which served as the country's regulatory body, 42 banking institutions (41 commercial banks and 1 mortgage finance company), 9 representative offices of foreign banks, 14 microfinance banks, 3 credit reference bureaus, 17 money remittance providers, 8 nonoperating bank holding companies, 1 mortgage refinance company, and 66 foreign financial institutions (Central Bank of Kenya, 2020).. There were 42 banking institutions, 40 of which were privately owned, and two of which were majority-owned by the Kenyan government. Of the 40 privately held banks, 17 were foreign-owned, while 23 were locally owned (the majority owners are based in Kenya). There were 22 commercial banks and 1 mortgage finance company among the 23 locally owned institutions (Central Bank of Kenya, 2020).. All of the 17 foreign-owned institutions are commercial banks, with 3 being branches and 14 being local subsidiaries of foreign banks. All licensed foreign

exchange bureaus, microfinance banks, credit reference agencies, corporations that send money abroad, holding companies for dormant banks, and firms that refinance mortgages were privately owned (Central Bank of Kenya, 2020).

All commercial banks must produce annual audited reports, including financial reports, as they are all controlled by the CBK (liquidity risk and credit risk). Numerous economic and regulatory reforms have recently been implemented in the sector. The majority of these measures have significantly altered the banking sector and encouraged the entry of more institutions (Irungu, 2013). According to Zimmermann (2018), commercial banks play a critical role in changing the nation's economic structure, just as they do globally. However, the banks must employ several strategies to retain viability due to the intense competition in this sector (Zimmermann, 2019). Utilizing CSR initiatives is one method of reaching this goal. Corporate social responsibility (CSR) has established itself as an inherent characteristic of the banking sector. Compared to other non-financial services companies, the nature of the banking industry exposes banks to a higher level of public scrutiny (Murawski, 2018). This suggests that the banks must satisfy a wide range of stakeholders who have different expectations.

As a result, CSR-related activities within the banking industry have increased globally. Such activities aim to meet the expectations of stakeholders. This is seen as contributing to society (Lentner, Szegedi, & Tatay, 2015). A pyramid that represents economic/community, ethical duty, legal obligation, and charitable responsibility can be used to explain CSR. Under the aforementioned categories of CSR, businesses frequently employ a range of CSR practices. For instance, charitable activity and direct donations fall under the category of philanthropic CSR practices (Lu et al., 2020).

In accounting, financial statements are the most effective means for businesses to inform the public about their commitment to environmental and social responsibility (Akanfe, Michael & Bose 2017). In order to satisfy the information demands of the host communities, add value to their financial statements, and support the growth of their businesses, companies' management is responsible for providing such information in their financial statements. Given this, one could argue that from the perspective of accounting, corporate social responsibility (CSR) and the voluntary disclosures that go along with it are inseparable. By examining the social programs, events, and initiatives a corporation has undertaken and revealed, the community is typically expected to determine whether it performs better or worse in these areas.

Additionally, the prudential rules established by CBK mandate that banks include non-financial disclosures in their annual reports. The requirement is that the size and kind of the information provided should be acceptable for a bank's operations in terms of both scope and content (Cytonn, 2015). The necessity to also include non-financial information has led to consistency in the frequency and type of non-financial disclosures in the annual reports released by banks (Cytonn, 2015). Because banks have been consistent with their non-financial disclosures, it has been able to conduct research on the impact of CSR on brand perception.

1.1.4 Corporate social responsibility in global, regional, and local banking industry

For businesses around the world, corporate social responsibility (CSR) is one of the most important topics. Most companies and customers in the United States (USA), Europe, and Australia are averse to buying products or using services from companies that engage in socially irresponsible behavior (Aupperle, Carroll, & Hatfield, 2015). Giving back to society is even required of businesses in some countries. For instance, the Companies Act of 2013 in India makes CSR practice a regulatory duty (Dhanesh, 2015). CSR in the banking industry is no longer

a novel concept. A global demand has emerged for the banking industry's CSR idea (Tran, 2014). Currently, banks all around the world support or participate in CSR activities in the fields of education, healthcare, and the environment. Additionally, they run sponsorship programs that concentrate on weaker individuals of the neighborhood (Dhanesh, 2015; Tran, 2014).

One of the earliest industries to embrace CSR initiatives was the US banking sector. Recently, American banks have been widely noticeable. For instance, the banks encourage, sponsor, and promote environmental awareness (Murawski, 2018). CSR has also grown in importance within the European banking industry. In their CSR initiatives, the majority of European commercial banks emphasize thriving cities, communities, and climate action (Gallego-Sosa et al., 2021).

Commercial banks in China have increased their CSR practices throughout Asia. A large profit is made by Chinese banks. However, the banks have come to understand that their external CSR initiatives as well as internal management are essential to their effective operations. China's banks are become more involved in a variety of activities that advance the country's economy, society, and environment. Such CSR-related efforts significantly affect the reputation and image of banks (Fukuyama & Tan, 2021). The banking industry in Bangladesh has similarly adopted CSR programs. Through their contributions to environmental and socioeconomic development through CSR activities, the Islamic banks are able to capture about 40% of the total number of bank account holders in the nation (Bhuiyan, Darda, & Hossain, 2021); this is accomplished through improved brand image.

Worldwide, and without exception in Africa, the practice and disclosure of CSR continue to acquire significant importance. African commercial banks have also grasped the value of participating in CSR operations (Idowu, 2014). Commercial banks in Nigeria, for instance,

participate in CSR programs. Commercial banks in Nigeria typically invest 3% of their profit after tax in CSR-related initiatives. The majority of commercial banks in Nigeria base their CSR initiatives on social, financial, environmental, and public health considerations (Idowu, 2014).

Banks in East Africa have also adopted the CSR idea. For instance, Ethiopian commercial banks are boosting their spending on CSR initiatives to boost their brand recognition. Commercial banks in Ethiopia mostly made social investments between 2012 and 2016 in areas like the environment, education, and health (Uvaneswaran & Hussien, 2017). Similar to this, participants in the banking sector in Uganda are dedicated to helping and uplifting the areas where they do business. For instance, Stanbic Bank Uganda participates in CSR initiatives that emphasize inclusive training and education. Programs for charity, youth training, and entrepreneurship are among more projects (Waiswa, 2018). Additionally, banks in Tanzania have embraced CSR programs to build their brand and increase revenue. Tanzania's banks mostly engage in CSR activities related to water, health, and education services (John, 2019).

CSR reporting is becoming a bigger priority for organizations across many different Kenyan industries. Banks can improve their CSR efforts to boost their brand image (Mirabi, Asgari, Tehrani, & Moghaddam, 2014). As a result, Kenyan commercial banks and others are devoting more resources to CSR initiatives in order to boost their reputation and competitiveness (Mohamud, 2018). Kenyan banks have started using CSR activities to attract consumers and potential customers. For instance, CSR programs assist Kenya Commercial Bank (KCB) Group in meeting societal expectations of customers and enhancing brand recognition and relevance. The bank backs community initiatives in sports, health, education, and social welfare (Kenya Commercial Bank Group website, 2015).

It is clear that Kenyan commercial banks are devoting more funds to CSR-related initiatives in order to boost their brand recognition and competitiveness. CSR is now used by the banking sector as a marketing strategy and to improve local communities' standard of living (Mirabi et al., 2014; Mohamud, 2018). This encouraged the study to ascertain how CSR affected Kenyan commercial banks' brand perception.

1.2 Relationship between Corporate Social Responsibility and Brand Image

For businesses, differentiation depends heavily on brand image. Therefore, concerted attempts to encourage management buy-in into CSR-related practices are crucial. Banks can be distinguished from their direct competitors based on their brand image, claim Bravo, Montaner, and Pina (2010). Organizations work to develop a positive brand image because of this. A further indication of a company's commitment to give back to the community and society is the growing use of CSR activities (Hafez, 2018). Although adding value for various stakeholders is the primary goal of integrating CSR into bank processes, doing so also has a financial advantage. Positive brand perception is thought to draw customers and boost a company's reputation (Hafez, 2018; Salehzadeh, Pool, & Najafabadi, 2018).

Performance of socially responsible corporations is linked to several benefits for the bottom line. It appears that the time frames for the costs and benefits are commonly out of sync because the expenses are typically immediate while the benefits are not always recognized every quarter. But there are a lot of benefits to be had. First off, businesses that exercise social responsibility have better brands and reputations. Consumers usually gravitate toward brands and companies with a good reputation in CSR-related issues. A company's ability to attract investors and commercial partners can increase as a result of its standing as a socially conscious corporation in the business world (Hafez, 2018).

Socially responsible businesses also encounter fewer unfavorable uncommon situations. Neglecting negative social and environmental externalities could be compared to ignoring a significant tail risk when appraising a firm. The hazards related to CSR can be separated into three categories: corporate governance, environmental factors, and social considerations. Businesses that uphold CSR principles are more transparent and less prone to engage in bribery and corruption. They might also implement more stringent environmental and quality controls, which would be more expensive, but they are less likely to be forced to recall defective product lines or deal with punitive penalties for excessive environmental contamination. They are also less likely to experience social catastrophes that could damage their reputation and necessitate expensive informational and advertising efforts that cost millions of dollars (Salehzadeh, Pool, & Najafabadi, 2018). Socially responsible businesses should consequently have more consistent earnings growth and reduced downside volatility.

Companies that are seen as having a strong commitment to CSR frequently have an improved capacity to recruit and retain personnel (Turban & Greening 2017), which lowers expenses associated with employee turnover, recruiting, and training. Employees frequently assess the CSR performance of their employers to see if their personal beliefs conflict with those of the organizations where they work. Companies with better labor laws and working conditions also see more productivity and fewer mistakes (Soloman & Hansen, 2015). As a result, businesses may see positive effects on productivity and employee morale from taking socially responsible initiatives.

1.3 Problem Statement

According to traditional economics, a company's sole duty is to increase value for its shareholders (Friedman, 1970 as cited Vicente, 2021). However, as businesses are a part of

society and rely on it to achieve their economic goals, fulfilling this goal shouldn't have any detrimental side effects for other stakeholders or society as a whole (Harrison, Barney, Freeman, & Phillips, 2019). Effectively, it is prudent to argue that doing socially conscious corporate action is necessary to safeguard the bottom line and increase shareholder value by raising a brand's reputation. In order to provide concrete, financial evidence of their status as assets, brands must therefore be valued. There are various accounting-based techniques that are outlined in the ISO 10668 standard from 2010. However, the ISO 10668 standard hasn't drawn much attention due to opposition from conventional accounting methods (Awuah-Addae, 2015; Yuan & Shaw, 2015; Visconti & Weis, 2020). What is required is an empirical method of connecting a brand's consumer appeal to its commercial worth to a business.

Moreover, the relationship between CSR and brand image has been the subject of numerous research, the results of which have proven both positive and negative relationships. For instance, Lu et al. (2020) found that philanthropic actions, such as giving directly to charities in the form of money or services, had a good effect on consumers' opinions of a business and have a bigger impact on brand image. Mutavi (2020) discovered a strong connection between KCB's CSR initiatives and its corporate reputation. Nwude, Udeh, and Nwude (2020) study results showed that CSR has just a little favorable effect on earnings per share, market price per share, return on assets, and return on equity. Cheruiyot & Tarus (2017) study found that many commercial banks are still hesitant to participate in CSR-related activities. According to Hafez (2018) and Mahmoud, Blankson, and Hinson (2017) customers' perspectives on CSR could help to improve brand perception, but it can also be seen as a marketing strategy with the aim of increasing visibility rather than just effect.

Based on the empirical review, there are minimal empirical studies on the impact of CSR activities on brand image construct with the context of developing countries, such as Kenya. Various authors have researched and demonstrated the relationship between CSR and brand image in the context of developed nations. Furthermore, there are fundamentally two types of metrics used to assess the connection between CSR and brand image. The first examines the short-term financial impact (abnormal returns) of businesses acting in either a socially responsible or irresponsible manner using the event research approach. The second kind of study uses accounting or financial measures of profitability to look at the connection between a particular measure of corporate social performance (CSP) and measures of long-term financial performance. In order to ascertain the impact of CSR on brand image, this study looked at accounting indicators of Kenyan commercial banks.

1.4 Research Objectives

The main objective of this study was to determine the influence of CSR on the brand image among Kenya Commercial Banks. The study was also based on the following specific objectives:

- i. To explore the influence of corporate philanthropy on the brand image of Kenya commercial banks.
- ii. To establish the impact of corporate environmental protection on the brand image of Kenya commercial banks.
- iii. To find out the impact of community volunteering on the brand image of Kenya commercial banks.

1.5 Hypotheses

H₀₁: Corporate philanthropy has no statistically significant influence on the brand image of Kenya commercial banks.

H₀₂: Corporate environmental protection has no statistically significant impact on the brand image of Kenya commercial banks.

H₀₃: Community volunteering has no statistically significant effect on the brand image of Kenya commercial banks.

1.6 Significance of the Study

Practices in corporate social responsibility are essential components of any firm. CSR initiatives are not viewed as being very important by many institutions. As a result, various banking industry stakeholders will find value in the current study's conclusions.

The study will offer guidance to commercial banks on how CSR initiatives can enhance their reputation and, eventually, performance. The conclusions might also influence the CSR policy framework used by banks. The findings will assist banking institutions' decision-makers with regard to budgetary allocations for CSR-related activities to enhance their brand image. The findings of this study will be very helpful to upcoming academics and researchers because they provide references on any gaps that might be filled by further investigation. The current study would be used as reference material by academics conducting future research on the impact of CSR on image creation.

1.7 Scope of the Study

The study concentrated on the impact of CSR initiatives on Kenyan commercial banks' brand perception. The study was also based on three CSR initiatives; corporate philanthropy,

corporate environmental protection and community volunteering. The study focused on all Kenyan listed commercial banks. The NSE provided the secondary data that were used in this investigation and financial statements from the listed companies served as the data source. Additionally, the study was carried out over a five-year period (2017-2021).

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Chapter two delves into scholarly works concerning the topic under investigation. Two theories relating to CSR and brand image are studied. A review of philanthropic CSR practices on brand image, the effect of ethical-based CSR practices on brand image, and the impact of community-based CSR practices on brand image is also presented. A theoretical framework is also presented in this chapter. The chapter also presents a conceptual framework and operationalization of variables. In addition, the chapter presents a review of past scholarly literature on CSR practices and their relationship with brand image.

2.2 Theoretical Framework

The current research investigation was influenced by two theories. The Triple Bottom-Line Model was the first theory (TBL). The attribution theory was the second theory, and the stakeholder theory was the third.

2.2.1 Triple bottom line model

The triple bottom line (TBL) model was created by Elkington in 1994. The model demonstrates that being accountable to corporations entails ensuring that their operations have a favorable influence on society, the economy, and the environment (Elkington, 2013). According to the Triple Bottom Line model, firms should strive for objectives other than maximizing shareholder returns, such as protecting the environment and meeting the social needs of the community. The approach is predicated on the idea that an organization plays a significant role in the moral society and fulfills social obligations. Because this model is concerned with sustainability, each company must evaluate its actions in relation to the three separate scales of social, economic, and environmental sustainability (Elkington, 2013).

Today, an organization's success is more fully reflected in its activities and connections to the community, environment, and economy than only in its yearly profit and loss statements (Gimenez, Sierra, & Rodon, 2012). The TBL model broadens the measures of commercial performance to incorporate social progress, environmental protection, and a just economy. The concept is in line with CSR practices, which are primarily concerned with addressing the demands of their stakeholders and fostering accountability among stakeholders for enterprises' deeds (Elkington, 2013). The use of this theory to explain how corporate environmental protection CSR activities affect Kenya commercial banks' brand image was crucial to the current study.

2.2.2 Attribution theory

Heider's work on phenomenal causality and social perception serves as the basic foundation for attribution theory (Heider, 1994). The idea of attribution examines how people interpret their environment by closely examining activities that are directed at them. This implies that a person's perception of the reason behind an act influences their experiences. People question the motivations behind activities rather than simply partaking in them, rather than just doing them blindly (Heider, 1994). This theory's proponents contend that attributions could be neutral or favorable. This suggests that a negative interpretation is made whenever the motivation for an action is regarded as selfish, and vice versa (Ginder, Kwon, & Byun, 2019; Lyu, 2017). A company's brand image is impacted in this way, either badly or positively.

The attribution theory is the most appropriate for describing the connection between philanthropic CSR activities and the reputation of Kenyan commercial banks because these efforts are focused on improving people's lives.

2.2.3 Stakeholder theory

The stakeholder theory put forth by Freeman served as another guidance for the investigation (1983). The approach is predicated on the idea that someone who has a stake in a company's operations is entitled to consideration comparable to that of shareholders. This hypothesis suggests that stakeholders could include the state, local government, shareholders, customers, suppliers, and employees (Freeman, 1983). A stakeholder is essentially anyone who might be impacted by the accomplishment of the company's goals.

According to the stakeholder hypothesis, a company's survival and performance depend on achieving both its economic and non-economic goals (Freeman, 1983). By addressing the requirements of numerous stakeholders, they succeed in doing this. Organizations that practice CSR make resource allocation decisions that take into account the effects such decisions will have on various groups. It makes the case that companies must balance the interests of many stakeholders. According to the principle, businesses have a duty to a diverse group of interconnected stakeholders. In addition, it asserts that businesses should treat all stakeholders fairly in order to improve their performance and competitiveness within a given market or industry (Freeman, 1983). Companies that uphold their consumer commitments connect with interested parties in a friendly manner.

This theory was pertinent to the current study because it shed light on the connection between Kenyan commercial banks' brand reputation and their community service and corporate social responsibility initiatives. Assuming that the communities in this example are the bank's stakeholders, banks must protect their interests in order to prosper and remain sustainable. Stakeholder theory, as stated by Roberts (2004), examines a variety of topics pertaining to a

relationship with stakeholders, including considerations of the privileges of stakeholders, the force of stakeholders, and the effective management of meeting stakeholders' wants.

2.3 Empirical Review

The section looked at the academic and empirical literature pertaining to the study's variables.

2.3.1 Influence of corporate philanthropy on brand image

Philanthropic activities have an effect on the company's brand image through taking part in community protection initiatives, building amenities that the community needs, and awarding grants and scholarships to deserving people and organizations. Numerous earlier research have demonstrated that companies that engage in CSR activities for charity enjoy a better reputation with their target market.

A quantitative study by Lu et al. (2020) found that philanthropic actions, such as giving directly to charities in the form of money or services, had a good effect on consumers' opinions of a business and have a bigger impact on brand image. Arset et al. (2014) and Lu et al. (2020) came to similar conclusions regarding how charitable CSR-based practices improve the brand's reputation in the eyes of consumers. However, the research cannot be applied to the Kenyan environment because it was created in situations outside of Kenya.

Mutavi (2020) investigated how CSR enhanced Kenya Commercial Bank's brand perception (KCB). Carroll's Pyramid of Corporate Social Responsibility and the stakeholder theory served as the foundation for the descriptive research design that was used for this study. The study triangulated its data gathering by utilizing questionnaires and interviewing techniques. The study discovered a strong connection between KCB's CSR initiatives and its corporate

reputation. Through KCB's institutional dedication to promoting opportunities for education, humanitarian help, environmental protection, business development, and health, a strong corporate image was established. While Mutavi (2020) only concentrated on one Kenyan commercial bank, this study recommends focusing on 11 Kenyan commercial banks for more generalizable results.

Chebet and Muturi (2020) investigated the impact of corporate social responsibility on an organization's performance. It was concluded that one of the most important factors in promoting corporate philanthropy is the introduction of tax incentives that encourage firms to invest more money in generally beneficial causes. Two ways to achieve this are through donations and sponsorships. Within the framework of a socially responsible economic policy, these two investment types are considered as being crucial for resolving challenges in the community and society where the firm operates. For the socially responsible economic practice to flourish, a favorable tax policy is crucial. Chebet and Muturi (2020) concentrated on the dimensions of corporate social responsibility on organizational performance, whereas the current study focuses on brand image and corporate social responsibility.

Consumers in China rated the protection of consumer privacy as the most important CSR activity per a study by Li, Zhang, and Sun (2019) on consumers' perceptions of Huawei and Apple's CSR activities in China. This suggested that telecoms companies' socially responsible policies were reflected in their protection of user data. Customers are more likely to trust businesses that participate in CSR initiatives that align with their expectations and beliefs and who demonstrate that their business decisions are made with the interests of all stakeholders in mind. While Li et al., (2019) study was located in China and sought consumer impressions, the

current study will be in Kenya, specifically mentioning banks, and the data will be gathered through secondary sources.

Cha and Jo (2019) looked into the effects of franchise coffee shops' CSR initiatives on their brand impression and clientele. In order to collect data about franchise stores in South Korea from 300 sample participants, the study used survey questions. The study's findings showed that financial, discretionary, and legal requirements have a big impact on a company's image. The study found that upholding legal requirements, following by social welfare laws that must be followed, fulfilling contractual commitments, and improving compliance with regulations were crucial to the firm's corporate image. While this study focused on small businesses, it also examined corporate image in significant Kenyan government organizations.

Wanjiku's (2019) research sought to understand the performance impact of corporate social responsibility at G4s Security Company. It was determined that the means of the parameters examined for this purpose were graded as average. Creating a favorable public image through CSR was a terrific approach to increase the company's competitive advantage. The company was seen to grow sustainably using the same strategy. The ability of enterprises to self-regulate in terms of managing stakeholder interests has also been found to be enabled by CSR. It has been demonstrated that CSR helps businesses stay sustainable. This study will look at CSR and brand perception of listed banks in Kenya, unlike Wanjiku (2019), which focused on CSR and performance at G4s Security Company.

The focus of Lee and Lee's (2018) study was the effect of a fashion company's corporate social responsibility (CSR) initiatives with diverse brands. The comparison of the results of corporate-level and brand-level CSR was the main goal. Purchase intention was directly and positively influenced by participants' perceptions of reciprocity with relation to corporate-level

CSR. Furthermore, it had a favorable effect on corporate image, which in turn improved brand image and positively increased purchase intention. While Lee and Lee (2018) focused on general CSR practices, the current study is keen on evaluating three main CSR activities: corporate philanthropy, corporate environment, and community volunteerism.

Mohammed and Rashid's (2018) research focuses on a conceptual model of corporate social responsibility components, brand image, and customer happiness in the Malaysian hotel business. The quantitative nature of the study's findings indicated that the CSR dimensions of economic, philanthropic, legal, and ethical influence customer happiness in an indirect manner. The results further showed that CSR aspects were positively correlated with the hotel companies' brand perception. A more thorough empirical inquiry that evaluated the connection between CSR and corporate image is needed because the study is only theoretical in nature. This study fills that gap.

Opilo, Mulili, and Kimani (2018) sought to understand how Safaricom Limited used CSR to gain an edge in Kenya's mobile market. The study found no relationship between Safaricom Ltd.'s CSR initiatives and its overall competitive advantage. The study also discovered that all CSR programs, including those that support poverty eradication and empowerment, healthcare delivery, sports promotion, culture and music, education, and disaster relief, significantly correlated with Safaricom Ltd's competitive advantage, while those that support autism awareness and environmental management and protection had a negative correlation with it. According to the study's findings, Safaricom Kenya Ltd's CSR initiatives did not improve customer retention, brand recognition, or financial performance. In the current study, CSR and brand perception of Kenya's listed banks will be examined, and it will be determined whether

there is a generally negative correlation between CSR initiatives and competitive advantage at Safaricom Kenya Ltd.

In their study conducted during the financial crisis of 2008–2009, Lins et al., (2017) discovered that enterprises with stronger social capital had high stock returns that were four to seven percentage points higher than firms with lower social capital. This finding was used as a measure of CSR intensity. High-CSR businesses also had better profitability, growth, and sales per employee than low-CSR enterprises, which increased debt more. According to studies, developing trust among stakeholders, investors, and the company seems to be advantageous, particularly when enterprises are exposed to unfavorable economic shocks. Understanding CSR and brand impression of Kenya's listed banks is the aim of this study.

2.3.2 Effect of corporate environmental protection on brand image

Globally, there has been a recent increase in interest in environmental protection. As a result, companies are more aware of the necessity for CSR policies and are actively participating in their creation. Existing research has shown that a company's involvement in CSR initiatives that are environmentally focused helps to improve brand perception.

Kemunto and Maende (2021) performed research on how CSO activities affected the success of media enterprises. The study's findings indicate that the majority of media organizations are small in size and committed to creating the best environmental sustainability plans. Some media companies are forced to take part in community-led initiatives because the environmental sustainability strategies of the majority of their enterprises are not very effective. However, media businesses' environmental sustainability activities have significantly increased company performance and had a good impact on the local people. The present study will investigate Kenya's listed banks' CSR and brand impression.

The question of whether CSR may affect an organization's reputation was investigated by Kungu (2021). The study focused on the effects of social responsibility on company image from an economic, environmental, ethical, and legal standpoint. The findings of the correlation tests demonstrated that corporate image was significantly impacted favorably by economic and environmental social responsibility. The survey also confirmed that social responsibility in terms of ethics and the law improved the public perception of state-owned businesses in Kenya. According to the study's findings, moral and ethical social responsibility has a considerable positive impact on corporate social responsibility. Additionally, it was established that there is no impact on a company's corporate image from environmental and legal social responsibility. The present study will especially look at how Kenya's listed banks' CSR and brand perception are perceived.

In 2020, Nwude, Udeh, and Nwude published a study on the effect of corporate social responsibility (CSR) on the performance of deposit money banks in Nigeria. Financial performance data (measured by earnings per share, market price per share, return on assets, and return on equity), as well as a composite measure of CSR (obtained by aggregating the banks' charity contributions and gifts to the community), were gathered from the annual reports. The results show that CSR has just a little favorable effect on earnings per share, market price per share, return on assets, and return on equity. On each of these criteria, it has a significant favorable effect. Additionally, the results demonstrated that, in the context of Nigeria's expanding market, CSR had an effect on the banks' corporate financial performance indices. While Nwude et al. (2020) examined the relationship between CSR and financial performance of Nigerian banks, the current study will focus on the aspects of CSR and brand image of Kenyan banks.

Chebet and Muturi (2020) investigated the impact of corporate social responsibility on an organization's performance. It was decided that as a necessary precondition or requirement of existence, businesses have an economic duty to the society that made it possible for them to be created and maintained. At first glance, it might seem strange to think of an economic expectation as a social responsibility, but that is exactly what it is because society demands—indeed, expects—that business organizations be able to support themselves, and the only way this is possible is by being profitable, able to entice owners or shareholders to invest, and endowed with sufficient funds to do so. Business organizations have traditionally been seen by society as the sites where the goods and services it needs and wants will be created.

Williams (2020) chose 50 SME manufacturing companies with a U.S. base as its sample in order to study the relationship between CSR investment decisions. Using stakeholder and social capital theories, this study developed a theoretical framework with an emphasis on social and environmental CSR. The findings indicated that SMEs involved in service provision benefited from CSR more significantly than SMEs involved in manufacturing. The combined social and environmental CSR efforts and financial success also showed a considerable negative association. Therefore, while making CSR investment decisions that are profitable to the business and society at large, it is vital for SMEs in the United States of America (USA) to consider stressing financial performance or increasing firm value.

A similar study looked at the effects of several CSR characteristics on corporate financial performance (CFP) across industries in 568 Chinese publicly traded enterprises from 2008 to 2017. (Su et al. 2020). The study's conclusions indicate that the majority of the CSR environment has a detrimental effect on the financial performance in capital-intensive manufacturing industries. The impact of human resource spending on CFP also has a negative effect on the

tertiary sector and resource-intensive industrial companies. Investment in CSR therefore benefits resource-intensive industries and ancillary sectors (mining, construction, and utilities). In general, a lot of individuals think that investing in commercial and financial stakeholders is better for businesses.

Amara's (2019) research sought to understand how CSR affects organizational performance, case study of Kenya Women Finance Trust. The study's specific goal was to look into how the performance of Kenya Women Finance Trust was affected by staff volunteering, financial literacy training, education sponsorship, and environmental protection. The organization's corporate social responsibility programme to protect the environment is reportedly not receiving adequate funding, per the report. The study also discovered that environmental protection as a corporate social responsibility activity affects the performance of businesses. The study also found that financial literacy training helps firms function more profitably and attract more customers. The study also discovered that employee volunteerism enhances an organization's reputation and financial success. The previous study only examined one financial institution, in contrast to this study's proposal to concentrate on 11 listed financial institutions in Kenya.

The goal of Wanderi's (2019) research was to ascertain how CSR activities impacted the non-financial performance of accounting businesses in Nairobi, Kenya. The study's objective was to determine how CSR initiatives impacted client happiness, employee engagement, and the company image of one accounting firm, Deloitte Limited. The research claims that Deloitte Limited's economic CSR operations have a large and positive impact on the level of client satisfaction. It was discovered that there was a positive and very significant correlation between customers' satisfaction with the level of CSR practiced by the organization and how well those

activities were communicated to them. The survey also found that Deloitte Limited's ethical CSR programs had a strong positive impact on the company's workforce. The findings also revealed a large value for and a strong association between. The study also found a positive relationship between business reputation and CSR. It was discovered that there is a favorable and extremely significant association between a company's commitment to social good and charity regardless of the financial advantage.

Mugambi's (2018) study sought to understand how firms' financial performance was impacted by their disclosure of their corporate social responsibility activities. The study primarily examined the effects of environmental disclosure, community disclosure, employee disclosure, and financial performance with reference to quoted manufacturing companies in Kenya. The study found a positive and negligible correlation between the financial performance of listed industrial companies in Kenya and disclosure of information on the environment, the community, and disclosure. Employee disclosure also had a detrimental but little effect on the financial performance of publicly traded industrial enterprises in Kenya.

A study by Muhumed (2018) on the competitive advantage and corporate social responsibility practices of commercial banks in Kenya focused on the case of Equity Bank Kenya Limited. According to the study, CSR strengthened ties with important stakeholders, particularly customers; the bank successfully balanced the need to boost shareholder value with the need to be a good corporate citizen; CSR conservation initiatives increased customer loyalty; the bank educated the community about the significance of environmental preservation; and the bank gave SMEs basic financial management training. Families that gained financial independence and CSR benefits through entrepreneurship strengthened the brand's reputation by sticking with it. Financial benefits were infrequently given to employees.

2.3.3 Impact of community volunteering on brand image

Businesses can promote goodwill, foster teamwork, and find ways to improve the quality of life for their stakeholders through volunteering in the community. One benefit of community service may be increased consumer awareness of your brand. Previous research has shown that firms are better able to grasp their social responsibilities when they develop relationships with the local community.

Mahmud (2020) investigated how Bangladeshi citizens' opinions of societal advancement were impacted by corporate social responsibility programs (CSRPs). The study examined how participation in community health care, education, disaster relief, cultural welfare, environmental sustainability, infrastructure development, and income-generating activities affects social perceptions of progress using qualitative and quantitative methods of analysis. The survey found a definite correlation between all CSR actions and how the community's well-being is viewed. The results demonstrated how businesses and communities are closely related and significantly influence one another.

Chebet and Muturi (2020) investigated the impact of corporate social responsibility on an organization's performance. According to the study, an organization's performance is positively impacted by its commitment to ethics. Organizational ethics are particularly important in the current environment since businesses have a dependent connection with the society to which they belong, making stakeholder relations a critical concern. There is growing public interest in this subject as it has become evident that a lack of ethics frequently has a detrimental impact on the performance and capacities of many businesses. It is well known that companies must be profitable in order to exist. The development and durability of a company's reputation are

supported by ethical compliance processes since they promote confidence both inside and outside the organization.

Chebet and Muturi (2020) investigated the impact of corporate social responsibility on an organization's performance. The research's findings are as follows: An organization's performance is improved by legal obligations. For instance, society has recognized businesses as legitimate economic entities and defined the minimal norms by which they must exist and function. The laws and standards that make up these ground rules convey fundamental principles of moral business behavior that have been established by lawmakers at the federal, state, and municipal levels, and they do so in a way that reflects how society sees codified ethics.

In 2019, Kinyanjui, Juma, Njeru, and Onyango reviewed a few Kenyan public institutions to examine the impact of community outreach as a CSR strategy on organizational performance. The descriptive data showed that many respondents thought public colleges had complicated rules governing ethical conduct and legal procedures. The survey respondents remarked that while their universities had enough legal and ethical restrictions, they lacked the drive to really implement them. As a unit change in the tactics would lead to a 47% increase in performance, ethical and legal strategies would likewise improve the performance of the organizations. Kinyanjui et al. (2019) investigated community involvement as a CSR strategy for organizational performance at a few Kenyan public universities. The goal of the current study is to determine how Kenya's listed banks' reputations are affected by corporate philanthropy, environmental initiatives, and community involvement.

Gangi et al. (2019) looked into the European banking industry to see if and how CSR expertise affects financial performance. The survey comprised 72 banks from 20 different European countries and spanned seven years, from 2009 to 2015. Two different kinds of findings

came from this inquiry. First, banks' internal CSR influences citizenship performance favorably, which is consistent with the concept of absorptive knowledge capacity. Success in civic engagement has a positive reputational impact and is a reliable indicator of a bank's financial performance. The development of internal CSR expertise is crucial for carrying out successful CSR efforts for external stakeholders, according to a knowledge-based approach. Due to the association between good citizenship and the bank's favorable reputation, this study also shows how CSR involvement in outside projects will boost the bank's competitiveness.

Al Mubarak, BenHamed, and Al Mubarak studied how social responsibility affects a bank's reputation in 2019. 240 bank customers participated in the survey, and questionnaires were used to collect the information. The research data that had been acquired additionally underwent factor analysis and regression. The results demonstrated that customers had favorable opinions of banks that took part in CSR programs. A statistically significant correlation between corporate social responsibility and banks was shown using regression studies. According to the study, banks should engage in more morally driven CSR initiatives that help improve local welfare and their company's reputation. The survey was conducted across Bahraini banks, but it focused on the corporate image of state-owned commercial firms in Kenya.

Mwangangi (2018) investigated how CSR impacted the productivity of Kenyan manufacturing firms. Manufacturing is a significant factor in global trade, and Kenya places a lot of emphasis on it in its development strategy. The study's findings demonstrated that relationships with the government, the community, and customers had a positive and significant influence on how effectively manufacturing enterprises operate in Kenya. The success of Kenyan manufacturing enterprises was, however, only moderately but significantly impacted by

employee relations. Additionally, it was shown that the link between CSR and company performance was positively but only weakly influenced by the size of the business.

The goal of Muhumed's (2018) study was to determine how CSR affects the operational outcomes of commercial banks in East African countries. Using panel data and a regression model, the researchers found that CSR has a positive and significant impact on financial performance, notably return on asset (ROA). This study concludes that because CSR improves financial performance, it is crucial for the success of commercial banks. The GDP and bank financial leverage were also included in the model's control variables. One of the study's main findings is that there is a strong correlation between the dependent variable (ROA) and the independent variables (CSR practice, GDP, and financial leverage) used in the model (ROA). In contrast to the previous regression model, which found a negative correlation between CSR and return on equity and financial leverage, but a positive correlation between GDP and CSR, Therefore, integrating CSR into daily operations and setting aside funds each year for charitable reasons is a commendable practice for commercial banks.

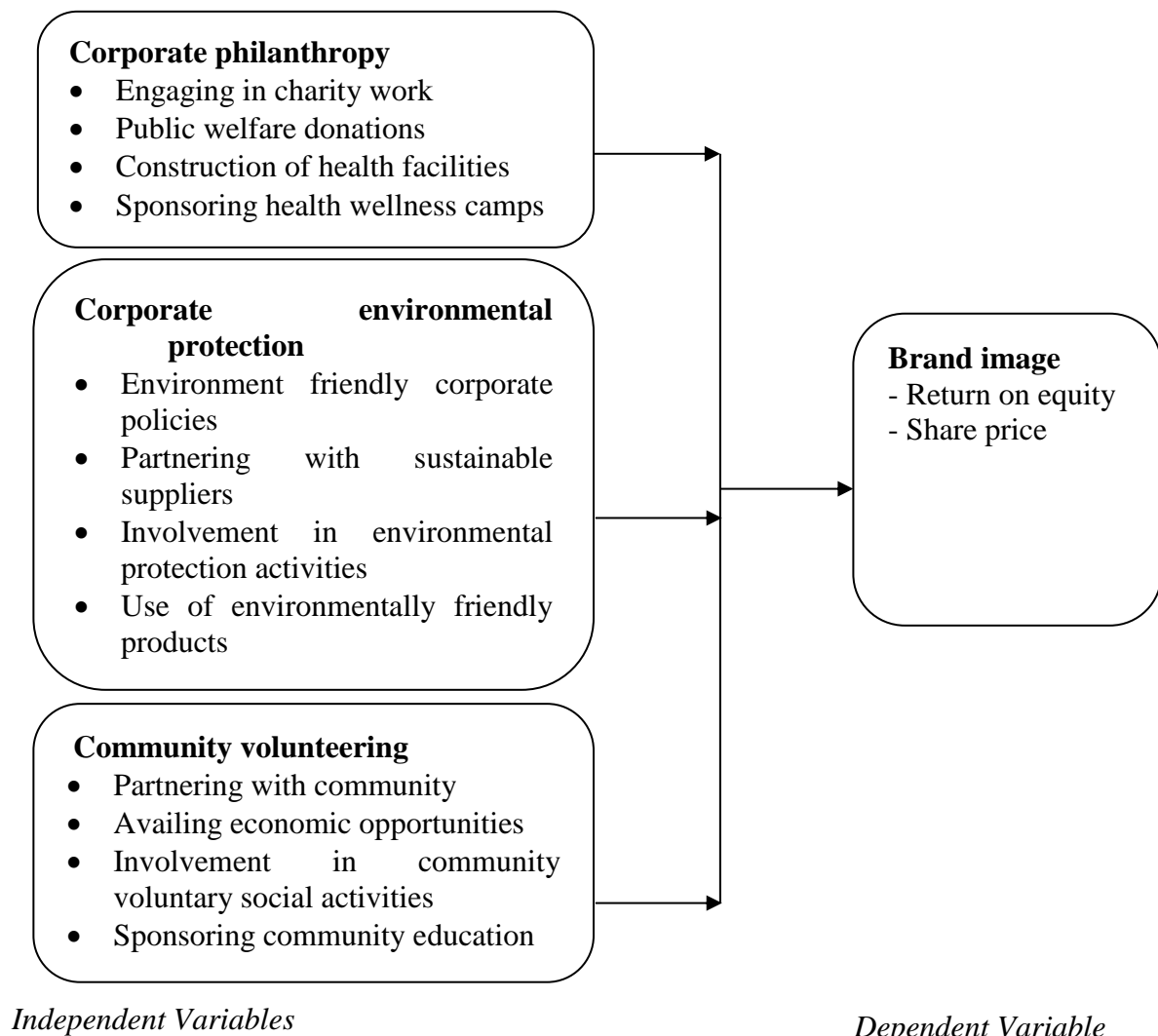
Maldonado-Guzman et al. (2017) conducted a survey in Mexico to determine the effect of economic CSR on brand image and company reputation in small- to medium-sized enterprises. A sample of 308 businesses that were active in the state of Aguascalientes served as the study's basis. According to the study's findings, businesses may also boost public welfare and CSR implementation through marketing initiatives. Important strategies for doing this include cause-related marketing, connecting donations to certain public welfare concerns based on product sales, and donating a percentage of the proceeds from product sales. These kinds of programs help brands achieve their goals by increasing consumer confidence in their moral and social responsibility.

2.4 Conceptual Framework

The figure below presents the conceptual framework of the study. The framework demonstrated the link between banks' CSR programs and brand perception. It was hoped that CSR initiatives would enhance brand perception. The amount of money spent by banks on contributions and other forms of charity giving serves as a proxy for CSR in relation to emerging economies.

FIGURE 1

Conceptual framework



Source: Author (2021)

2.5 Operationalization of the Variables

The first independent variable was philanthropic CSR practices. Philanthropic CSR practices, ethical-based CSR practices, and community-based CSR practices are the independent variables while brand image is the dependent variable. These variables were operationalized and measured as indicated in table 1 below.

TABLE 1
Operationalization of the Variables

Type	Indicator	Operationalization	Measurement
Independent	Corporate philanthropy	<ol style="list-style-type: none"> 1. Engaging in charity work 2. Public welfare donations 3. Construction of health facilities 4. Sponsoring health wellness camps 	Nominal scale
Independent	Corporate environmental protection	<ol style="list-style-type: none"> 1. Environment friendly corporate policies 2. Partnering with sustainable suppliers 3. Use of environmentally friendly products 4. Involvement in tree planting projects 	Nominal scale
Independent	Community volunteering	<ol style="list-style-type: none"> 1. Partnering with community 2. Availing economic opportunities 3. Involvement in community voluntary social activities 4. Sponsoring community education 	Nominal scale
Dependent	Brand image	<ol style="list-style-type: none"> 1. Share price changes 2. ROE 	Nominal scale

Source: Author (2021)

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodological steps taken to accomplish the goals of the current research investigation. The goal of the study is to ascertain how CSR has an impact on commercial banks' brand perception. The research design, target population, sampling technique, research instrument, and validity and reliability of the instruments are the sub-sections used to arrange the chapter. Procedures for collecting data, as well as data processing and analysis, are additional sub-sections.

3.2 Research Design

The descriptive research plan was used for this investigation. Data are gathered using a descriptive research design to answer questions about the state of the study's subject today (Doyle et al., 2020). The design was appropriate since it enabled the researcher to gain reliable results by providing in-depth information about the CSR of the chosen banks.

3.3 Target Population

The study focused on all 11 Kenyan listed commercial banks. Nearly all of the securities traded on the stock market are brands. The fact is that businesses with powerful brands simply outperform those who claim not to care about branding. The importance of having a strong brand with a solid reputation will increase as marketplaces grow more open. A powerful brand is typically associated with a solid and steady market as well as substantial profits (Keller, & Brexendorf, 2020).

TABLE 2
Target Population

Category	Number
Barclays Bank Ltd.	1
CFC Stanbic Holdings Ltd.	1
I & M Holdings Ltd.	1
Diamond Trust Bank Kenya Ltd	1
HF Group Ltd.	1
KCB Group Ltd.	1
National Bank of Kenya Ltd.	1
NCBA Bank Ltd	1
Standard Chartered Bank Ltd.	1
Equity Group Holdings	1
Co-operative Bank Ltd	1
Total	11

3.4 Sampling, Sample, and Sampling Procedure

The sample size is the population that fits a study's demographics. Otzen and Manterola (2017) describes a sample size as the number of collective sampling sets of units that exclude the entire set defined as the population. The current study will use census sampling design to identify the target respondents. Census sampling is a type of nonprobability sampling in which all people are chosen because they are few (Mackey & Gass, 2015). Therefore, all 11 of the listed banks were chosen as the sample size for the study using a census sampling approach. Additionally, the study was carried out over a five-year period (2017-2021).

TABLE 3
Sample Size

Category	Number
Barclays Bank Ltd.	1
CFC Stanbic Holdings Ltd.	1
I & M Holdings Ltd.	1
Diamond Trust Bank Kenya Ltd	1
HF Group Ltd.	1
KCB Group Ltd.	1
National Bank of Kenya Ltd.	1
NCBA Bank Ltd	1
Standard Chartered Bank Ltd.	1
Equity Group Holdings	1
Co-operative Bank Ltd	1
Total	11

3.5 Research Instrument and Data Collection

The NSE provided the secondary data that were used in this investigation. Financial statements from the listed companies served as the data source. The Income statements and the Balance Sheets were among these. The study's foundational accounting ratios were calculated using the data.

3.6 Data Analysis and Presentation

The collected raw data was first familiarized with and inspected by the researcher before being structured into a unit that could be managed. The Statistical Package for Social Sciences was used to examine the data (SPSS). The collected data was compiled using descriptive analysis. Descriptive analysis, according to Kaushik and Mathur (2014), entails finding patterns in the collected data to respond to what, who, where, and to what extent queries. This method provides concise summaries of samples and observations based on the collected data. The method makes it easy to summarize statistics in graphic forms like tables, graphs, and pie charts.

As a result, the researcher was able to show numerical data in tables and graphs for easier readings thanks to the descriptive analysis.

To ascertain the association between independent variables and dependent variables, multiple linear regression was also performed. Multiple linear regression is used to evaluate the relationship between two or more independent variables and one dependent variable, according to Berger, Maurer, and Celli's (2018) research. The researcher can gauge the relationship's strength using this method. The method provides a precise and accurate knowledge of the relationship between each data and the result (Berger et al., 2018). In the context of the Kenyan banking sector, the researcher can thus determine how strong the association between CSR practices and the degree of brand image is. To determine whether there is a linear statistical relationship between the variables, the researcher used analysis of variance. Multiple regression was formalized as:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Where: Y = Dependent variable (Brand image)

β =coefficient

$\beta_{1, 2, 3, 4}$ = Beta coefficients

X_1 = Corporate Philanthropy

X_2 = Corporate Environmental Protection

X_3 = Community Volunteering

e = Error term

3.9 Diagnostic Tests

In order to determine whether the data obtained are appropriate for regression analysis, the study performed a number of diagnostic tests. Autocorrelation, heteroscedasticity, normalcy, and multicollinearity tests were among them.

3.9.1 Normality

When a regression model is fitted, normality tests are used to determine if the residuals are normally distributed (Yazici and Yolacan, 2007). The Shapiro-Wilk test was used to determine whether a person is normal. The data's null hypothesis of normal distribution is rejected if the chosen alpha level is 0.05 and the p-value is less than 0.05. When the p-value exceeds 0.05, the null hypothesis is not ruled out. The reliability of the regression estimations may be compromised when the residual errors are not regularly distributed (Razali and Wah, 2011).

3.9.2 Autocorrelation

The link between a variable's present value and its previous values is measured by the autocorrelation test. The data were subjected to the Durbin Watson test for autocorrelation. According to Tsay (2005), autocorrelation is a scientific way of expressing how closely two time series data sets may be compared over successive time intervals. There is no evidence to suggest that autocorrelation exists when the Durbin-Watson indicator is between 1.5 and 2.5.

3.9.3 Multicollinearity

High inter-correlations between independent variables in a multiple regression model are what this is. The study used the Variance of Inflation Factors (VIF) study and tolerance to test for multicollinearity. The likelihood that a predictor variable included in a regression model may have a substantial linear connection with another independent variable is represented by multicollinearity. When the tolerance value is less than 0.2 or 0.1 simultaneously and the VIF value is 10 or above, the multicollinearity is deemed problematic (Tsay, 2005).

3.9.4 Heteroscedasticity

Conclusions were drawn after this underwent testing utilizing the Breusch-Pagan/Cook-Weisberg technique, (Gujarati, 2003) lack of consistent error variance is known as heteroscedasticity. This conundrum leads to bias in the standard errors, inaccurate test statistics, and erroneous confidence intervals in the results. Breusch-Pagan/Cook-Weisberg test was selected because it may be used with error terms in non-normal and nonlinear models (Berry & Feldman 1985). The formula for this chi square test is nR^2 , where n is the sample size, R^2 is the unadjusted coefficient of determination of the auxiliary regression, which is an equation for regression between predictor variables and lagged squared error terms with degrees of freedom (df), and m is the number of independent variables. Heteroscedasticity shouldn't be a bother unless things are really bad because it doesn't lead to biased parameter estimates (Long and Ervin, 2000).

CHAPTER 4: FINDINGS AND DISCUSSION

In this study, it was determined how CSR affected Kenya Commercial Banks' brand perception. The chapter therefore summarizes the results of the secondary data analysis using panel data on the financial statements and annual reports of listed commercial banks. The NSE website and the banks' websites served as the data's primary sources. A study of the panel data's descriptive and exploratory data opens the chapter. Diagnostic testing is then undertaken in the second section to check for the presence of panel level stationarity, multicollinearity of independent variables, serial correlation, cross sectional dependence, heteroscedasticity, and normality of error terms. The impact of the three independent variables on brand image from the viewpoints of Kenya's listed commercial banks is then examined using multiple linear regressions. The chapter concludes with a summary of the main findings and a discussion of the study's findings (including comparisons and contrasts with those of other research).

4.2 Response Rate

A response rate of 91% was achieved using panel data taken from the audited financial statements and integrated annual reports of the listed commercial banks in Kenya. Secondary data on CSR activities related to corporate philanthropy, corporate environmental protection, community volunteerism, and brand image measured using performance measures of ROE and EPS were successfully obtained by the researcher. The researcher discovered that the National Bank of Kenya (NBK), one of the organizations, was a division of Kenya Commercial Bank (KCB), making it an implementing partner in the CSR initiatives.

4.3 Descriptive Statistics

All of the variables' descriptive patterns were looked at in the study, and the results are presented in the following tables. The minimum value, maximum value, mean, and standard deviations were provided for each study variable. Additionally, Pearson correlation analysis was discussed, and it showed the association between the independent variables and the dependent variable (the brand image of Kenyan commercial banks) (corporate philanthropy, corporate environmental protection, and community volunteering).

4.3.1 Corporate philanthropy

The study sought to establish the trend in corporate philanthropy over the study period of 2017-2021 computed by the ratio of corporate philanthropy initiatives to overall CSR initiatives of the listed commercial banks in Kenya.

TABLE 4
Corporate Philanthropy

	Mean	Std. Deviation
2017	0.411	0.207
2018	0.388	0.195
2019	0.498	0.235
2020	0.445	0.189
2021	0.446	0.166
Average	0.437	0.198

FIGURE 2
Corporate Philanthropy Time Series

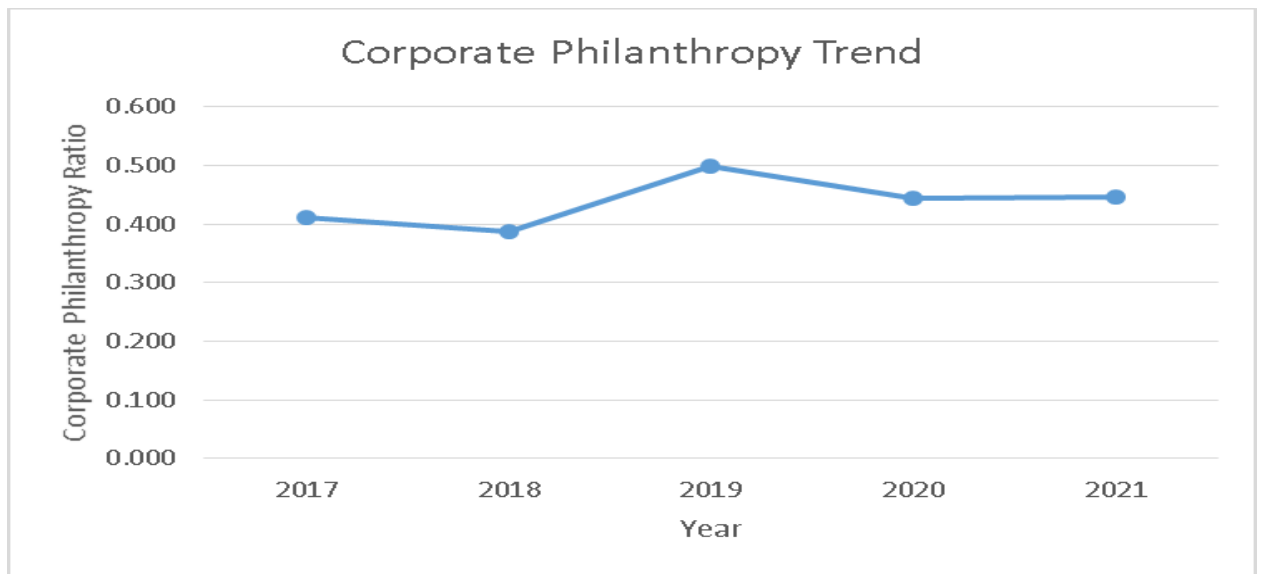


Table 4.2 displays the findings of the descriptive statistics for the corporate philanthropy variable, which has a time series of data and 48 observations total. The corporate philanthropy ratio, as indicated in the table, varied from 0.3882 to 0.4982, with a mean average of 0.43746 and a standard deviation of 0.19835. Figure 4.2 shows the trend in corporate donation over the five-year period (2017-2021). The corporate philanthropy trend findings among Kenya's listed commercial banks were highest in 2019 and lowest in 2020.

Likewise, Mutavi (2020) looked into how CSR helped to improve Kenya Commercial Bank's corporate image (KCB). The study used a descriptive research design that was based on Carroll's Pyramid of Corporate Social Responsibility and grounded in the stakeholder theory. Through the use of questionnaires and interviewing protocols, the study triangulated its data collection. The study found a significant link between KCB's business reputation and CSR efforts. A strong corporate image was fostered through KCB's institutional commitment to fostering possibilities for education, humanitarian aid, environmental protection, business

development, and health. Moreover, Lins et al. 2017) found in their study conducted during the financial crisis of 2008–2009 that enterprises with stronger social capital had high stock returns that were four to seven percentage points higher than firms with lower social capital. In comparison to low-CSR businesses, which increased debt more, high-CSR businesses also had stronger profitability, growth, and sales per employee. Building trust between the company, investors, and stakeholders appears to be beneficial, particularly when businesses are subjected to unfavorable economic shocks, according to studies.

4.3.2 Corporate environmental protection

The study sought to establish the trend in corporate environmental protection of listed commercial banks in Kenya over the study period of 2017-2021 computed by determining the ratio of corporate environmental protection in relation to overall CSR initiatives investment.

TABLE 5
Corporate Environmental Protection

	Mean	Std. Deviation
2017	.254	.141
2018	.231	.131
2019	.221	.126
2020	.245	.114
2021	.212	.126
Average	.233	.128

FIGURE 3

Corporate Environmental Protection Trend

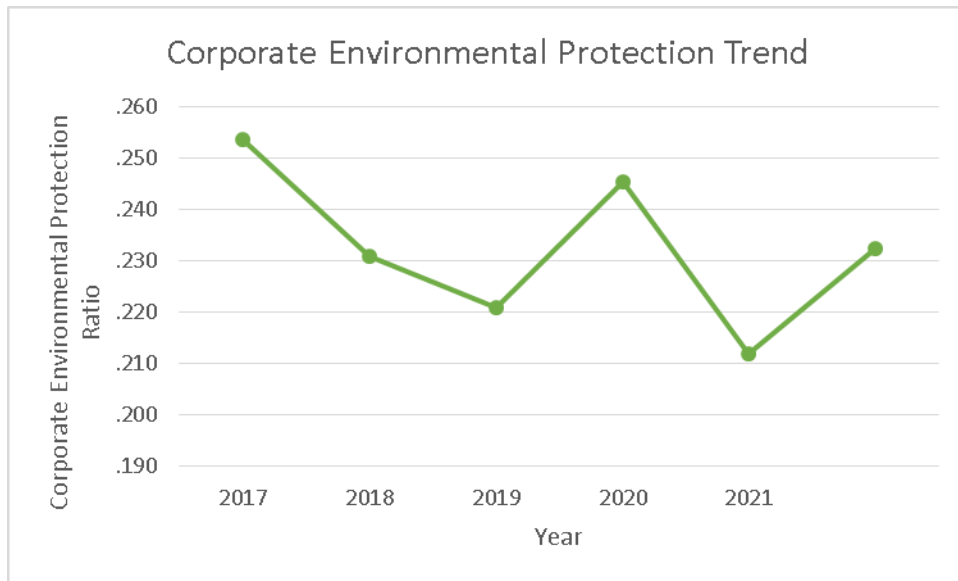


Table 4.4 displays the findings of the descriptive statistics for the time series data for the corporate environmental protection variable, which has 48 observations total. The business environmental protection ratio had a standard deviation of 0.128, an average of 0.233, and a range of 0.212 to 0.254. Figure 4.3 shows the trend in corporate environmental protection during the five-year period (2017-2021). According to the business environmental protection trend statistics, investment peaked in 2017 before progressively declining in 2018 and 2019, increasing significantly in 2020, and then declining in 2021. On the contrary, the case of Equity Bank Kenya Limited was the topic of a study by Muhumed (2018) on the competitive advantage and corporate social responsibility policies of commercial banks in Kenya. The study finds that CSR improved relationships with key stakeholders, particularly customers; the bank struck a balance between the need to increase shareholder value and be a good corporate citizen; CSR conservation initiatives increased customer loyalty; the bank educated the community about the

importance of environmental preservation; and the bank provided basic financial management training to SMEs. Families who were empowered through entrepreneurship and received CSR advantages remained loyal to the company, enhancing its reputation. Employees occasionally received financial benefits.

Likewise, Karim et al., (2019) examined the effect of corporate boards' legal roles and corporate social responsibility on the performance of Malaysian listed firms between 2006 and 2017. Marketplace, environment, community, and workplace are the four components of corporate social responsibility (CSR). Only the marketplace of the four CSR dimensions has a positive and substantial relationship with EPS and a negative and significant relationship with ROA. In contrast, there is little correlation between environment, community, and workplace with any performance indicator, which places corporations in a dubious legal position.

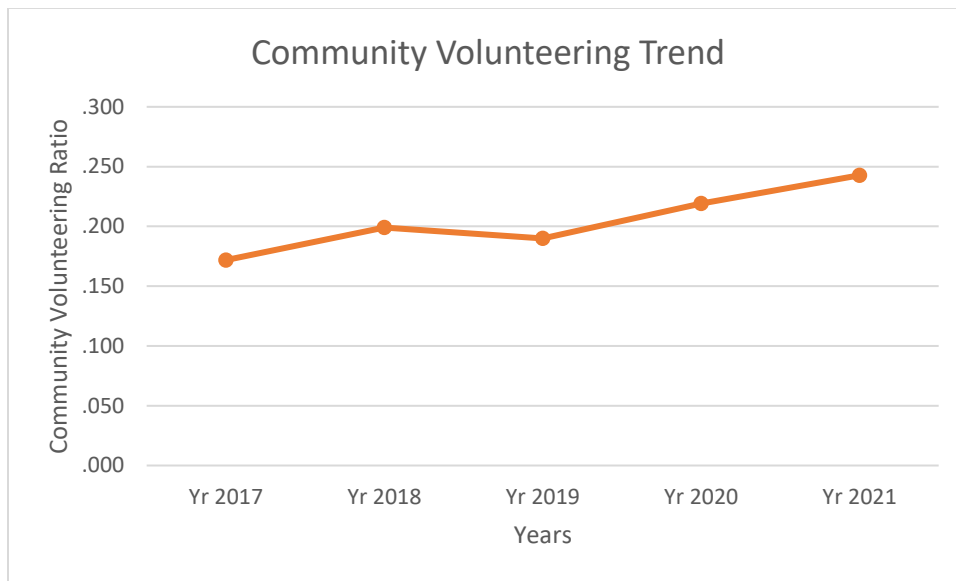
4.3.3 Community volunteering

The study sought to establish the trend in community volunteering amongst listed commercial banks in Kenya over the study period of 2017-2021.

TABLE 6
Community Volunteering

	Mean	Std. Deviation
2017	.172	.139
2018	.199	.123
2019	.190	.150
2020	.219	.154
2021	.243	.174
Average	.205	.148

FIGURE 4
Community Volunteering Trend



The results of the descriptive statistics for the community volunteering variable, which was calculated as the ratio of community volunteering investments to all other CSR investments made by banks, are shown in Table 4.6. Between 0.172 and 0.243, with an average of 0.205 and a standard deviation of 0.148, was the range of the community volunteering investment mean ratio. Figure 4.4 shows the community trend during the five-year period (2017-2021). The trend findings among Kenya's listed commercial banks show that they have seen steady growth, with the exception of 2019 when they experienced a decrease and 2021 having the highest investment ratio.

Likewise, an investigation by Gangi et al. (2019) into the European banking sector sought to determine whether and how CSR knowledge impacts financial performance. The study lasted seven years, from 2009 to 2015, and covered 72 banks from 20 different European nations. This investigation produced two types of findings. First, the internal CSR of banks has a favorable impact on citizenship performance, which is compatible with the idea of absorptive knowledge

capacity. In keeping with the reputational impact of CSR, citizenship success is a strong predictor of a bank's financial performance. From a knowledge-based approach, accumulated internal CSR expertise is essential for carrying out effective CSR initiatives for external stakeholders. Al Mubarak et al., (2019) study focused on the impact of social responsibility on a bank's brand. The poll included 240 bank clients, and the data was gathered through questionnaires. Regression and factor analysis were also taken into account for the research data that had been gathered. The findings showed that customers had positive perceptions of banks that participated in CSR initiatives. Regression analyses demonstrated a statistically significant association between corporate social responsibility and banks. The research found that banks should undertake more morally motivated CSR efforts that assisted boost community welfare and their business image. While this research looked at the corporate image of state-owned commercial organizations in Kenya, the study was done across banks in Bahrain.

In their 2018 study, Makanyeza, Chitambara, and Kakava used perception data from a sample of 155 enterprises over a three-year period to examine the impact of CSR dimensions on firm performance in Harare, Zimbabwe. Structural equation modeling was employed to test the research hypotheses. According to the study, relationships with employees, clients, the community, and investors all benefited a company's performance. Supplier relations, diversity relations, or environmental relations did not affect business performance. Future research as well as theory, policy, and practice are all affected by the study.

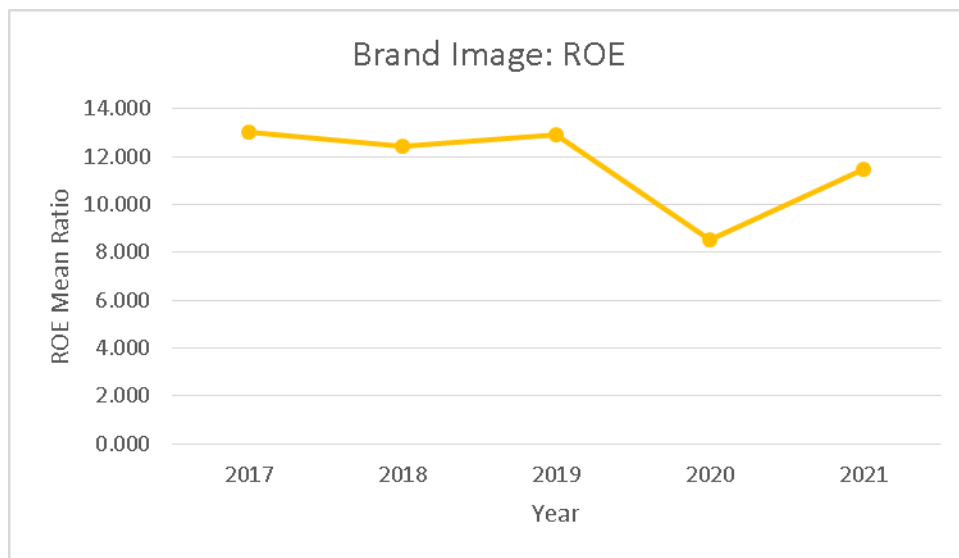
4.3.4 Return on equity

The study explored the trend in ROE as a measure of brand image for the listed commercial banks in Kenya over the study period of 2017-2021 as illustrated in Table 4.7 and Figure 4.5.

TABLE 7
Return on Equity

	Mean	Std. Deviation
2017	13.023	7.540
2018	12.434	8.787
2019	12.934	8.787
2020	8.522	5.643
2021	11.476	82
Average	11.678	7.752

FIGURE 5
Return on Equity Trend



With an average of 11.678 and a standard deviation of 7.752, the ROE mean ratio ranged from 8.522 to 13.023. The displayed trend findings on ROE for the years 2017 to 2021 show a

downward tendency from 2017 to 2018, an uptick in 2019 before a little decline in 2020 and a rise in 2021.

Correspondingly, Muhumed (2018) study intended to ascertain the impact that CSR has on the operating results of commercial banks in East African nations. One of key conclusions of the study is that there is a substantial association between the independent variables (CSR practice, GDP, and financial leverage) employed in the model and the dependent variable (ROA).

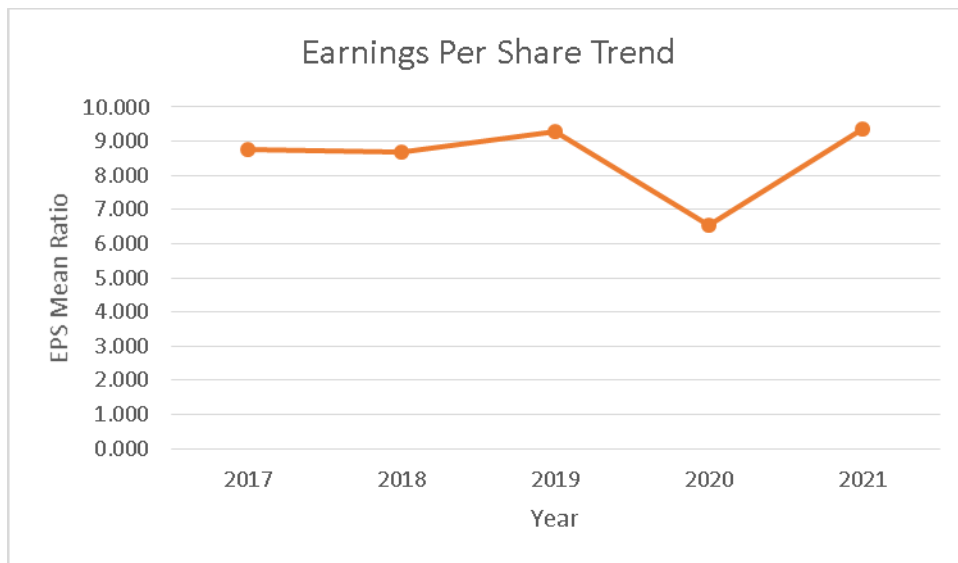
4.3.5 Earnings per share

The study investigated the trend in EPS as a measure of brand image for the listed commercial banks in Kenya over the study period of 2017-2021 as illustrated in Table 4.8 and Figure 4.6.

TABLE 8
Earnings per Share

	Mean	Std. Deviation
2017	8.752	8.656
2018	8.686	9.284
2019	9.276	8.371
2020	6.550	5.336
2021	9.371	8.583
Average	8.527	8.046

FIGURE 6
Earnings per Share Trend



The standard deviation was 8.046, while the range of the EPS mean ratio was 6.550 to 9.371. According to the trend data on EPS for the years 2017 to 2021, there was a steady increase from 2017 to 2019, a sharp decline in 2020, and then a significant increase in 2021.

Similarly, Lins et al. (2017) found in their study conducted during the financial crisis of 2008–2009 that enterprises with stronger social capital had high stock returns that were four to seven percentage points higher than firms with lower social capital. In comparison to low-CSR businesses, which increased debt more, high-CSR businesses also had stronger profitability, growth, and sales per employee. Building trust between the company, investors, and stakeholders appears to be beneficial, particularly when businesses are subjected to unfavorable economic shocks, according to studies.

4.3.6 Correlation analysis

The associations between each of the independent factors and the dependent variable

were proven to be related by the Pearson correlation presented in Table 4.9, and the results showed that all the variables were significant at the 95% level of confidence. According to Mugenda & Mugenda (2003), correlation analysis is useful in determining the link between independent and dependent variables. Correlation analysis also demonstrates the intensity and positivity or negativity of relationships between variables, which can range from -1 to 1. The association between corporate philanthropy, corporate environmental protection, community service, and brand image of listed commercial banks in Kenya was identified by correlation analysis.

TABLE 9
Correlation Analysis

		Corporate philanthropy	Corporate environmental protection	Community volunteering	Earnings Per Share	Return on Equity
Corporate philanthropy	Pearson	1	.735*	.285	.262	.767**
	Correlation					
	Sig. (2-tailed)		.010	.396	.437	6
	N	11	11	11	11	11
Corporate environmental protection	Pearson	.735*	1	.178	.306	.461
	Correlation					
	Sig. (2-tailed)	.010		.600	.359	.154
	N	11	11	11	11	11
Community volunteering	Pearson	.285	.178	1	.353	.155
	Correlation					
	Sig. (2-tailed)	.396	.600		.287	.649
	N	11	11	11	11	11
Earnings Per Share	Pearson	.262	.306	.353	1	.297
	Correlation					
	Sig. (2-tailed)	.437	.359	.287		.375
	N	11	11	11	11	11
Return on Equity	Pearson	.767**	.461	.155	.297	1
	Correlation					
	Sig. (2-tailed)	6	.154	.649	.375	
	N	11	11	11	11	11

According to the results, corporate philanthropy and corporate environmental protection are significantly and positively associated, as demonstrated by a Pearson correlation of 0.735 and a p-value of 0.010. Additionally, there was a statistically insignificant link between corporate donation and community volunteering, with a Pearson correlation of 0.285 and a p-value of 0.396. Statistically insignificant link on the same scale, with a Pearson correlation of 0.262 and p-value of 0.437 indicating a weak and inconsequential correlation with corporate giving. Additionally, there was a statistically significant association between corporate philanthropy and ROE, with a Pearson correlation of 0.767 and a p-value of 06 demonstrating this.

According to the findings, corporate philanthropy is strongly and positively connected with corporate environmental preservation, as demonstrated by a Pearson correlation of 0.735 and a p-value of 0.010. With a Pearson correlation of 0.178 and a p-value of 0.600 indicating a statistically negligible link, community volunteering and environmental preservation were only weakly and insignificantly connected. A statistically insignificant link was found between community environmental protection and EPS, with a Pearson correlation of 0.306 and a p-value of 0.359. A modest and inconsequential association between community environmental protection and ROE was found, with a Pearson correlation of 0.461 and a p-value of 0.154 indicating that there was no statistically significant correlation.

The results for corporate philanthropy were as follows: there was a weak and negligible link between corporate philanthropy and community volunteering, as indicated by a Pearson correlation of 0.285 and a p-value of 0.396. With a Pearson correlation of 0.178 and a p-value of 0.600, business environmental protection and community volunteering were only weakly and insignificantly associated. With a Pearson correlation of 0.353 and a p-value of 0.287, community volunteering was only marginally and insignificantly connected with EPS. A small

and negligible link between community service and ROE was found, with a Pearson correlation of 0.155 and a p-value of 0.649 indicating a statistically significant relationship.

4.4 Diagnostic Tests

The study conducted the following tests: normality, autocorrelation, multicollinearity, heteroscedasticity to find out if the assumptions of linear model were met.

4.4.1 Normality test

The Shapiro-Wilk test was used to determine whether a person is normal. Based on the findings, corporate philanthropy and return on equity had p-values that were less than 0.05 (0.03 and 0.030 respectively), therefore the null hypothesis that the data are normally distributed is rejected. On the other hand, corporate environmental protection, community volunteering and earnings per share had p-value greater than 0.05 (0.054, 0.699 and 0.203) therefore the null hypothesis that the data are normally distributed is accepted.

TABLE 10
Shapiro-Wilk Test for Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Corporate Philanthropy	.326	11	.2	.764	11	.3
Corporate Environmental Practices	.213	11	.174	.858	11	.054
Community Volunteering	.147	11	.200*	.954	11	.699
Earnings per share	.165	11	.200*	.903	11	.203
Return on equity	.215	11	.166	.838	11	.030

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

4.4.2 Autocorrelation test

The data were subjected to the Durbin Watson test for autocorrelation. According to Tsay (2005), there is no evidence to suggest that autocorrelation exists when the Durbin-Watson indicator is between 1.5 and 2.5. The study findings showed Durbin-Watson indicator was 2.742 when earnings per share is applied as the dependent variable and 1.706 when return on equity is adopted as the dependent variable. This implied that there was evidence to depict that autocorrelation exists between the variables when earnings per share is applied as the dependent variable. Moreover, there was no evidence to depict that autocorrelation exists between the variables when return on equity is applied as the dependent variable.

TABLE 11
Autocorrelation Test Using Durbin Watson

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.431 ^a	.186	-.163	7.96853	2.742
a. Predictors: (Constant), corporate philanthropy, corporate environmental protection, and community volunteering).					
b. Dependent Variable: earnings per share					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.786 ^a	.617	.453	5.60955	1.706
a. Predictors: (Constant), corporate philanthropy, corporate environmental protection, and community volunteering					
b. Dependent Variable: Return on Equity					

4.4.3 Multicollinearity test

The study used the Variance of Inflation Factors (VIF) study and tolerance to test for multicollinearity. When the tolerance value is less than 0.2 or 0.1 simultaneously and the VIF

value is 10 or above, the multicollinearity is deemed problematic (Tsay, 2005). According to the findings in Table 4.12, the tolerance values were above 0.1 while the VIF values were below 10 and thus the conclusion that the multicollinearity is unproblematic.

TABLE 12
Multicollinearity

Model		Unstandardized Coefficients		Standardized Coefficients		T
		B	Std. Error	Beta		
1	(Constant)	-.338	7.761			.044
	Corporate Philanthropy	-.994	20.512	-.025		.048
	Corporate Environmental Protection	17.962	33.590	.269		.535
	Community volunteering	25.164	28.710	.312		.877
a. Dependent Variable: Earnings Per Share						
Model		Unstandardized Coefficients		Standardized Coefficients		T
		B	Std. Error	Beta		
1	(Constant)	-.676	5.463			-.124
	Corporate Philanthropy	39.026	14.439	.957		2.703
	Corporate Environmental Protection	15.659	23.646	-.228		-.662
	Community volunteering	-6.342	20.210	-.077		-.314
a. Dependent Variable: Return on Equity						

4.4.4 Heteroscedasticity test

Conclusions were drawn after this underwent testing utilizing the Breusch-Pagan/Cook-Weisberg technique, (Gujarati, 2003) lack of consistent error variance is known as heteroscedasticity. The p-value when both EPS and ROE are dependent variables is greater than 0.05 (0.406 and 0.512) implying that there is no heteroscedasticity problem.

TABLE 13
Heteroscedasticity Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6290.041	3	2096.680	1.114 _b	.406
	Residual	13169.34	7	1881.336		
	Total	19459.39	10			

a. Dependent Variable: sqres

b. Predictors: (Constant), corporate philanthropy, corporate environmental protection, and community volunteering

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2266.210	3	755.403	.84 _b	.512
	Residual	6259.538	7	894.220		
	Total	8525.748	10			

a. Dependent Variable: sqres1

b. Predictors: (Constant), corporate philanthropy, corporate environmental protection, and community volunteering

4.5 Regression Model Summary

The table below shows the regression model.

TABLE 14
Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786 ^a	.617	.453	5.60955

a. Predictors: (Constant), corporate philanthropy, corporate environmental protection, and community volunteering

b. Dependent Variable: Return on Equity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.431 ^a	.186	-.163	7.96853

a. Predictors: (Constant), corporate philanthropy, corporate environmental protection, and community volunteering

b. Dependent Variable: Earnings Per Share

When ROE and EPS are used independently as the dependent variables, the results of the regression model are shown in Table 4.14. $R^2 = 0.786$ and $R^2 = 0.431$ are displayed. The results show that the independent factors (corporate philanthropy, corporate environmental protection, and community volunteering) taken into account in this study can explain 78.6% and 43.1% of the variance in ROE and EPS, respectively. The findings of Nwude, Udeh, and Nwude's (2020) study, which looked at how corporate social responsibility (CSR) affected deposit money banks' performance in Nigeria, revealed that CSR had a weakly positive impact on earnings per share and market price per share, a strong positive impact on return on assets, and a weakly negative impact on return on equity. Additionally, the findings showed that CSR had an impact on the banks' corporate financial performance indices in the setting of Nigeria's growing market.

TABLE 15

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	355.363	3	118.454	3.764	.068 ^b
	Residual	220.269	7	31.467		
	Total	575.633	10			

a. Dependent Variable: Return On Equity

b. Predictors: (Constant), corporate philanthropy, corporate environmental protection, and community volunteering

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	101.628	3	33.876	.534	.674 ^b
	Residual	444.482	7	63.497		
	Total	546.110	10			

a. Dependent Variable: Earnings Per Share

b. Predictors: (Constant), corporate philanthropy, corporate environmental protection, and community volunteering

Table 4.16 reveals that there was an insignificant relationship between CSR initiatives and brand image of listed commercial banks in Kenya since the p-values 0.068 and 0.674 are greater than 0.05.

TABLE 16
Coefficients^a

Model		Unstandardized Coefficients		Std.	Standardized Coefficients	
		B	Error		Beta	t
1	(Constant)	-.676	5.463		-.124	.905
	Corporate philanthropy	39.026	14.439	.957	2.703	.031
	Corporate environmental protection	15.659	23.646	-.228	-.662	.529
	Community volunteering	-6.342	20.210	-.077	-.314	.763

a. Dependent Variable: Return on Equity

Model		Unstandardized Coefficients		Std.	Standardized Coefficients	
		B	Error		Beta	t
1	(Constant)	-.338	7.761		.044	.967
	Corporate philanthropy	-.994	20.512	-.025	.048	.963
	Corporate environmental protection	17.962	33.590	.269	.535	.609
	Community volunteering	25.164	28.710	.312	.877	.410

a. Dependent Variable: Earnings Per Share

The coefficient model results in Table 4.16 illustrates the regression equation as follows

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

$$\text{ROE} = 0.676 + 39.026X_1 - 15.659X_2 - 6.342X_3 + e$$

$$\text{EPS} = 0.338 - 0.994X_1 + 17.962X_2 + 25.164X_3 + e$$

According to the ROE results, corporate philanthropy, corporate environmental protection, and community volunteering would increase ROE change by 0.676 if all other variables were held constant at zero. A unit change in corporate philanthropy would result in a 39.026 increase in listed banks' brand image, a unit change in corporate environmental practices would result in a 15.659 decrease in listed banks' brand image, and a unit change in community volunteering would result in a 6.342 decrease in listed banks' brand image, according to the results presented.

Similar to this, Amara's (2019) study sought to determine how corporate social responsibility affected company performance. Kenya Women Finance Trust is a case study. According to the report, there is not enough money allocated by the organization for its corporate social responsibility project to protect the environment. The study also found that firms' performance is impacted by environmental preservation as a corporate social responsibility activity. The study also discovered that financial literacy programs help businesses get more clients and operate more profitably. The study also found that volunteerism among employees raises the profile and financial success of organizations.

According to the EPS results, corporate philanthropy, corporate environmental protection, and community volunteering would result in an EPS change of 0.338 when all factors were taken into consideration and set to zero. The results also demonstrated that, when all other factors were held constant, a unit change in corporate philanthropy would result in a 0.994

decrease in the brand image of listed banks, a unit change in corporate environmental practices in a 17.962 increase, and a unit change in community volunteering in a 25.164 increase.

Similar to this, Muhumed's (2018) study, Equity Bank Kenya Limited, focused on the corporate social responsibility strategies and competitive advantage of commercial banks in Kenya. The study finds that CSR improved relationships with key stakeholders, particularly customers; the bank struck a balance between the need to increase shareholder value and be a good corporate citizen; CSR conservation initiatives increased customer loyalty; the bank educated the community about the importance of environmental preservation; and the bank provided basic financial management training to SMEs. Families who were empowered through entrepreneurship and received CSR advantages remained loyal to the company, enhancing its reputation. Employees occasionally received financial benefits.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the results of the preceding chapter's objectives, which were determined by the particular objectives, conclusion, and study limits. This chapter further clarifies the policy suggestions that decision-makers might put into practice to increase competitiveness. The chapter concludes with recommendations for additional research that could be helpful to researchers in the future.

5.2 Summary of Findings

According to the ratio of corporate philanthropy activities to all other CSR initiatives of the listed commercial banks in Kenya, the study intended to determine the trend in corporate philanthropy over the study period of 2017–2021. According to the research, the corporate philanthropy ratio varied between 0.3882 and 0.4982, with an average mean of 0.43746 and a standard deviation of 0.19835. Additionally, among Kenya's listed commercial banks, the trend results for corporate philanthropy were highest in 2019 and lowest in 2020.

By calculating the ratio of corporate environmental protection to total expenditure in CSR efforts, the study looked at the trend in corporate environmental protection of listed commercial banks in Kenya over the study period of 2017–2021. According to the study, the corporate environmental protection ratio had a range of 0.212 to 0.254, an average of 0.233, and a standard deviation of 0.128. Additionally, the corporate environmental protection trend statistics show that the investment peaked in 2017 before progressively declining in 2018 and 2019, increasing significantly in 2020, and finally declining in 2021.

Over the study period of 2017–2021, the study examined the trend in community service across Kenya's listed commercial banks. The average community volunteering investment mean

ratio was 0.205, with a standard deviation of 0.148, and it varied from 0.172 to 0.243. The trend findings among Kenya's listed commercial banks show that they have seen steady growth, with the exception of 2019 when they experienced a decrease and 2021 having the highest investment ratio.

Over the study period of 2017–2021, the trend in ROE was examined as a gauge of brand image for the listed commercial banks in Kenya. With an average of 11.678 and a standard deviation of 7.752, the ROE mean ratio ranged from 8.522 to 13.023 and had a range. The trend results for ROE for the years 2017 and 2021 are shown. According to the data, ROE steadily declined from 2017 to 2018, then slightly increased in 2019, was followed by a significant decline in 2020, and finally increased in 2021.

The study looked at the EPS trend as a measure of brand image for Kenya's listed commercial banks from 2017 to 2021. The standard deviation was 8.046, while the range of the EPS mean ratio was 6.550 to 9.371. According to the trend data on EPS for the years 2017 and 2021, the figure steadily rose from 2017 to 2019, then dramatically declined in 2020 before sharply increasing in 2021.

The results of the regression model showed that the independent variables (corporate philanthropy, corporate environmental protection, and community volunteering) taken into consideration in this study may account for 78.6% and 43.1% of the variance in ROE and EPS, respectively.

According to the ROE coefficient results, corporate philanthropy, corporate environmental protection, and community service would all increase ROE change by 0.676 and be held constant. A unit change in corporate philanthropy would result in a 39.026 increase in

listed banks' brand image, a unit change in corporate environmental practices would result in a 15.659 decrease in listed banks' brand image, and a unit change in community volunteering would result in a 6.342 decrease in listed banks' brand image, according to the results presented.

According to the EPS coefficient results, corporate philanthropy, corporate environmental protection, and community volunteering would result in an EPS change of 0.338 if all other variables were maintained constant at zero. The results also demonstrated that, when all other factors were held constant, a unit change in corporate philanthropy would result in a 0.994 decrease in the brand image of listed banks, a unit change in corporate environmental practices in a 17.962 increase, and a unit change in community volunteering in a 25.164 increase.

5.3 Conclusion

According to the study's findings, the banks' ongoing CSR initiatives help to increase consumer identification of their brand and market trust since people want to do business with organizations that care about their communities.

The study came to the further conclusion that listed commercial banks employ sustainable growth and financial performance to spur economic expansion and create wealth for shareholders. This is accomplished by maintaining brand awareness, increasing consumer loyalty, and encouraging staff participation for networking purposes.

The report goes on to say that the wellbeing of society, the environment, and the economy are crucial for attaining sustainable development. All three depend on one another. As a result, the failure of one directly and negatively affects the success of the other two. As a result, investing in society has a positive multiplier impact that will benefit society, the economy, and the environment. Business success and social progress are therefore intimately interwoven. To

this purpose, listed commercial banks have provided funding for neighborhood initiatives that aid in reducing social, environmental, and economic barriers. Additionally, to generate shared value and favorable societal effects.

Profit margins for businesses increase as a result of social responsibility. A firm can show that it incorporates moral principles into its operations by being socially responsible. There is no doubting that customers' purchasing decisions are now significantly influenced by local, national, and international issues as they become more aware of these issues. They thus have a tendency to spend more money with businesses that express care for and take action on topics that are important to the customers.

An organization can nurture its assets, such as goodwill, trust, and a positive reputation, by engaging in social responsibility. Businesses view their reputation and brand as one of their most precious assets, and by acting in a way that demonstrates their commitment to social responsibility, they are also encouraging the public to view them in the same way.

5.4 Recommendations

The report makes the following suggestions in light of its findings:

Today's consumers interact with brands in many ways. Banks must make sure that their identity and behavior have the desired impact in order to engage and connect with today's increasingly empowered consumer. Corporate social responsibility has become a prerequisite for any modern organization in a world where banks and other organizations' target audiences demand a company that not only offers exceptional goods and services but also gives back to the community, improves transparency, and actively engages in resolving global issues.

Since the word "social" appears right there in the name, CSR is a notion that is fundamentally social. In light of this, banks should utilize social media to its full potential when promoting their social responsibility initiatives. The banks may now contact more people than ever thanks to social media platforms. The more social media connections they can make with their customers about their CSR initiatives, the more they can engage the neighborhood.

Although management may have taken the initiative in terms of social responsibility, implementation requires teamwork. Every employee of the banks needs to participate because it shows a united front. Participating in the process will improve the morale and excitement of the staff and other organization members as they go about their business. It's true what they say: content workers are more productive workers.

Finally, non-listed banks can borrow the findings drawn to improve on their CSR investments so as to enhance their competitiveness with the listed banks. According to the findings, the listed banks attest to an enhanced brand image as a results of their CSR initiatives. Therefore, the non0listed commercial banks can evaluate their brand image in relation to their CSR investments and implement the necessary changes.

5.5 Recommendations for Further Study

Although the results have substantial implications, this study has some limitations that should be taken into account when evaluating the results. The study's foundation is a cross-sectional research design with boundaries between exposure and results. It is advised that longitudinal and experimental research be used in future studies to establish a true cause and effect link. In order to demonstrate links between CSR-brand image, the study also looked at 11 businesses. To learn more about the nature of this link, future research may involve more

companies. Thirdly, they recognize that future researchers should retest their theoretical model using a structural equation modeling (SEM) path model of interactions. In this work, the researchers favored employing the conventional hierarchical regression for examining the moderating effect.

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APPENDICES

APPENDIX 1: LISTED COMMERCIAL BANKS IN KENYA

1. Barclays Bank Ltd.
2. CFC Stanbic Holdings Ltd.
3. I & M Holdings Ltd.
4. Diamond Trust Bank Kenya Ltd
5. HF Group Ltd.
6. KCB Group Ltd.
7. National Bank of Kenya Ltd.
8. NIC Bank Ltd
9. Standard Chartered Bank Ltd.
10. Equity Group Holdings
11. Co-operative Bank Ltd

Source: Central Bank Supervision Annual Report, 2020

APPENDIX II: DATA COLLECTION SHEET

TABLE A17

Corporate Philanthropy Ration	2017	2018	2019	2020	2021
KCB	0.49	0.50	0.55	0.43	0.54
ABSA	0.60	0.50	1	0.70	0.45
CFC	0.51	0.48	0.54	0.63	0.53
NCBA	-	-	0.31	0.23	0.31
INM	0.49	0.43	0.49	0.49	0.53
NBK	-	-	-	-	-
STANCHART	0.51	0.46	0.52	0.47	0.56
EQUITY	0.53	0.53	0.59	0.50	0.55
HFGROUP	0.47	0.40	0.45	0.44	0.41
DTB	0.48	0.50	0.53	0.48	0.53
COOP	0.44	0.47	0.50	0.52	0.49

TABLE A18

Corporate environmental protection	2017	2018	2019	2020	2021
KCB	0.33	0.28	0.34	0.41	0.27
ABSA	0.30	0.20	-	0.24	0.02
CFC	0.23	0.31	0.28	0.17	0.32
NCBA	-	-	0.15	0.17	0.11
INM	0.24	0.25	0.21	0.23	0.17
NBK	-	-	-	-	-
STANCHART	0.22	0.15	0.28	0.36	0.31
EQUITY	0.44	0.36	0.23	0.29	0.32
HFGROUP	0.34	0.37	0.34	0.29	0.33
DTB	0.32	0.31	0.36	0.35	0.32
COOP	0.37	0.31	0.24	0.19	0.16

TABLE A19

Community Volunteering	2017	2018	2019	2020	2021
KCB	0.18	0.22	0.11	0.16	0.19
ABSA	0.10	0.30	-	0.06	0.53
CFC	0.26	0.21	0.18	0.20	0.15
NCBA	-	-	0.54	0.60	0.58
INM	0.27	0.32	0.30	0.28	0.30

NBK	-	-	-	-	-
STANCHART	0.47	0.39	0.20	0.17	0.13
EQUITY	0.03	0.11	0.18	0.21	0.13
HFGROUP	0.19	0.23	0.21	0.27	0.26
DTB	0.20	0.19	0.11	0.17	0.15
COOP	0.19	0.22	0.26	0.29	0.25
R.O.E	2017	2018	2019	2020	2021
KCB	23.20	24.70	25.20	14.40	16.80
ABSA	15.7	16.8	18.8	14	19.3
CFC	16.60	17.10	14.30	10.30	13.30
NCBA		0.04	1.37	(0.55)	1.61
INM	16.79	18.10	19.28	12	12
NBK	-	-	-	-	-
STANCHART	16	19	19	11	19
EQUITY	9.92	9.62	13.06	12.10	20.10
HFGROUP	0.19	(0.29)	(0.02)	(0.85)	(0.31)
DTB	14.43	13.11	12.06	5.84	6.83
COOP	17.40	18.30	19.20	12.70	17.30

TABLE A20

E.P.S	2017	2018	2019	2020	2021
KCB	5.96	6.49	7.83	6.10	6.25
ABSA	1.28	2.10	2.35	0.77	2
CFC	14.98	15.20	15.60	13.13	18.23
NCBA		0.20	9.75	9.51	20.96
INM	16.37	19.23	12.47	9.77	4.92
NBK	-	-	-	0	-
STANCHART	17.85	20.99	21.36	13.95	23.49
EQUITY	5	5.25	5.93	5.24	10.38
HFGROUP	0.36	(1.56)	(0.29)	(4.44)	(1.54)
DTB	23.73	23.91	24.27	11.60	14
COOP	1.99	2.18	2.48	1.98	2.85