AN ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY OF THE CEMENT MANUFACTURING COMPANIES IN KENYA

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APPROVAL PAGE

Approval of the institute of Institute of Social Science

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Margaret Vivian Chari NJORE

Signature…………………………..
ABSTRACT
AN ANALYSIS OF THE CORPORATE SOCIAL RESPONSIBILITY OF THE CEMENT MANUFACTURING COMPANIES IN KENYA

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Notwithstanding the reality that a number of CSR research work are so far carried out in nations that are highly developed, not many studies were carried out locally with emphasis on the firms that manufacture cement. Arguably, CSR enables firms that manufacture cement to legitimize the business activities that they are involved in due to the extent of negative environmental effects that accompanies cement manufacturing. In general, this study focused on the analysis of firms that manufacture cement in Kenya. The study adopted descriptive and qualitative methodology. The focus was on companies that manufacture cement in Kenya. This research made emphasis on data from six team members of each company. The implication is that thirty-six (36) respondents made up the sample units. This research depended on both primary and secondary data. Statistical Package for Social Sciences (SPSS) was used in the analysis of the collected data. The study established that companies that manufacture cement are involved in CSR activities at different capacities. This research also reached a conclusion that regulations given by the Government have an influence on the companies that manufacture cement especially their CSR activities. The research equally opined that there is a high level of motivation by cement manufacturing companies specially to participate in CSR. Lastly, it can be concluded firms that manufacture cement involvement in CSR activities lead to growth and development in their operations. This is possible and will be achieved through increased market growth, improving characteristics of goods and increasing the profit levels of firms that manufacture cement. CSR initiatives have been identified as helping to reduce compliance costs, particularly with regard to pollution control. The recommendations of this research is that cement manufacturers need to raise concerns on the need for being socially responsible. Equally, the cement manufacturers need to be confident regarding managing operating expenses, so that these companies can include CSR initiatives in their annual plans.
DEDICATION

To the Almighty God, who has been my rock, when I couldn’t look back, and when I didn’t know what tomorrow holds.

To Dzame Chiro for all the times I wished you were around! Ahadi and Faraja, for all the tears and joys the thoughts of you always bring.

Jorge for all the good times we ever shared, and all the lessons too they have greatly contributed to the woman I am becoming.
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CHAPTER I
INTRODUCTION

1.1 Background

The act of corporate social responsibility (CSR) is a compelling action many companies consider fashionable on a global scale. Researchers have overtime made a consideration to clear any doubts regarding the existence of CSR (Shimshack & Kitzmüller, 2010). Economists like Friedman (1962) are of the opinion that companies need to concentrate on how to maximize profits fairly which to them they consider the ultimate social responsibility of the company. According to Freeman (1984) companies need to ensure that all stakeholders enjoy a value-additional relationship for success. Research by many scholars have shifted to the significance and rational of CSR and its effect on companies today. Mcguire and Schneeweis (1988) opines that when companies invest in CSR, they tend to enhance their public image. According to Kallio (2006) firms must have a sustainable way of being good members of the society and avoiding any negative effect on the society. In addition, Ponnu and Okoth (2009) stated that CSR-focused companies aim to improve their perceptions in the public domain, resulting in high levels of profits and revenues. According to Carroll and Shabana (2011) firms that involve in social responsibility activities enjoy improved corporate image, capital adequacy and become legitimate and acceptable in the community.

According to Jatana and Crowther (2007) global organizations have been focused on generating revenues until recently emphasis on social responsibility became fashionable and rewarding. At the present time, however, companies all over the world have limited options except the need to observe social responsibility in their operations to avoid consequences of any negative reactions by those who have interest in the company directly and indirectly. Companies have to have social commitment especially if they need to retain their customers
and sustain competitiveness in their various markets. Sorsa (2008) posit that when companies are involved in activities that are socially rewarding, they tend to succeed well financially and on non-financial terms putting in place friendly environmental policies, support for local community issues, respect for fundamental human rights and effective corporate governance.

According to Moser and Miller (2001) many companies do not conduct their businesses ethically despite them insisting that they observe social responsibility. The requirement is that companies should be in a position to operate with moral consciousness from the stakeholders’ point of view to operationalize social responsibility. Being ethical in business improves the relationship with customers and creates a sustainable partnership with different customer groupings. Failure to observe ethical responsibility creates corporate selfishness and does not legitimize the operations of the business. According to Kapoor and Sandhu (2010) the practice of ethical business is manifested in corporate behaviors such as being transparent, accountable, integrity and high corporate compliance levels.

1.1.1 Cement Industry in Kenya

In Kenya, the sector of the national economy engaged in preparation of land and construction, alteration and repair of buildings, structures and other real property has achieved tremendous improvement and has grown speedily in the recent past. During the period 2006 – 2017, the sector has experienced an average rate of growth of 14.2%. The implication is that; this has equally led to improved growth in the economy (Dyer & Blair) 2018). Firms that manufacture are very significant in this growth. These companies have difficulties in obtaining sustainability in their operations especially with respect to profit making and being socially responsible. The companies are involved in the extraction of limestone and related requirements in cement manufacturing. This activity has a serious degrading effect on the physical environment and
releases pollutants both to air, soil and water. The call to be socially responsible therefore weighs heavily on these companies and as a result, they must pay a range of fines, penalties, normal licensing and licensing costs to effectively conduct their business.

Nyaga (2011) points out that Corporate Social Responsibility (CSR) was viewed as businesses giving back to society and companies managing their processes and conducting business to avoid any kind of social and environmental harm. CSR is a relatively recent phenomenon in Kenya and many organizations are yet to figure out how to incorporate it in business. Mwangi and Oyenje (2013) conducted a study to identify how CSR activities by listed companies at the NSE relate to their performance financially. The consideration was for the companies in the manufacturing, construction and related sectors. It was established that participation in CSR relates with productive efficiency of the companies as well as improved use of financial resource and profitability. According to Murila (2013) companies that are CSR compliant tend to compete better comparatively. This particular study focused on the operations of the East African Portland Cement Company Kenya Limited. The argument is that when companies are socially responsible, they are in position to identify several business openings in collaboration with the stakeholders and become value additional and very competitive in the market.

Regarding influence of competitive advantage, Kubai and Waiganjo (2010) conducted an examination to study how strategic CSR relate to companies’ level of competitiveness among commercial in Kenya. This research established the significance of CSR in improving how the commercial banks customers perceive their service providers. This improves the relationship between the commercial banks and their customers hence high levels of business sustainability. A study by Aroni (2009) conducted an assessment of current issues in CSR activities among companies listed in Kenya. This research established that social responsibility activities of most
companies focus on environmental participation with no direct emphasis on financial gain. In another study, Wando (2010) assessed how the growing trend of SMEs in western Kenya can be associated to CSR involvement. The conclusion was that businesses can only be sustainable in the light of CSR if the local community are involved in the CSR programs to formulate and implement the same. In another study, Opilo, Mulili and Kimani (2018) found out that all the CSR initiatives adopted by Safaricom Kenya Ltd including environmental protection and management, health provision, education, autism disaster relief, culture and music, empowerment and poverty eradication had a positive relationship with the company’s competitive advantage.

1.1.2 Corporate Social Responsibility

This means how organizations engage to improve the social well-being of people. To achieve this milestone, firms must integrate societal concerns, environmental and ethical principles as part of the firm’s core guidelines towards the vision and mission of the company (Waniak-Michalak, Macuda & Krasodomska, 2016). This equally improves the decision making process of the company through improved consideration of all the stakeholders. According to Soch and Sandhu (2008) being socially responsible requires that companies exercise principles of business ethics in decision making for a sustainable society. The argument is that companies are obliged to ensure that societal members especially employees experience qualitative life courtesy of the company and to ensure improved living standards of the immediate society. Kanter (2011) posits that CSR involvement makes companies to be considered to be of value and this notion can be sustained over a good duration thus giving the company ability to compete well over a period of time.
According to Hopkins (2004) CSR is the capability of an entrepreneur to relate well with business partners to maximize societal welfare and improve sustainable profit levels. Buchholz (1991) posits that companies’ involvement in CSR is about compromising the need to make high profits and equally focus on societal benefits and improving the environment. The implication is that both the owners of the company and the other stakeholders get to benefit. Each and every company however develops an approach suitable for them as far as CSR is concerned. Further, the implication is that different approaches can be used to measure CSR involvement by companies (Maignan & Ferrell, 2000). According to Turker (2009) CSR can be measured using corporate public image measures; the nature of published information about the companies and the participation of the employees and the company in general in societal issues.

Companies in an attempt to be socially responsible tends to focus on a number of areas including among others; health and well-being of employees, integrity of the environment, ethical, legal, philanthropic and economic responsibilities. Businesses need to be conscious of the interest of the workers because they comprise of a larger portion of the assets of a business. Because employee life expectancy depends on how they choose to live, companies have a social duty to provide motivation and facilitations for a healthy work environment. In addition, various benefits must be provided to protect workers’ health wise and physically as well (Asemah, Okpanachi & Edegohe, 2013). CSR equally requires that companies be committed towards ensuring protected and improved physical environment to avoid any future generational sacrifice. The argument is that, when companies commit to protect the environment, they equally benefit economically in the long run through reduced business cost and overall reduced compliance-related financial costs. This will consequently lead to improved customer relations and the general well-being of the society. To achieve these results,
companies need to learn to use natural resources in an efficient way and invest in other energy-source options as well as methods to control pollution.

When companies operate ethically, it’s mostly based on the thinking and believe of the members as well as the need to fulfill business ethics as an obligation. Being ethically responsible means exercising environmental friendliness, payment of good salaries and ensuring that the company is not supporting any kind of oppression directly or indirectly (Lantos, 2001). The argument is that companies must include activities and operations that do not negatively affect the business socially. Companies have many opportunities including implementing operational processes that have minimal environmental damage and in return maximizes health-related advantages among workers. Regarding compliance-related responsibility, companies are required to obey all laws and this ranges from laws by the capital markets authority, laws related to the workers, environment and crime-related activities.

Kerlin and Gagnaire (2009) posit that philanthropic responsibilities are tasks covering involuntary areas of concern over and above the formal and legal requirements. The goal is to just help the community. Examples of philanthropic activities include donation of food, clothing and supporting other social amenities to maximize social welfare. Companies use philanthropy-based activities as a way of advertising their services to the public as well as benefitting the community (Kerlin and Gagnaire, 2009). The emphasis is that over the years and increasingly in the recent past, companies have used philanthropy as a way of effective implementation of CSR. This has been through donating towards community activities where the community members do not pay anything in return (Seitanidi & Ryan, 2007). The main goal of corporate philanthropy is to be socially good or to facilitate and mobilize people to donate towards a community good. When companies involve in mobilization of donations to
support communities, it leads to improved image of the company among people who are directly and indirectly related to the company (Campbell & Slcak, 2008).

Companies have an ultimate duty to maximize financial gain through high profit making and to improve the company’s market size (Ismail, 2009). This is due to the simple reasoning that companies need to make enough money to sustain business operations. This includes sustaining the salary of workers and pay other operational expenses over and above financing social responsibility. Companies can only be involved in social responsibility if they are in a position to make enough money and this is the underlying argument on being economically responsible. It is achieved by conducting business and observing the principles of integrity, good company management, developing the society economically, avoiding the giving of bribes, using locally available resources and employing locals (Asemah, Okpanachi & Edegoh, 2013).

Corporate social responsibility offers organizations a number of benefits and different ways to not only stand out from the competition, but also to cut costs (Nolan, Norton & Co, 2009). The implication is that CSR enables companies to remain competitive through improved reputation. This is because companies tend to gain the goodwill of the stakeholders. According to Nurn and Tang (2010) when companies involve themselves in CSR, they tend to perform well financially. This was manifested in tangible benefits such as ability to attract better employees, lower turnover, higher efficiency and lower operating costs. The benefits of being socially responsible are classified on the basis of benefits within the company and those outside the company as well as those that can be touched and others are not physical in nature. Some benefits are in kind and are easy to quantify financially and physically. Those benefits that cannot be touched are technical in their quantification (Nurn & Tang, 2010). The benefits that arise outside the company include the company's reputation and reduction in business risk, as
well as increased profits, good relationship with customers and reduced cost in competition (Logsdon & Wood, 2002; Orlitzky & Benjamin, 2001; Heyes, 2005). Internal benefits include learning, attracting better employees, improved job attitudes, and employee attitudes (Nurm and Tang, 2010, Logsdon and Wood, 2002, Orlitzky et al., 2003, Fulmer, Gerhart, and Scott, 2003). The resultant position is that CSR benefits companies covering what can be see the organization and those that cannot be seen.

CSR being a significant corporate practice has a number of determinants. According to Nasser and Hassan (2013) factors such as revenue generation, level of use of debt, the nature of the business, where the company is situated and the type of the company, percentage of state ownership of the company and size of the company significantly determine CSR practices. Companies that are profitable practice more CSR programs and they disclose more information than unprofitable companies. The argument is that companies not making enough profits do not have adequate financial capability to participate in social responsibility as compared to companies making more profits (Waddock & Graves, 1997). Equally the amount or percentage of debt used by a company determines their capability to participate in CSR (Al-Shammari, 2008; Aly et al., 2010; Naser, Nuseibeh, & Al-Hadeya, 2013). The argument is that companies that use a higher percentage of debts will be required to make more disclosures comparatively since financial institutions will only commit to lend on the basis of the available information and the level of reputation.

Regarding industry type, Ali (2011) posit that firms engage in variety of activities depending on the nature of their businesses and industrial inclination. Firms involved in the manufacture of goods are therefore engaged in several CSR initiatives as compared to service-based firms. The argument is that the process of manufacturing involves a network of activities comprising
of a number of stakeholders while at the same time, it’s possible to have their activities and operations be more unfriendly to the environment. Equally, the firms involved in manufacturing undertake heavy capital investment in equipment and machinery that may have environmental considerations. The requirement therefore is that firms involved in manufacturing should make public knowledge the impact of their operations on the society with respect to environment, health-related issues and the physical safety-related issues as compared to service-based companies. The motive is to avoid possible scrutiny by the society and other compliance cases from arising (Tagesson et al., 2009).

Regarding size, it can be noted that larger companies are being scrutinized by the public, which increases the likelihood that these companies will trade more socially (Fombrun & Shanley, 1990). They are more visible and need to be more legitimate in their operations as compared to smaller firms. Economic environment helps to determine how a company can engage in social responsibility. According to Campbell (2007) the nature of the business environment must be economically healthy to support business operations especially in terms of profit making. Economic environment is considered unhealthy when it is characterized by growing inflationary trends, a decline in production and reduced purchasing power from the customers’ perspective.

1.2 Statement of the Problem

Companies being socially responsible means that they put in place a set of activities that are meant to achieve the goal of wealth maximization as well as maximize the welfare of stakeholders' economically and socially. This means that there should exist a balance between meeting the interest of the owners of the business and those of the society where the business is being carried out. Dehradun (2010) posit that companies fund a number of events in the
society most of them being philanthropic such as medical assistance, sporting activities sponsorship, school fees assistance, sponsoring students on international opportunities and cleaning the existing pollution in the environment. The basis is that companies want to give back to the society as much as possible and in the process improve their corporate image and legitimize their operations. According to Friedman (2000), companies need to focus their strength on improving profit making but not at the expense of being legally and socially legitimate. This means that the goal of the company remains to maximize shareholder value as well as achieving social and human objectives (Khamah, 2014). Similarly, firms must take up activities and organizational processes that does not shift the commitment away from CSR.

Okiro, Kinyua and Omolo (2014) posit that managers in modern day organizations are beginning to accept expenses related to CSR as part of the day to day operating expenses. The basis of the argument is whether CSR involvement lead to good performance comparatively. If this is the case, then companies may need to invest more resources in CSR to achieve the benefits of good performance especially profit maximization. On the other hand, managers may need to avoid commitment of resources towards CSR in case it is not profitable. The decision to participate in CSR activities including philanthropy has a lot of dependence on how much the business benefits from such programs either financially or non-financially.

Companies involved in the manufacturing of cement needs to exercise social responsibility to help improve the well-being of the society where the company operates. The basis is that manufacturing companies’ operations have a lot of negative effects on the environment especially the mining of raw materials such as limestone and clay and the manufacturing process such as the heating process. This process may have a serious negative effect on the physical environment. Cement manufacturing companies. The social responsibility of cement
manufacturing companies is realized through development of road networks, sponsoring of needy and bright students and cleaning existing pollution and facilitation of plantation of trees to preserve the environment. The basis of this research is to put forward an argument that would help determine whether it pays for cement manufacturing companies to involve in CSR activities. Based on the above, this research hence sought to analyze the current situation of CSR as far as the cement industry in Kenya is concerned.

1.3 Objectives of the Study

To measure current situation as far as the cement industry in Kenya are concerned regarding CSR involvement.

1.3.2 Specific Objectives

i. To evaluate the CSR activities undertaken by the cement manufacturing companies on their growth and development in Kenya.

ii. To determine the CSR situation of cement manufacturing companies with reference to Government policy and their growth and development in Kenya.

iii. To establish the current CSR situation of cement manufacturing firms and the effect on the growth and development.

1.4 Research Questions

This study should answer the given questions as follows:

i. How do social problems of a company affect the growth and development of cement producers in Kenya?

ii. What impact does Government policy on CSR activities have on the growth and development of cement producers in Kenya?
iii. What effects do motives for CSR activities have on the growth and development of cement producers in Kenya?

1.5 Contribution of the Study

This research is valuable with respect to theoretical developments, policies and for practice. On a practical basis, the research focused on developing countries to create awareness on the need for these companies to participate in CSR and include such decisions in the daily operations of the company. The rationale of the study was to create awareness regarding CSR involvement especially in these regions where CSR is not very fashionable especially in growing economies Kenya, Uganda, Tanzania, Rwanda and Burundi. Few studies on corporate CSR activities have been conducted on the African continent except for some studies though in the recent past, there has been increased research. This study would help to open up different areas of study and hence increase research in the area of CSR.

Regarding contribution to policy, the Government can use the outcome of this study to formulate a number of policies to regulate operational behaviour of companies especially with respect to environmental relations. The Government has an opportunity to identify key policy areas in relation to CSR for purposes of regulations and licensing. Most of the policy issues would focus on environmental conservation and pollution control due to their negative impact on the society and sustainability of the economy.

This research equally gives information regarding the development of theories. The outcome of this research would help to develop and a number of theories. The argument is that understanding of CSR involvement would help develop a number of theoretical developments. Academically, the study also complements the existing literature on corporate citizenship and
stakeholder relations. With regard to the directives, this research helps to form CSR guidelines, in particular for companies' environmental disclosure requirements.

1.6 Limitation of the Study

This study had some shortcomings used during the study. First, the studies considered part of secondary data, the credibility of which may be doubtful, according to the source. However, the researcher made sure that only the company's pages were used. Second, the researcher interviewed some participants. This may mean that the results of the study cannot provide the status of how the firms involve in CSR. However, mechanisms were put in place to see to it that there is enough information from the respondents. Finally, some of the respondents listed are leaders who do not have time to give enough answers, especially when using the interview guide. The researcher was forced to leave behind some guidelines so they could take this time before giving the answer. Distance between Turkey and Kenya for data collection as well as access to gated offices and bureaucracy in accessing some senior officers was a huge challenge.
CHAPTER II
LITERATURE REVIEW

2.1 Introduction
This part of the research gives the theories that are considered to be in line with the study area and provides a detailed linkage between the theories and the aims of the study. It starts by reviewing the underlying theories and then a review of the studies that have been done in the past but are relevant to the current study to improve understanding of the topic. The study used a conceptual framework to show the association between the variables under study.

2.2 Theoretical Framework
Many theories exist regarding the concept of CSR. Some of the theories explain CSR on the basis of how company’s activities and operations are socially and environmentally sustainable while others look at CSR from the point of view of good relationship with stakeholders and how this affects the company financially. The study adopted four theoretical frameworks namely corporate social responsibility theory; legitimacy theory; stakeholder theory and social contract theory. The key underlying theory is the corporate social responsibility theory which gives insight on corporate performance with emphasis on outcomes that are politically, ethically, economically and socially sustainable.

Social responsibility equally makes company operations to be acceptable within the community hence the basis of legitimacy theory. Equally, the underlying argument on stakeholder theory is the fact that companies need to develop a sustainable and beneficial relationship with all stakeholders from the point of view of mutual gains. Lastly, social contract theory lays emphasis on the need for companies to respect the fact that they have been given
an opportunity to do business by the society and therefore reciprocation is important as part of the contract.

2.2.1 Corporate Social Responsibility Theory

The theory was founded by Friedman (1970). It posits that companies must be morally responsible even as they pursue profit goals. The argument is that despite firms existing as profit making legal institutions, they have to be ethically obliged to maximize the welfare of the members of the community where they operate. According to the theory therefore, companies are expected to make decisions that maximize their economic interest as well as the interest of the society. According to William and Siegel (2001) being socially responsible raises the expectation of generating profits minus jeopardizing society's well-being. Emphasis is placed on CSR being a means by which companies can relate to the community and the world in a profitable way. CSR assumes that the company balances societal, environmental and profit-related issues, considering the interests of people with both direct and indirect interest in the company. The bottom-line is that companies must adhere and focus on being ethically compliant to maximize the social good and general conditions of the people (Usman & Amran, 2015).

Utilizing utilitarianism argument, the welfare of the society should be given priority by the companies even as they focus on profit generation. Friedman (1970) opined that the need to maximize the good of all persons that have direct and indirect relationship with the company should form a major agenda in the boardroom discussions to avoid extreme focus on only the owners of the company. With this consideration, companies would be viewed as ethical and will hence be ethically accepted by society. According to Dixon (2014) socially responsible companies are environmentally conscious. Such firms employ the available resources in such
a way that they do not compromise the environment even as they focus on making profits. The resultant effect is improved public outlook of the company. Generally, social responsibility requires focus on maximizing mutual benefits on the basis of people, planet and company profitability (Elkington, 1998). The implication is that such companies will continue generating profits while being socially and environmentally acceptable and relevant.

Carroll (1991) opined that CSR include the expectations that the society have on companies. The argument is that companies are obliged to the society economically, legally, ethically and philanthropically at any given point. This set of four responsibilities creates a foundation that helps companies to understand the expectations of the society and to assess their social responsibility engagements. (Edmondson & Carroll, 1999). Carroll (2016) further outlined that economic responsibility requires organizations to make profits to facilitate the reward to investor/owners and also for business growth when profits are reinvested back into the business. The requirement is that CEOs, managers, and entrepreneurs should be aware of the significance of their businesses making profits especially from sustainability point of view. Being responsible legally means that organizations are expected and required to comply with these laws and regulations as a condition of operating. It is not an accident that compliance officers now occupy an important and high level position in company organization charts. On ethical basis, the implication is that organizations will embrace those activities, norms, standards and practices that even though they are not codified into law, are expected nonetheless (Schwartz & Carroll, 2003). Finally, regarding philanthropic responsibilities, organizations should be able to undertake voluntary activities that are not legally sanctioned. This can be achieved through distribution of food to the needy and operating free medical camps at the company’s expense.
The analysis of the four areas of CSR were coined into the Carroll pyramid as given in the Figure 2.1 below:

**Figure 2.1: Carroll’s Pyramid of CSR**

Source: Carroll (1991)

The governments of many African economies and other developing nations puts more reliance on the extent to which their companies contribute to the gross domestic product (GDP). The argument is that companies in such regions plays a key role in the determination of economic sustainability of such regions. Fox (2004) believes that this should be seen on the basis of social responsibility of the companies from the point of view of putting procedures in place to ensure that the companies perform well and can sustain their operations. The bottom-line is that such countries have continued to suffer from low levels of investments both from local and foreign
perspective. The companies therefore have a role to be socially responsible by putting in place good governance frameworks to ensure that those companies play a key role in economic development and growth. Arguably, evidence exist to explain social responsibility of companies in developing countries to have a strong foundation on the culture of being philanthropic, conducting businesses ethically and extreme consideration of the society. These practices can be traced to antiquity. Visser and Macintosh (1998) posit that from time immemorial, Hindus, Islamic religion, Buddhism and Christians have condemned unethical business practices. According to Frynas (2006) the Indian statesman and philosopher Kautilya in the 4th century BC advocated business practices based on moral principles.

Vives (2006) surveyed more than 1,300 SME’s in Latin America exploring more modern CSR applications. He noted that the religious beliefs of the region mainly motivate CSR. According to Nelson (2004) Buddhism practices consistently supports CSR. Amaeshi et al. (2006) noted that in Africa, social responsibility is based on societal and culture-related elements including community-based living, religion and philanthropy orientations. Visser (2005) on the other hand indicate that social responsibility in the African context is based on humane-related values rooted on the philosophy of African humanism (Ubuntu). The argument here is that being socially responsible is seen to be a fulfillment of a true African calling and the promotion of African values and sound humanity principles. Jamali and Karam (2018) noted that the act companies being socially responsible is taking shape locally and internationally. They claim that in developing countries there are important distinctions of CSR literature in terms of representations of CSR in practice and even at the stage of implementation of the social responsibility activities. The implication is that there has been increased participation of companies in social responsibility-related activities leading to increased social and economic sustainability of most businesses. Corporate executives are equally currently knowledgeable of
the expected societal response even as they try to make their organizations to socially responsible (Arsić, Stojanović & Mihajlović, 2017).

CSR in Africa and other developing countries is politically connected and therefore any reforms socially and politically have a lot of corporate significance. Companies in such regions experience a lot of political influence that tends to realign even their perspectives in social responsibility. According to De Oliveira (2006) business decisions regarding social responsibility have been greatly affected by the changing democracy-related factors that were manifested in the Latin America through encouragement of liberal trade policies and the selling of Government ownership of companies to private investors especially since the 1980s. Roussouw, Van der Watt and Malan (2002) posit in South Africa, increased involvement in social responsibility by companies has been due to improved democratic processes and avoiding of injustice procedures as in the past. This has made companies to embrace the humane approach to doing business as fueled by the Government’s commitment to be politically and socially sensible. The argument is that companies now focus more on how they can socially benefit the communities as they pursue profit making (Fourie & Eloff, 2005). According to Visser (2005) opined that the period 1994-2004 saw improved reformation socially, economically and environmentally and these positively influenced companies to be more involved in social responsibility activities. Further, political and regional economic blocs such as European Union has encouraged many companies to emphasize on being socially responsible since social responsibility practices were equally embraced as acceptable and legitimate practices by the EU (Baskin, 2006).

Patil and Sawant's (2014) study found that CSR activities are conducted in areas where companies benefit greatly from them. Companies gets involved in the areas of health and
family care programs, community infrastructure development projects, and contribution. In religious and social programs, promotion of cultural heritage, management of natural resources, program to strengthen the role of women, educational program, public interest activities and agricultural development. Further, the argument is that social and economic developments in developing countries affects the social responsibility involvement of enterprises and the related development priorities. The study by Amaeshi and Adi (2006) found out that the social and economic reforms in Nigeria including poverty eradication, medicare, road networks construction and the need to improve the literary levels of the nation determines corporate social responsibility focus.

The contrast is that in many European countries, the focus is on protecting consumers, improving good trade practices, focus on the environment through green technology and the use of other environmentally-friendly technologies by companies. According to Schmidheiny (2006) developing countries should not import techniques and methods of CSR since the macroeconomic environments of developing and developed countries are widely different. The argument is that most of the methods that have their origins in developed countries should not normally be included in the social responsibilities of firms in developing countries unless very relevant and sustainable. The reality is that home-made techniques towards social responsibility activities conveniently addresses social and environment-based problems of the continent including lack of employment opportunities, merciless cutting of trees, imbalance in income distribution and increased criminal activities (De Oliveira, 2006). The social responsibility activities of companies should be aligned with the country’s social and economic needs. The need is to foster a good social and economic environment within the developing countries through relevant CSR activities (Middleton, 2005). According to Bello, Banda and Kamanga (2017) participation in CSR activities in Africa has however been affected by lack
of financial capability, inadequate commitment by high level managers and insufficient communication of information regarding CSR.

There are challenges with how companies are managed in terms of the procedures and management frameworks geared towards objectives achievement and sustainable existence. These challenges have also led to increased involvement of companies in social responsibility activities. The argument is that CSR helps fill and reduce the negative effects of these challenges that may compromise service provision. The Governments in developing countries equally have a number of challenges that can only be addressed by the companies’ social responsibility participations. Such Governments cannot even address the problems of providing enough houses, improve road networks, provide electricity, medicare and education-related services to its citizens. According to Matten and Crane (2005) firms’ involvement in CSR is to be good corporate citizens. This may be achieved improved work conditions, workers should be guaranteed subsistence and the training of child laborers should be financed by legislation that requires it. The study by Ayalew (2018) found that there is no public participation in CSR activities, that well-organized NGOs are unavailable, that CSR initiatives are barely perceived due to their early development, and that clear CSR guidelines are not available. Consensus on the implementation of CSR issues, lack of attention to the social context in CSR literature, lack of direct involvement in providing instructions and pressure from parent companies of multinational companies on local CSR initiatives are some of the factors that hamper CSR practices locally.

Industrialized nations employ CSR as a tool to achieve improved economic development that can be sustained. This is achieved mostly through the companies being innovative and maintaining competition at a level that is in line with the social values of this region (Yildiz &
Ozerim, 2014). The argument is that through CSR, companies in these regions are in a position to directly participate in the economic development activities of their countries through improved innovation and the use of entrepreneurial approaches that can be sustained overtime. This has improved the relationship between businesses and consumers through the empowerment by the European Commission (EC) (EC, 2011). Fernández-Guadaño and Sarria-Pedroza (2018) argue that the principles of the CSR approach strengthen stakeholder governance. This is achieved through preparing sustainability reports on a voluntary basis to help raise awareness.

According to Godos-Díez, Cabeza-García and Fernández-González (2018) social responsibility among companies is one key way of being a better competitor as compared to other companies that are not socially responsible. This is however realized when the companies are socially, economically and environmentally sustainable leading to improvements in communities which the organization participates. The argument is that CSR has a direct influence on corporate governance, so that companies increasingly take into account societal concerns and build confidence among those who have direct and indirect interest in the company. Dyduch and Krasodomska (2017) found that the company's turnover, duration of listing, inclusion in the Respect Index portfolio, and the proportion of foreign capital are CSR influence. The study also concluded that the internationalization and reputation of the company in industrialized countries also has an impact on corporate CSR practices.

However, critics of CSR theory believe in non-existence of an exact difference between the stakeholders who should be part of the social responsibility consideration. The argument is how the stakeholders can be prioritized (Kennett & Townsend, 1998). The theory does not give a clear distinction on who suffers most as a result of corporate activities and therefore should
be prioritized in the name of CSR. When companies are socially responsible, it is the sacrifice of the owners of the business through reduced dividends. The fact is that CSR is accompanied by a number of financial expenses that compromises profit maximization objective. The end result is that business leaders shifts focus to maximizing profits while paying little or no interest towards being socially responsible (Hammond, 2003).

2.2.2 Legitimacy Theory

The theory was advanced by Suchman (1995). It states that the activities and business-related actions of a company can only be accepted if they do not contradict the norms and value system of the society in which the company operates. It emphasizes that the business activities should be approved by the society based on the expectations (Deegan & Unerman, 2011). The argument is that if the business activities are not approved by the society in which the company operates, then it will not be easy to sustain operations. This is because the society provides labour, raw materials, customers for the output of goods and service and a source of security making its approval critical. The only way to gain approval is to be socially responsible that increases acceptability (Deegan, 2002). According to O’Donovan (2002) the community outlines norms that companies must abide by to continue with their operations. Compliance in this case creates legitimacy and it is considered to be social responsibility. The study by Maignan and Ralston (2002) opined that good relationship with stakeholders enhances the process of legitimization of company activities. This is also enhanced by the need for companies to prepare and undertake integrated reporting with emphasis of voluntary disclosures.

Kytle, Hamilton and Ruggie (2005) posit that firms undertake both voluntary and involuntary reporting mechanism as a means of achieving legitimacy. When companies report their social
responsibility activities, it’s a perfect approach to risk management especially with regard to stakeholder relations and maximization of mutual welfare. When firms do their integrated reports, they use them as communication devices and for creating awareness on their social programs and commitment to the community. Waddock, Bodwell and Graves (2002) opined that legitimacy makes firms to have an opportunity to attract very good workforce from the community. According to Margolis and Walsh (2003) participation in social responsibility improves how businesses perform both on a financial and non-financial perspectives. They argue that social legitimacy leads to an improvement of the number of customers hence improved and sustainable profitability. The good relationship with customers equally arises from the fact that companies through social responsibility improves their reputation among people and organizations that have direct as well as indirect interest in the company (Branco & Rodrigues, 2008).

The legitimacy theory is closely linked to CSR practice. Lindblom (1994) considered that legitimacy strategies could be applied through the adoption of CSR activities and CSR reporting. Companies in most cases only make public activities that positively affect the society while those that are considered negative are ignored (Gray, Owen and Adams, 2014). The argument is that firms would like to make it a public information that their activities are legitimate. Deegan and Soltys (2007) are of the view that when companies disclose only the positive effects and programs, then it is easier to be acceptable by the society hence claiming legitimacy. According to Tilling (2004) there are two trends in legitimation including a broad and a narrow approach. In the broad approach, the focus is on macro-economic issues and perspectives while the narrow approach focuses on organizational-wide perspectives to legitimation.
According to Suchman (1995) businesses need to be legitimate for them to succeed in their aims. The implication is that organizations must therefore invest heavily in achieving legitimacy and hence monitor corporate events that may have a negative impact on the legitimacy achievements. Organizations therefore focus on friendly activities such as supporting the local community projects, avoiding pollution-causing activities, and communicative information that has positive connotation. Fernando and Lawrence (2014) believe that organizations need to have as much disclosure as possible to communicate their success stories with respect to social responsibility and the impact they have created on the local communities. The argument is that adequate disclosure would create a basis to justify legitimization of the company operations (Deegan, 2002). If business leaders are driven by this motivation, their companies would do anything as long as legitimacy is achieved and it is sustainable (de Villiers & van Staden, 2006).

The theory has received a number of criticisms. The argument is that companies achieve legitimate positions at different levels and hence it cannot be compared. The reason is that the expectation of owners and other persons vary from company to company due to differences in the corporate values and other corporate variables (Lindblom, 1993). Firms therefore only make emphasis on voluntary disclosures to create awareness (Neu, Warsame & Pedwell, 1989). Other critics believe that the theory is generally vague since it fails to standardize the nature and format of disclosures that may lead to legitimization of a company’s operations (Gray et al., 2010).

2.2.3 Stakeholder Theory

The theory was developed by Freeman (1984). The theory states that every organization has people and institutions that have either direct or indirect interest in the operations of the
company. Those who manage organizations have the task of managing the various interests appropriately in order to ensure appropriate balance that benefits the firm. The argument is that when there is a good relationship with these persons and organizations, a sense of ownership arises even from the local community point of view creating a mutual benefit environment. Harrison, Bosse and Phillips (2010) opined that companies should factor in their decision making, the interest of all stakeholders. Companies therefore need to practice the principles of being fair, honest and generous in dealing with the community for purposes of maximization of social welfare (Freeman, 1984).

The study by Boatright (2003) established that the protection of organizations relies heavily on the persons with an interest in the business. The consideration is therefore given to groups and persons such as the owners, employees, customers, the Government and the society in general. The companies should equally ensure that their activities do not have serious negative impact on the environment (Graves, Waddock & Kelly, 2001). Companies are considered to be socially responsible when they appreciate and maximize the interest of those interested in the companies. This would facilitate the survival and sustainability of the business of such organizations (Nikolova & Arsic, 2017). Companies equally become good corporate citizens through good relations with the stakeholders (Homes & Watts (2000).

The stakeholder theory can be appropriately linked to CSR. According to the theory, organizations needs to be responsible towards the persons who have interest in the organization. The companies therefore have to disclose voluntarily relevant and accurate information that would help create a good interaction with the stakeholders since the companies would be seen to be accountable. To ensure a good linkage with the stakeholders, the firms should undertake both voluntary and involuntary reporting (Gray et al., 1996). The argument
is that the persons having interest in the firm needs to be informed of the activities of the firm. The basis of disclosure should however be from responsibility point of view and not because it is a command.

A study conducted by Roberts (1992) found out that the extent to which a company disclose information on their operations depends on the persons and other entities that have either direct or indirect interest in the company. The basis is that each and every stakeholder may have information-specific details that they would want to know and use to judge the company’s level of social responsibility. Some stakeholders would use corporate disclosures to make ethical decisions towards the company while other would use them to inform their economic contracts and businesses with the company. Companies must therefore make a choice to safeguard their ethical and economic interests through good relationship with stakeholders (Deegan, 2009).

2.2.4 Social Contract Theory

The theory was advanced by Hobbes (1946) and then improvised later by Rousseau (1968) and Locke (1986). According to the theory, there is need to mutually take care of each other irrespective of the existing rights of everyone within a community. The requirement is the need for members of the society to obey the societal norms and other guidelines to maximize mutual welfare. It is based on the fact that when the members of the societies exist in genuine compliance with laws and regulations, it makes it easy for companies to equally co-exist for mutual benefit. The study by Donaldson (1982) opined that there exists a potential contract between the firms and the interested parties requiring the firms to be involved in social activities that tend to maximize the society’s welfare.

According to Byerly (2013) firms need to be socially-well behaved to ensure that they relate well with the members of the community. The social responsibility should in terms of
engagement in activities that tend to improve the environment and the general social welfare without compromising the economic aims of the company. Specific issues that companies can address include cleaning pollutants in the environment, mobilization of tree planting, creating awareness regarding some diseases, sponsoring needy students and sponsoring youth-related events as well as the use of sustainable production technologies such as green technology. Van Marrewijk (2003) posit that firms are equally societal members and their social involvement is part of their responsibility and obligation to improve social welfare. The point of reasoning revolves around the fact that firms should socially contribute towards benefitting the community through maximization of social welfare (Toukabri, Jemâa & Jilani, 2014). The implied social contract between firms and the society should be regulated by the Government to avoid any chances of exploitation especially by the companies who may take advantage of the naivety if the locals.

According to Donaldson, the social contract implies the mutual expectations of the contracting parties, both of which were interested in maximizing the benefits and minimizing the disadvantages (pollution, depletion of natural resources, destruction of personal accountability, alienation of workers) organizations (Dunfee & Donaldson, 1995). The social contract has therefore acquired a new meaning by explaining the relationship between a company and society. From this point of view, the company has obligations to other parts of society in return for its place in the company. Ahenkora, Banahene & Quartey (2013) argues that integrative social theory makes the basic assumption that there is a socially-implied contract between companies and the community, implying that companies are obliged indirectly to the community. This therefore points to the need to understand the social values that determine the social contract. This is all true as the previous social value has not yet been explored (Garriga & Melé, 2004).
2.3 Empirical Literature Review

This research gives the rationale for companies to participate in social responsibility activities. The concept here is whether it is beneficial or not to participate in the CSR activities. Business firms are grounded on the objective of profit making while at the same time, social responsibility involvement also requires financial commitment. The study tries to establish a middle ground through review of a number of past studies from different regions. The building block of the reasoning is that companies operate within the society and therefore are obliged to help the members of the society in different capacities to help maximize the good of the society (Carroll & Shabana, 2010).

2.3.1 Corporate Social Responsibility Activities

Business firms are required do business in accordance with the ethical principles of the Company. Ultimately, this requires accountability to all those who have direct and indirect interest in the business of the company (European Commission, 2011). Quite a number of arguments exist to justify the fact that companies need to be involved in CSR whether at local or global level. The basis of these arguments is based on the fact that companies are members of the society and therefore they are obliged to coexist with the members of the community through social and ethical involvement. Companies that manufacture cement like any other company, have a range of stakeholders and their social engagement cannot be compromised.

Zakari's (2017) study examined how Dangote's CSR activities during the five-year investigation period resulted in higher sales, higher profitability and shareholder value maximization. The study was based on information regarding annual reporting documents on how the company operated sustainably from economic point of view within the period 2012-2016. In this research analysis of content was adopted with the results being given through the
use of tables, graphs and analysis of trends. It established that when companies participate in social responsibility activities, they improve their profitability and economic sustainability.

The study by John and Adedayo (2013) looked at how CSR engagements affect corporate financial development. The study was conducted among companies that manufacture for the period 2002-2011 with twenty (20) sampled. This research involved the measurement of financial development of these firms from the point of view of earnings before taxes (EBT) and yearly revenues. The study employed regression and correlation approaches in the study. CSR exposure was found to significantly impact corporate profitability and sales. The result shows that participation in social responsibility ventures benefits the companies involved.

Hahn's (2005) research estimates that most SME companies’ in less developed nations involve themselves in social responsibility activities through a number of activities including provision of good and services, creation of a favourable working set up, giving information on health-related matters and ensuring sustainable activities. A number of these activities are conducted by both small as well as large companies.

A research conducted by Awan and Akhtar (2014) investigated whether social responsibility engagement helps cement and fertilizer producers reach the local and global markets. The research was conducted by investigating via information that was gathered mainly from a managerial position at a specific point in time. Descriptive tools were used to analyze the data. The research established the important part played by goodwill sustainability of companies from customers and society’s point of view. The findings of the study indicate that involvement of companies is social responsibility activities is to give back to the community because their operations have a negative impact on the community. The implication is that the community
sacrifice a lot by bearing the burden of negative effects of corporate activities including pollution.

Most recently, the study by Akinyomi (2012) investigated the involvement of firms that manufacture cement in social responsibility in Nigeria. Randomly, fifteen (15) companies in food and beverage sector were selected and surveyed. The research involved the use of questionnaires. The findings of the research indicate that firms involve in social responsibility activities on a regular basis. Equally, the research established that most businesses engage in social responsibility activities that benefits the society directly as well as indirectly. Some of the activities mostly sponsored are meant to support youth programs in sports-related and education programs. The research however noted that despite involvement in social responsibility by the firms, most of the companies did not realize improved profits and revenues.

2.3.2 Government Policies and Social Responsibility of Manufacturing Firms

The nation is creating an environment that enhances the spur of individual companies by regulating competition. In terms of CSR, the government must facilitate regulation by prioritizing the areas of CSR involvement, mobilizing resources, giving support to individual enterprises through relevant facilitations for the benefit of local communities and the nation at large. The study by Tom, Halina & Bruce (2002) established the need for nations to regulate and facilitate the economy taking into consideration the need for companies to be socially responsible. The business environment should be such that businesses can easily comply at reasonable cost and in a sustainable way. The argument is that companies would only thrive in an environment where the Government is very supportive to create a mutually beneficial relationship.
Fetscherin, Li, Alon, Lattemann and Yeh (2010) undertook the examination of the influence of national values, industrial practice and corporate values on the extent of social responsibility communication in selected countries such as Brazil, Russia, India and China (BRIC). The study collected data using questionnaire from BRIC for one hundred and five (105) companies operating globally. The focus of the study was the need to identify the motives behind social responsibility engagements and integrated reporting procedures. The study found out that the governance procedures of a country including policy regulations have a great influence on social responsibility involvement by companies. The argument is that companies would operate in a sustainable manner socially, economically and environmentally when the political environmental is business-friendly and there are adequate frameworks in place to facilitate CSR operations.

According to United Nations (2010) social responsibility by companies is justified on the basis that most of the nations have overtime gone through tough times economically and socially. The basis is that companies would help to develop these nations and create a good business as well as political climate in a sustainable manner. Social responsible businesses are in a position to utilize existing national resources responsibly and innovatively. The government must formulate guidelines on CSR in its business relationships, while supporting the private sector with regard to enterprise development programs. This would help improve the economic development of such nations for the benefit of the entire population and prosperity of the businesses in return.

Freeman (2004) opined that firms do business within the community and need to be of social benefit. Businesses must therefore set up ways to increase collectively the advantages of doing business in the community concerned. The requirement is that firms should account for their
operations within the community to the extent that environmental and societal benefits are not compromised (Frederick, Davis & Post, 2002). Business firms are required to help solve problems in the communities through proper use of resources and their experts (Davis, 1973). According to Carroll (2009), the nation tends to support companies that observe social responsibility through friendly business regulations leading to reduced costs in compliance.

2.3.3 Motives for CSR
Several reasons exist to explain the rationale of involvement in social responsibility activities. The motives vary depending on the nature of the businesses and their management based on their goals. According to Stojanović-Aleksić and Bošković (2017) business firms are morally obliged to those with direct and indirect interest in the company. They can only maintain a good relationship with the persons and institutions through appropriate social involvement especially the customers, employees, suppliers and the community in general. The information used was primarily collected by surveying 8 out of 24 respondents in the Republic of Serbia.

According to Mishra and Suar (2010) firms are quoted have financial benefits when they are involved in social responsibility. The investigation involved data gathered primarily from one hundred and fifty (150) top management and board members of the firms. Other forms of data were also gathered secondarily from the financial reports from the companies. The aim of this research was meant to investigate whether firms in India would have financial and non-financial benefits through CSR involvement. The argument is that when quoted companies are engaged in social responsibility, they benefit from a financial perspective as well as non-financially.

Finally, the study by Pan, Sha, Zhang and Ke (2014) conducted an examination on relationship between social involvement of companies and how the firms perform financially. Panel data
was collected from 228 mining firms in China for the period 2010 - 2013. This research aimed to investigate social responsibility of companies focusing on the specific CSR activities. Companies are responsible to persons and institutions of interest to the company including owners of the company, employees, the community, suppliers, those buying the goods and services of the company and the government. The study found that companies focused on these variables in their CSR efforts achieve significant financial benefits.
CHAPTER III
RESEARCH METHODOLOGY

3.1 Introduction

The part of the research contain a description of methodology applied in the study. Generally, the research is both quantitative and qualitative in nature. The basis is to help understand social responsibility activities that firms that manufacture cement in Kenya involve in. The study analyzed information from the firms’ employees and sector-based reports covering a duration 2013 - 2018. The section equally makes a detailed provision of the approaches of collection of data based on the sampling approaches, data collection tools, the nature of data gathered and analysis of data. The primary data was collected using a questionnaire.

3.2 Research Strategy and Design

This study employed a descriptive and qualitative approach. Descriptive survey concerned the determination of the nature of data for analysis that would help create awareness regarding social responsibility of companies that manufacture cement in Kenya. This research approach describes people’s response towards the issue of social responsibility in terms of their views on the same issue. The rationale of the design is that it helps to determine and explain the issue being studied as it is (Mugenda & Mugenda, 2003).

The qualitative research method uses information of qualitative nature through interviewing the employees in relevant positions, observing operations and documentation analysis to help in the explaining and understanding the issue at hand. According to Shank (2002) this research approach is about investigating the meaning of issues being researched. According to Denzin and Lincoln (2000) the approach is about interpreting meanings from a natural perspective. The implication is that this approach ensures that there is proper understanding of the issues
from their natural perspective for effective examination and interpretation. It helps to comprehensively describe the procedures and involvement of the participants. It is a more flexible approach since the scope of data collection is not limited as symbols and behavioural perspectives can be used to gather data.

The use of this methodology allows observing the subject matter naturally while allowing researchers the opportunity to combine the different approaches in collecting data. The study was done to collect the views of managers of several companies on CSR commitments. This setting is considered to be accurate because the data collected is the actual answer to the questions used for questionnaire. The study was also quality, as it investigated first-hand information from interested parties of these industrial companies. The design explores, describes and understands the components of the CSR activities of cement manufacturers. Therefore, the collected data helped to measure the quality of CSR issues in the previously mentioned companies. This was done through the use of clear questions and interviews, which could facilitate the collection of more information on the question under investigation. Qualitative data was used as investigative data.

The emphasis in qualitative research is that the researcher can conduct in-depth studies on a wide range of topics in simple, everyday terms. It helps to portray the views and perspectives of people in a study by covering the contextual conditions in which people live and, therefore, provides information on existing or emerging concepts that can contribute to the explanation of human social behavior. It also uses multiple sources of evidence instead of relying on a single source. Yin (2011) believes that qualitative research seeks to collect, integrate and present data from a variety of sources of evidence as part of a particular study. It is likely that diversity results from the researcher having to study a real environment and its participants.
The complexity of the field and the diversity of its participants are also likely to justify the use of interviews and observations, and even access to documents and artifacts. The conclusions of the study, therefore, is based on the triangulation of data from the various sources. This convergence contributes to the credibility and reliability of the study.

3.3 Population

The research aimed at a population of all cement producers in Kenya. The companies include Bamburi Cement Limited; Cement Mombasa; East African Portland Cement Company; Savannah cement; ARM, Africa Ltd and National Cement. This population was used to provide the units of study in which the executives of the company were the main objective research group in the various work capacities. Specifically, the study was addressed to six (6) executives from each of the three levels of administration. This means that the sampling units consisted of thirty-six (36) employees. The population of six companies was due to the fact that they are the only existing companies that manufacture cement in Kenya. Manufacturing companies have created an oligopoly market within the local cement manufacturing industry. The cement manufacturing companies that forms the basis of this study are as given in the Table 3.1 below:

Table 3.1: Cement Manufacturing Companies

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Year of Establishment</th>
<th>Number of Employees</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bamburi Cement Limited</td>
<td>1951</td>
<td>851</td>
<td>Mombasa</td>
</tr>
<tr>
<td>Mombasa Cement</td>
<td>2007</td>
<td>250</td>
<td>Mombasa</td>
</tr>
<tr>
<td>East Africa Portland Cement Company</td>
<td>1933</td>
<td>1021</td>
<td>Athi River, Nairobi</td>
</tr>
<tr>
<td>Savannah Cement</td>
<td>2012</td>
<td>177</td>
<td>Athi River, Nairobi</td>
</tr>
<tr>
<td>ARM, Africa Ltd</td>
<td>1979</td>
<td>312</td>
<td>Athi River, Nairobi</td>
</tr>
<tr>
<td>National Cement Company</td>
<td>2008</td>
<td>120</td>
<td>Athi River, Nairobi</td>
</tr>
</tbody>
</table>

Source: Research Data (2019)
3.4 Sample Design

The sample size refers to a specific part that is a portion of the entire population. Convenience sampling was used. One method, in which each variable has the same possibility of investigation, was adequate for the research because it ensured that all cement producing companies have the same opportunity to be included in the sample. The argument is that there was need to reach a bigger response group to achieve accurate outcome.

The evaluation criteria facilitated selection of sampling units. The assistance from this approach was the identification of features needed for the response to the questions put across. Further, it made it easy to define what the units must meet to be included in the sample. Here, this method was used to incorporate those companies whose information is important for research (Mugenda and Mugenda, 2003).

3.5 Data Collection

The study relied on data received on first-hand basis as well as those already in public domain. Publicly available information on financial performance was obtained from different firms from performance reports and other information from the website of companies as well as other reliable sources. Information was used based on assets, liabilities, equity, income and costs incurred during the year. The duration of study ranged between 01.01.2016 and 31.12.2008 there were structured questions about CSR participation. The questions poised to the respondents focused on managers’ views regarding CSR involvement. A questionnaire is a data collection tool that consists of a series of questions and other requests to gather information from respondents. Questionnaires, when properly designed and managed responsibly, become an important tool for making statements about particular groups, individuals or entire populations.
The questionnaire was structured in such a way that PART A comprised of background information; PART B comprised of questions on corporate social responsibility; PART C comprised of questions on Government policies and their effect on CSR; PART D comprised of questions on motives for CSR; PART E comprised of questions on effects of CSR on corporate growth and development and finally, PART F was an interview guide on general CSR issues targeting the top management. The questions were derived from past studies as well as self-generated questions based on the objectives of the study. The questions help to provide further insight regarding the specific objectives. The researcher gave out the questionnaires in person to the management of companies in their offices. Then they were briefed about the research needs and its purpose, as well as the benefits to the companies. The survey facilitated the process of collecting data after the approval of the manager. The survey was conducted with reference to the managing directors and managers of the companies mentioned. It was hoped that these interviews would include more details on corporate CSR issues and corporate social interventions.

3.6 Validity and Reliability

Abott and Monsen (1979) assert that content validity was accomplished by developing questionnaires consistent with tools available in literature in consultation with academic experts with appropriate modifications. This ensured that the instrument is clearly responsive, specific, readable and adequate. A pilot study was conducted to improve on the relevance, logic, wording and content of the questionnaire and to assess how respondents understood the questions and corrections made based on experts’ inputs. Using SPSS, a construct validity was assessed using Confirmatory Factor Analysis (CFA) with acceptable factor loading above 0.4.
Reliability is a measure of the degree to which instruments yield consistent results or data after repeated trials (Mugenda & Mugenda, 2003). Using SPSS, Cronbach’s alpha coefficient was applied to test whether the variables are within the acceptable range. Reliability tests consistency, precision and accuracy of results upon multiple trials (Cooper & Schindler, 2008). This confirms whether the data collected can reliably explain the relationship between variables. The research tool (questionnaire) was tested using Cronbach’s Alpha with value above 0.7 confirming adequate reliability of constructs and items (Byrne, 2010).

3.7 Data Analysis

The analyzed data was collected using a questionnaire. It is a data collection tool that consists of a series of questions and other requests to gather information from respondents. Questionnaires, when properly designed and managed responsibly, become an important tool for making statements about particular groups, individuals or entire populations. The questionnaire was structured in such a way that PART A comprised of background information; PART B comprised of questions on corporate social responsibility; PART C comprised of questions on Government policies and their effect on CSR; PART D comprised of questions on motives for CSR; PART E comprised of questions on effects of social responsibility and finally, PART F was an interview guide on general CSR issues targeting the top management.

A number of approaches were employed in data analysis. Content analysis was used in making sense of qualitative data. This helped to bring out the opinion of the consultants, and showed the things mentioned in the answers, and answers to specific questions that their responses could not be found and moderated. Subsequently, modes of volumes were used to clarify the data by adopting closed questions to determine the level of CSR activity in manufacturing companies.
CHAPTER VI
DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction
This part makes a description on how to analyze data and discuss the results of the survey. The analysis of data concentrated on the purpose of the study. The overall objective of the study was to measure current situation of CSR in Kenya regarding CSR involvement and how it affects performance. In particular, the research examined the impact of the CSR activities, identified the impact of government policies on CSR activities and pointed out the purpose of CSR activities and its impact on growth and development of cement manufacturing companies in Kenya. This research equally used newsletters that contained knowledge of the companies’ involvement in social responsibility activities, role of state on CSR, motivation for CSR, the CSR impact on company growth and development, and a series of interviews were also conducted. The findings are shown by the report form from the research tool. Of the 36 participants, 30 questions were identified. This means that 83.3% of respondents participated, which is considered sufficient for research (Mugenda & Mugenda (2003)).

4.2 Pilot Study
A pilot study was conducted to assess the validity and reliability of the data collected and the research tools used.

4.2.1 Reliability
Cronbach’s alpha coefficient was used to establish whether the variables fall within the required range of between 0 and 1 (Mugenda & Mugenda, 2003). Nunnally (1978) suggests that a value of not less than 0.7 is acceptable while Sekaran (2000) points out that values between 0.5 and 0.8 are appropriate for internal consistency. This study used values of 0.6 and above as a cut-off
point for the items. This research had a total of five broad constructs which included environmental analysis, strategy formulation, strategy implementation, strategy evaluation and organizational performance. Each of these constructs were further subdivided into sub constructs. In total the study had fifteen (15) sub constructs. Environmental analysis, strategy formulation, strategy implementation, strategy evaluation and organizational performance each had three subcontracts. To evaluate construct unidimensionality, the indicators of each sub construct were subjected to reliability and validity tests. The result of the tests is as indicated in the Tables 4.1, 4.2 and 4.3 below:

Table 4.1 Reliability Test per Construct

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. CSR Activities</td>
<td>8</td>
<td>0.922</td>
<td>Reliable</td>
</tr>
<tr>
<td>B. Government policies and regulations</td>
<td>9</td>
<td>0.932</td>
<td>Reliable</td>
</tr>
<tr>
<td>C. Motives for CSR activities</td>
<td>6</td>
<td>0.868</td>
<td>Reliable</td>
</tr>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. CSR on growth and development of the firms.</td>
<td>6</td>
<td>0.765</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

The alpha coefficient is relatively high meaning that the rating scale is highly reliable as well as the data collected.

4.2.2 Construct Validity

The questionnaire satisfies face and content validity since it was developed through a review of literature in consultation with academic experts. A pre-test of the questionnaire through a pilot study was carried out to ascertain the clarity of the research instrument. The pretest included 5 respondents including plant managers and safety managers that were not included in the study. They were deemed knowledgeable on issues regarding CSR. Thereafter the questionnaire was adjusted based on the pretest recommendations.
4.3 Background Information

It is an analysis of gender, length of service, and positions in the organization.

4.3.1 Gender of the Respondents

The study revealed that 66.7% of respondents were men and 33.3% were women. This corresponds to 20 men and 10 women. The outcome showed that the response group had gender balance. This is illustrated in Table 4.1 and Figure 4.1 below:

Table 4.2: Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td>Female</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

4.3.2 Years of Service

From the findings, indication is that many of the employees worked between 16 and 20 years in the companies and represent 36.7%. 26.7% of respondents had been working in companies for more than 20 years. The number of employees who worked between 11 and 15 years was 23.3% and the number of employees who served between 1 and 5 years and between 6 and 10 years was 6.7%. The result is that these employees have relevant expertise because of their long service. This enables them to answer CSR-related questions, increasing the reliability of drawing conclusions. The analysis is presented in the following tables 4.3 and 4.2:
Table 4.3: Years of Service

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>6-10</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>11-15</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>16-20</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>Above 20 years</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

Figure 4.2: Years of Service

Source: Research Data (2018)

4.3.3 Position in the Organization

The study found that 53.3% of respondents were senior executives, while 36.7% were middle-level and only 10% from lower-level organizational positions. This implies that all relevant levels of management were reached out for comment and information. The implication is that the data is more reliable. The outcome of the analysis is as presented in the Table 4.3 and Figure 4.4:
Table 4.4: Positions in the Organization

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Level</td>
<td>16</td>
<td>53.3</td>
</tr>
<tr>
<td>Middle Level</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>Lower Level</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

Figure 4.3: Positions in the Organization

Source: Research Data (2018)

4.4 Analysis of Findings

The results were analyzed on two levels, both descriptively and qualitatively. The descriptive analysis took into account the use of funds to assess the degree of CSR adoption on the basis of CSR activities, the impact of government policy on CSR, the motives for CSR activities, and the impact of CSR on corporate growth and development, the analysis looks like this:

4.4.1 CSR Activities

According to Ismail (2009) businesses expect the highest levels of social well-being by running their businesses such that there is no compromise socially and otherwise.
4.4.1.1 Statistical Findings

The researcher asked the answer group to use a scale of 1 to 5 to indicate how companies have taken CSR initiatives, where 1 = very low, 2 = low, 3 = moderate, 4 = high, 5 = extremely high. The answers are summarized in Table 4.4.

Table 4.5: Corporate Social Responsibility Activities

<table>
<thead>
<tr>
<th>Corporate Social Responsibilities Activities</th>
<th>N</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company's policy is to address the health and safety issues of workers and other stakeholders, as well as customers.</td>
<td>30</td>
<td>3.9667</td>
<td>1</td>
</tr>
<tr>
<td>The company provides high quality goods and services.</td>
<td>30</td>
<td>3.9000</td>
<td>2</td>
</tr>
<tr>
<td>The company provides high quality goods and services.</td>
<td>30</td>
<td>3.8000</td>
<td>3</td>
</tr>
<tr>
<td>The company ensures the commitment and participation of employees in skills development programs.</td>
<td>30</td>
<td>3.7667</td>
<td>4</td>
</tr>
<tr>
<td>We offer job opportunities to locals.</td>
<td>30</td>
<td>3.7333</td>
<td>5</td>
</tr>
<tr>
<td>The company offers sponsorship and scholarship programs to those in need.</td>
<td>30</td>
<td>3.5333</td>
<td>6</td>
</tr>
<tr>
<td>The company funds development programs for youth, including games and tournaments.</td>
<td>30</td>
<td>3.5333</td>
<td>7</td>
</tr>
<tr>
<td><strong>Valid N (List Wise)</strong></td>
<td><strong>30</strong></td>
<td><strong>3.7476</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

The results show that cement manufacturers have introduced different CSR activities. The most common activity is that firms with an average of 3.9667 have health and safety aspects that are beneficial for their stakeholders, while the provision of quality goods and services ranks second with average of 3.9. The implementation of strict safety policies for employees and subcontractors resulted in an average of 3.8, followed by staff development with an average of 3.7667 and the creation of job opportunities for the natives with an average of 3.7333. The least popular activity was the grants and scholarship program for the needy and the financing of youth development programs with an average of 3.5333. However, the average of 3.7476 indicates that all these CSR activities are carried out by the cement producers.
4.4.1.2 Qualitative Findings

A content analysis was also carried out and the reactions of the interviewers analyzed. This included an in-depth analysis of the published reports to gain a detailed insight into the companies' CSR activities. The interview guide revealed that the manager of Mombasa Cement said the following:

“At Mombasa Cement Limited, we recognize our social responsibilities as a corporate citizen. In this regard we provide limited financial and material support to projects within those areas we operate. We are also determined to contribute to the development of manpower needs. We manage a number of projects in relation to youth development and children of tender age by involving them in games and tournaments that foster their mental development and embark on generous donations for education of children by assisting their school fees which keep them away from drugs and other mischief.”

He further reiterated that:

“Health and safety are also absolute priorities for the company, as our employees and subcontractors have strict safety guidelines. Mombasa Cement Limited prides itself in being the safest company in its sector and has achieved significant reduction in both the frequency and the gravity of work-related accidents due to its strong Health and Safety Management System which defines the minimum safety levels required for all employees. All Mombasa Cement Limited employees are committed to respecting certain rules to ensure the greatest levels of health and Safety within the company.”

The findings by the researcher were that the company attaches importance of the need to develop society and maximize its well-being. The company’s focus in this case on medication, learning aids and the protection of the environment. The study found that cement manufacturers carry out a number of CSR programs under sustainable business programs. This includes
focusing on quarries to make them less damaging or recovering, improving the wellbeing of the local population, and achieving good corporate citizenship through community engagement.

Further to this, the production manager stated:

“We have an unwavering commitment to our social responsibility program; it’s good for business and we know it’s the right thing to do.”

To ensure the achievement of sustainable development, management said that companies are focusing on climate, reusable energy, good water use and the well-being of society. In terms of climate, the company continues to monitor the emission of hazardous gases, proper waste management, adequate management of water resources and maintaining sanitary conditions. Managers also indicated that plans are in place to ensure that there are affordable homes for the less fortunate and others in need of housing. To further improve social welfare, companies focus on managing mismanagement and corruption in public resources in their CSR efforts. At Bamburi Cement and LafargeHolcim Group, the security manager said:

“We conduct our business in a manner that leads to creating a healthy and safe environment for all stakeholders, built on a true safety culture. Health and safety is our core value”

Some of the images of the CSR activities of the companies are as follows:
Figure 4.4: Images of Environmental Conservation

Figure 4.5: Images of Health Service Provision

Figure 4.6: Images of Conservationism
4.4.2 Influence of Government Policies on CSR

The role of the government is to regulate and promote environmental expectations. The government also ensures that internationally applied policy issues are adapted to national circumstances without jeopardizing expectations of such rules, in particular those dealing with staff and the environment.

4.4.2.1 Statistical Findings

The researcher asked the Response Team to indicate whether or not it agrees that the following regulatory requirements affect the company's CSR in its business in Kenya. 2 = small size; 3 = moderate extent; 4 = Large circumference & 5 = Very large circumference. The answers are summarized in the following Table 4.5:
Table 4.6: Influence of Government Policies on CSR

<table>
<thead>
<tr>
<th>Government Policies</th>
<th>N</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Government regulates commercial activities</td>
<td>30</td>
<td>3.9333</td>
<td>1</td>
</tr>
<tr>
<td>The Government enforces standards to improve disclosure and transparency</td>
<td>30</td>
<td>3.8667</td>
<td>2</td>
</tr>
<tr>
<td>The Government raises awareness and build capacities for CSR</td>
<td>30</td>
<td>3.6667</td>
<td>3</td>
</tr>
<tr>
<td>The Government facilitates socially responsible investment through regulations.</td>
<td>30</td>
<td>2.9333</td>
<td>4</td>
</tr>
<tr>
<td>The Government facilitates the company’s commitment to social responsibilities</td>
<td>30</td>
<td>2.4667</td>
<td>5</td>
</tr>
<tr>
<td>The Government identifies priorities in corporate operations</td>
<td>30</td>
<td>2.4667</td>
<td>5</td>
</tr>
<tr>
<td>The Government creates incentives and support, and mobilize resources for the firm</td>
<td>30</td>
<td>2.3667</td>
<td>6</td>
</tr>
<tr>
<td>The Government provides technical assistance towards CSR where necessary</td>
<td>30</td>
<td>2.1000</td>
<td>7</td>
</tr>
<tr>
<td>The Government offers capacity building</td>
<td>30</td>
<td>1.9667</td>
<td>8</td>
</tr>
<tr>
<td>Valid N (List wise)</td>
<td>30</td>
<td>2.8630</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

The results show that government policy, with a mean of 2.8630, has a modest impact on cement industry CSR initiatives. The influence of the government on regulations with an average of 3.9333 is felt, followed by the enforcement of standards to improve the disclosure and transparency of companies with a mean of 3.8667 and the subsequent sensitization by their agencies with a mean of 3, 6667th. The study also found that the government facilitates socially responsible investment by averaging 2.9333 and facilitates how the company participates in corporate social responsibility and prioritizes the company's business with a mean of 2.4667 identified. The government also creates incentives and support and mobilizes resources for businesses, providing technical support for CSR where needed, and least impacting on capacity building with an average of 1.9667.
4.4.2.2 Qualitative Findings

From the interview guides and the review of published reports, the researcher noted that the state influence of CSR is based on regulations and political issues. This follows from regulatory provisions such as the Company Act of Kenya, which describes what directors and shareholders should do in relation to their obligations. There are also environmental supervisors enforced by the government to ensure that companies comply with their CSR mandate, as well as bodies that ensure less mismanagement of public resources and compliance with workers' rights. The study found that environmental protection is paramount due to the nature of cement manufacturers. The environmental authority implements environmental legislation, including the Environmental Management and Coordination Act (EMCA, 1999) and the relevant legislation. Environmental legislation sets standards and procedures for handling different types of waste to reduce pollution. The agency sensitizes and builds capacity of the regulated community to improve compliance, and receives feedback on how to implement the legislation. The agency has set up a sophisticated mechanism to enforce environmental legislation and, in cooperation with the relevant government agencies, is initiating the prosecution of environmental criminals.

To ensure environmental responsibility, The Government, through the ministry of environment, has established environmental policies which broadly aim at encouraging respect for the environment by all and being mindful and taking care of the same; ensuring environmental issues are integrated with economic matters to attain sustainable development; reviewing and evaluating development plans to ensure they follow the set environmental guidelines/policies and encouraging the public to take part in environmental matters so as to enlighten them on the same hence improve on environmental performance.
Regarding how Government policy affects CSR Initiatives the management of the cement companies stated a number of policy guidelines that adherence to them is required. Generally, the Government of Kenya has put in place a number of policy guidelines regarding CSR involvement to facilitate regulations. They include: The National Environmental Action Plan (NEAP) Established in 1990, to addresses the issue of social, economic and industrial activities and their impacts on the ecosystem as opposed to environmental sustainability; Environmental management and coordination Act (EMCA) established in 1999, pertaining to environmental protection, conservation and management; The law on factories and other workplaces that regulates the health, safety and wellbeing of persons employed in factories and other workplaces, and the Occupational Health and Safety Act, 2007, which legitimizes the safety, health and well-being of workers and all persons to be present at workplaces to provide for the establishment of the National Council for Safety and Health at Work and related purposes.

The Government policies also covers the role of the County Governments. The managers stated that their companies face a balance in meeting local people's expectations and meeting their business goals in areas where limestone is extracted. Companies operating in Athi River on the outskirts of Nairobi pay less for each tonne of mined limestone to Kajiado County. Athi River-based East African Portland Cement Company (EAPCC), Bamburi Cement Company and ARM Cement are paying an annual licensing fee of approximately 50,000 Ksh (600 USD) for each limestone quarry site. EAPCC, Bamburi and ARM pay Kajiado County Ksh100 ($ 1.18) per ton of limestone that will be transported to their plants in Machakos County. The companies have leases with landowners in Kajiado, where limestone is mined. In answering questions about factors that motivate a company to commit to CSR, the ARM managing director said that cement manufacturers should take social responsibility to Plant trees around limestone mines. ARM managing director Pradeep Paunrana said that:
“Our company firm has invested in technology that ensures it operates energy efficient, clean cement production plants in East Africa benchmarked to global standards. The company is audited or inspected by Nema licensed experts and inspectors and has always been in compliance of the environmental regulatory framework of the country,” he said in a letter to parliament”

4.4.3 Motives for CSR

Firms participate socially because of many factors. The push and pool factors include economic, morality and compliance-related aspects and generally designed in such a way that companies remain socially sustainable. From an economic point of view, CSR engagement is expected to result in improved profitability as companies are able to foster sustainable relationship with stakeholders (Matten, 2006). Businesses concentrate on maximizing the social well-being of organizations and individuals with interest in their firms (Kurucz, Colbert & Wheeler, 2008). Commitment to CSR should create corporate acceptance and set an example about their business (Werther & Chandler, 2006).

4.4.3.1 Statistical Findings

Using the questionnaire, the study group was asked to indicate their agreement with CSR drivers on a scale of 1 to 5, where 1 = not at all; 2 = small size; 3 = moderate extent; 4 = Large circumference & 5 = Very large circumference. The answer is given in the following Table 4.6:
Table 4.7: Motive for CSR

<table>
<thead>
<tr>
<th>Motives for CSR</th>
<th>N</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company enjoys improve financial performance</td>
<td>30</td>
<td>5.5333</td>
<td>1</td>
</tr>
<tr>
<td>There is improved corporate reputation and brand loyalty</td>
<td>30</td>
<td>4.0667</td>
<td>2</td>
</tr>
<tr>
<td>There is the need to comply with the law and regulations</td>
<td>30</td>
<td>3.9667</td>
<td>3</td>
</tr>
<tr>
<td>There is increased market value of the company</td>
<td>30</td>
<td>3.8333</td>
<td>4</td>
</tr>
<tr>
<td>The company achieves social sustainability in its operations</td>
<td>30</td>
<td>3.7333</td>
<td>5</td>
</tr>
<tr>
<td>The company has in mind ecological consideration</td>
<td>30</td>
<td>2.3333</td>
<td>6</td>
</tr>
<tr>
<td><strong>Valid N (List wise)</strong></td>
<td>30</td>
<td><strong>3.9111</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Research Data (2018)

From the results it can be deduced that companies have strong motivations and reasons to get involved in CSR. Overall, there is a strong exposure to CSR with a mean of 3.9111. The study found that the need for improved financial performance was the biggest motive, with a mean of 9.40188, followed by an improvement in the company's reputation and brand loyalty, with a mean of 4.0667. Companies also use CSR to comply with laws and regulations with a mean of 3.9667, while the motive to increase market value has a mean of 3.8333, with the least motive being an ecological consideration.

**4.4.3.2 Qualitative Findings**

The data collected through the interview guide and analysis of the published CSR reports indicate a number of CSR motives. The belief of managers is that social responsibility is motivated economically, morally and legally. Economically, firms get to enjoy expanded market base and wide investment connections. This helps firms to recoup every money spent on CSR through improved customer relationships leading to increase in revenue generation.

The finding is that cement-producing companies make direct economic gains by maximizing environmental impact. This arise from environmentally friendly technologies that result in lower business costs. Finally, this approach ensures improved profitability without
compromising the environmental commitment. The managers also said that the government would subsidize its operations in terms of cleanliness and environmental safety, which would improve profitability.

In terms of investors, research has found that personal investment decisions focus on how companies focus on their ethical, ethical and environmental responsibilities. There are a large number of investors who see the CSR as a key to sustainable investment, so cement producers of social welfare can hold capital and attract more investors. The reason is that the increase in the price of companies that makes a social responsibility will mean increased price of their securities. The managing director of Mombasa Cement stated in an interview that:

“We recognize our social responsibilities as a corporate citizen. In this regard we provide limited financial and material support to projects within those areas we operate. We are also determined to contribute to the development of manpower needs. We manage a number of projects in relation to youth development and children of tender age by involving them in games and tournaments that foster their mental development and embark on generous donations for education of children by assisting their school fees which keep them away from drugs and other mischief.”

He further stated that:

“We are fully committed to our social responsibility program. It's good for business and we know it's right.”

The study also found that cement manufacturers are committed to CSR to attract talented and skilled employees. CSR engagement means that employee well-being, flexible work programs, and proper care of the medical and physical work environment are not compromised. Socially responsible businesses typically offer wellness programs that attract and retain high-level
employees. The study also found that there is an increasing number of highly qualified people whose attractiveness to a business depends on how well a company complies with CSR in terms of welfare maximization of stakeholders.

CSR is based on attracting users. The study found that this case is legitimate because companies that make CSR have a great score because CSR is used as a tool to manage corporate reputation. This helps to attract customers and store existing customers. The important thing is that the community-based companies are more competitive than those who do not. The study also found that responsible social behavior is the best way to avoid government regulations. In fact, control goes away from companies as the company is committed to persuading stakeholders, including the government. This can lead to companies being good taxpayers, helping to develop infrastructure, raising awareness of some of the most dangerous diseases, supporting educational infrastructure and protecting the environment.

4.5 Effect of CSR on Corporate Growth and Development of Companies

Responsible companies in the community have a positive influence on customers' perceptions of their products and services, leading to better performance from financial and non-financial perspective. Boubakary (2016) believes that, from a practical perspective, CSR improves the company's ability to develop its business.

4.5.1 Statistical Findings

The study group was asked to indicate on a scale of 1 to 5 with 1 = not at all, to what extent they agree with the effect of CSR on the indicated performance indicators. 2 = small size; 3 = moderate extent; 4 = Large circumference & 5 = Very large circumference. The summary of responses is shown in the following Table 4.7:
Table 4.8: Effect of CSR on Corporate Growth and Development of Companies

<table>
<thead>
<tr>
<th>Corporate Growth and Development Indicators</th>
<th>N</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Market Share</td>
<td>30</td>
<td>4.2000</td>
<td>1</td>
</tr>
<tr>
<td>Improved Quality of Goods and Services</td>
<td>30</td>
<td>4.1333</td>
<td>2</td>
</tr>
<tr>
<td>Increased Profitability</td>
<td>30</td>
<td>4.0000</td>
<td>3</td>
</tr>
<tr>
<td>Improved Customer Relations</td>
<td>30</td>
<td>3.7667</td>
<td>4</td>
</tr>
<tr>
<td>Reduced Compliance Costs</td>
<td>30</td>
<td>3.2000</td>
<td>5</td>
</tr>
<tr>
<td>Increased Output Volume</td>
<td>30</td>
<td>2.8333</td>
<td>6</td>
</tr>
<tr>
<td><strong>Valid N (List Wise)</strong></td>
<td><strong>30</strong></td>
<td><strong>3.6889</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Research Data (2018)

The study results show that CSR initiatives with an average value of 3.6689 are important for organizational performance. Specifically, CSR leads to an improvement in the market share with a mean of 4.2, followed by an improvement in the quality of goods and services with a mean of 4.1333 and an increase in profitability with an average of 4. CSR also leads to improving customer relationships with a mean of 3.7667. As reduced compliance costs with a mean of 3.2 and the lowest CSR, this results in an increased volume of services with a mean of 2.8333. This is shown in Figure 4.8:

**Figure 4.8: Effect of CSR on Corporate Growth and Development of Companies**

![Figure 4.8: Effect of CSR on Corporate Growth and Development of Companies](image)
4.5.2 Qualitative Findings

The study found that CSR influences the growth and development of cement manufacturers based on the interview guide. Mombasa Cement's CEO stated that CSR helps the company achieve a zero-fatal accident rate and minimize downtime injuries. The company in this case: informs its employees and subcontractors about risks related to their activities and provides appropriate training; monitors the systematic application of safety standards; implements a incident reporting process and conducts regular audits to minimize them; Identifies and communicates best practices and drives their adoption across all workplaces, and conducts road safety campaigns for overall employee safety. On has corporate value declaration, he explained that:

“We aim to create value on a sustained basis for all stakeholders through lofty standards of transparency, accountability and leadership”

Respondents also said that consumers have a high degree of trust in a company that is socially responsible and prefers its products. This would ultimately lead to an increase in market share. They also stated that their organizations would only pursue CSR initiatives if they were confident that such initiatives would influence market share and thus financial performance.

4.6 Summary of Findings and Discussions

In this part the results are discussed according to the objectives. The aim was to measure on the current situation of cement manufacturing companies in Kenya. Basically, it is the result of the CSR on the performance of the cement industry in Kenya. The special focus of this study was to assess the results of CSR activities in terms of growth and development of cement manufacturing companies in Kenya. To assess the impact of government policy on CSR activities on growth and development of cement manufacturing companies in Kenya and to
identify the purpose of CSR activities and its impact on growth and development of cement manufacturing companies in Kenya.

The study found that cement manufacturers have introduced different CSR activities depending on the organization. However, the analysis of the discussions is explained based on Carroll's CSR pyramid. Carrol (1991) considered that corporate social responsibility encompasses the economic, legal, ethical and discretionary (philanthropic) expectations society has of organizations at a given time. This analysis applies to each of the companies studied.

4.6.1 Bamburi Cement Ltd

The company believes that sustainable economic growth cannot be achieved without social progress, environmental protection and respect for local communities. To fulfill Carroll’s pyramid of CSR, the company focuses on climate, circular economy, water & nature and people & communities. The need to observe and conserve the climate fulfills both philanthropic, ethical and legal expectations. The company operates baobab trust, ecotourism and environmental education and green initiative challenge. The baobab trust operates the Nguuni nature sanctuary, Mtopanga organic farm, environmental conservation as well as health & education. The Nguuni Sanctuary continues to create awareness on nature conservation for the youth of Mombasa and other peri-urban residents. School children visit the sanctuary for wildlife conservation education, and other recreational activities. The bird’s wetland is an added attraction and draws different species of birds during the year.
The farm has continued to support rural grass root farmers with Community Based Organizations (CBOs) attending induction courses at the farm. CBOs from Marimani and Mapatano in Mwakirunge area attended trainings on various aspects of farming. 332 community farmers were trained both at the farm and in the community. Educational tours are also conducted with a total of 713 visitors made up of school children and individuals participating.

Regarding environmental conservation, the company has continued to collaborate with Kenya Wildlife Service, local fisher folk and other local turtle conservation groups. The Bamburi hatchery for example houses secured nests along Bamburi, Shanzu and Jumba Beach. Finally, in health and education, the library and health clinic are supported by Bamburi Cement. A total of 7,378 students visited the library. New stocks of 16 revision books were purchased to cater for the current primary and secondary curriculum. 7,788 patients were attended to at the clinic. In addition, 1,194 children were immunized in 2018 through the clinic’s outreach program.
To meet economic and legal expectations, the company has invested in circular economy practices. The concept of circular economy provides a means of sustainability by reversing current practices of rapid depletion of resources and waste generation (Linder & Willander, 2015). An essential principle of the circular economy is the idea of a restoring, self-generating ecosystem in which the system's results are recovered for use as future inputs (Yuan & Moriguichi, 2006). The result is a significant reduction in waste and increased business sustainability. A circular economy is an economic system that is unlike the current linear system of transforming raw materials into products and destroying them at the end of their lives (Murray, Skene), maximizing the reusability of products and raw materials, and minimizing value destruction Haynes, 2015). The company uses the Geocycle concept, which includes co-processing and sustainable waste management solutions. Bamburi Cement Ltd utilizes the expertise and knowledge of LafargeHolcim and provides an economical and sustainable solution for waste management in the country. The solution uses globally recognized waste management systems and uses Bamburi cement kilns to dispose of the waste through co-processing. Co-processing provides a superior environmental solution based on the following factors: high temperatures; Excess oxygen and long residence times completely destroy waste and leave no residue that needs to be dumped. Residues react with other components to form the final product; Reduces greenhouse gas emissions by replacing fossil fuels with fossil fuels and conserving non-renewable fossil fuels and natural resources by recovering the energy and mineral value of waste.

To achieve sustainable waste management solutions, the company disposes their waste Bamburi Cement kilns, to achieve zero-landfill policies thus contributing positively to the environment. To have a sustainable solution on waste oil, Bamburi Cement entered into a contract with oil marketers through Petroleum Institute of East Africa and launched the Safe
Waste Oil Disposal initiative (SWOD) which is now fully operational and endorsed by National Environment Management Authority (NEMA). Bamburi Cement is also working with local transporters to dispose used tyres through co-processing at the companies cement kilns.

As far as philanthropy is concerned, the community forms part of the company’s environmental effort and utilizing agricultural waste as a source of energy, while providing solutions to the community is part of the engagement. The company continues to work with the community from Mwea irrigation scheme and Ahero irrigation scheme to collect and deliver rice husks to NGP. Rice husks are used as an alternative fuel substituting 60% of fossils fuels consumption at NGP. Finally, the company continue to provide sustainable waste management solutions to industrial and service companies, municipalities and the agriculture sector. This is done through by closely collaborating with them to understand their specific requirements and construct tailored solutions.

Figure 5.0: Waste Management Solution

On the basis of water and nature, the company fulfills economic, legal, ethical and discretionary through activities such as biodiversity, environmental stability and wildlife integration. The
basis is that Sustainable Development Goal (SDG) 15 calls for all to protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss. In line with this call, the company has established world class ecosystems through the restoration of Bamburi Cement coral limestone quarries. Environmental sustainability on the other hand is a critical component in addressing livelihood concerns and an essential pillar alongside economic and social sustainability. It is against this backdrop that the company continues to grow and manage forest plantations and ecosystems in both rehabilitated quarries and reserve lands (which occupy over 700 hectares) for sustainable utilization, protection and conservation. Finally, the company has created a functional ecosystem over the years. This includes the introduction of animals, many of them larger mammals, which were introduced as orphans or rescued, while other animals were brought in to occupy specific niches in the ecosystem. The company has registered 34 species of mammals, two of which are listed on the IUCN Red List as endangered, and 14 species of amphibians. Some species such as monkeys, brood and antelopes are used as seed suppliers and are used for purposes such as, butterflies and other insects, such as bats, bush children and others act as pollinators. Various insects, millipedes and other arthropods as well as fungi work as degrades in the environment and change the charcoal activation in the working environment.

4.6.2 Mombasa Cement Ltd

The company appreciates the fact that CSR initiatives meet economic, legal, ethical and discretionary requirements. Mombasa Cement Limited is aware of its social responsibility as a corporate citizen. In this respect, the company provides limited financial and material support for projects in the areas it operates. The company is also determined to contribute to the development of human resources needs in order to facilitate its philanthropic mandate. The
company also manages a number of projects related to youth development and children at the tender age, involving them in games and tournaments that promote their spiritual development and make generous donations for the education of children by supporting their school fees keep them away from drugs and other mischief.

At its sole discretion, health and safety are absolute priorities for the company, as our employees and subcontractors have strict safety policies. Equally proud of being the safest company in its field, Mombasa Cement Limited has significantly reduced both the frequency and severity of work-related accidents through its strong health and safety management system, which sets the minimum levels of safety required of all employees. All employees of Mombasa Cement Limited are required by law to comply with certain rules in order to ensure the highest level of health and safety in the company.

In order to expand its preferential activities, the company has recently embarked on a journey to decorate Mombasa and create a better life for people. They have developed various projects that have created a social impact, like painting of school walls, and planting plants, also adjusting and drawing iconic items in Moi avenue. Repair of iconic tips took more than a month to touch, fix and wear white white coat on iconic tips. The company has done much in the construction and renovation of the school walls and other school structures, including the construction and construction of roofs.
Figure 5.1: Renovated School Walls and Fences
In addition to beauty projects, the Cement of Mombasa has other CSR projects that support communities in various ways. One of the projects, the Relief Water Supply has helped residents of Banghala and Ganahola area in Mikindani. The project started in 2017 and you see more than two liters of water per day provided for thousands of residents in the area. Distribution takes place every Monday to Saturday between 8am and 5pm and with support and coordination of community members. Another project that has created an impact on Mombasa is a feeding program near the rail. A small area has been set aside and built to provide a safe area from the homeless and poor people on Mombasa Island. Food is supplied daily during lunch and evening. The program gives 1000 people every day, and provides basic needs to the needy if they continue with their daily lives.
4.6.3 East Africa Portland Cement Company

The company ensures realization of the economic, legal, ethical and discretionary CSR mandate through emphasis on education, water access to communities, sports and talents development, health and environmental conservation. The company believes that education remains an indisputable fortune changer in society. Many livelihoods from poor and marginalized communities have been changed through education. With this realization, the East African Portland Cement has continued to place support for education at the centre of its CSR investments. The Company supports needy students around the country and especially in the communities it works with. This support included sponsoring the girl child through the Tharaka Nithi’s “Kaari Getu” girl child initiative as well as Logorate Primary School in Samburu by provision of desks to equip their classrooms. Other beneficiaries of the education focus include the Kenya College of Accountancy and the students going through the KCB
Foundation’s 2jiajiri initiative, which the company has joined and supported by sponsoring scores of students to acquire technical training through its apprenticeship programme.

Regarding sports and talent development, the company contributes to sports activities for two purposes; to develop talent and to raise funds for various causes. The Chemususu Dam Half Marathon is a community based organization in Eldama Ravine constituency. The Company supported them in their efforts to ensure conservation of Chemususu dam catchment area, as well as to provide infrastructure support to the Uzalendo School and to establish a police post and construct a perimeter fence around the dam for the prompt provision of security. The Company also supports the Madoka half marathon, an event organized in Taita Taveta County, to identify and nurture new athletics talent as well as to raise funds for developing new technologies in agriculture in order to make the community food sufficient. The kitty of the Standard Chartered Marathon, an event which raises funds to support athletics talent was also boosted besides other charitable initiatives across the country.

As a support measure to the communities where the Company mines its crucial raw materials, the Company continue to honour its obligation by providing water to communities within the Kibini Hill area. The Company maintains 6 boreholes by providing fuel, paid bills for those connected with power and undertook repairs and normal servicing on all the six boreholes. The Company also supplies water to Kasuitu residents next to the factory at Athi River. Overall, the Company continue to honour its long term commitment to support water access for the communities which reside in the areas which are crucial for the sustainability of the Company’s operations. This has seen many community members benefit from access to clean water for domestic and livestock use.
In its commitment to improving health among local communities, the Company has continued to contribute towards improving access to quality and affordable healthcare for the local communities. The Company runs a static health facility at Oleleshua Community in Bissil, where limestone is extracted from. The clinic in Kibini is open to access by the local community for First Aid and basic health services. The Company maintains an ambulance in Kibini to provide emergency medical response both to the employees and community. The company equally operates a number of children homes to help achieve its ethical as well as philanthropic obligation. Bondeni children’s rescue centre is a children’s home whose mission is to provide a home and support for the orphans and vulnerable children of Machakos County and beyond. The home has so far provided and housed over 30 children through the support of friends and partner organizations. The company also maintains the AIC Kajiado child care centre which is a charitable children’s institution registered in compliance with the provision of the Children’s Act. It is located along Athi River along Namanga road. The mission of this institution is to provide rehabilitation and to empower physically disabled children from the most vulnerable areas. Since its inception, the AIC Kajiado child care centre has cared for and rehabilitated over 56,160 persons in Kajiado County and beyond. The Company supports the institution with funds to facilitate awareness creation in the community on cerebral palsy cases and help in the rehabilitation of the same.

In its efforts to widen the geographical footprint of the CSR programme, the Company supports Wema Centre, a children’s home in Mombasa. Wema Center has a mandate to rescue, rehabilitate and reintegrate street children into mainstream society. In realization of the challenges faced by disadvantaged children, the center empowers children by providing the tools they need to make informed choices. The centre provides and facilitates Early Childhood Development (ECD) classes while also sponsoring and supporting primary, secondary and
post-secondary school education as well as facilitating vocational and skills training in cookery, computers and tailoring. In recognition of the noble role the center plays in society, the Company supports them financially.

Lastly, regarding environmental conservation, the company continues to provide support for the preservation of the Kenyan environment and the management of natural resources. In its determination to support efforts to reverse climate change, the company donates seedlings to its employees, local communities and schools for tree planting activities. In order to ensure sustained compliance with environmental regulatory requirements, the company undertook the following compliance projects; Annual environmental audit; Air quality assessment; Water quality and effluent analysis and noise survey. The Company continues to pursue programs on an ongoing basis that are aimed at empowering children, women and the communities in which it operates to ensure the sustainability of its activities and the overall wellbeing of all the stakeholders. These programs will continue to be supported in the Company’s future budgets.

4.6.4 Savannah Cement Ltd

The company's CSR initiatives are focused on the environmental, economic and social well-being of today and tomorrow. The company is forcing a kind of human development where resource use aims to meet human needs while protecting the environment so that these needs can be met not only in the present but also for future generations. This is based on the company's understanding of sustainable development.

The company's sustainability model revolves around environmental sustainability and economic sustainability. The company is committed to linking its initiatives with the globally recognized Millennium Development Goals. This is because the company sees social enterprise investment as a value-added to ensure that it ventures into innovative, sustainable programs,
firmly convinced that this will provide the company with fundamental strategic and operational benefits.

The expected benefits of this approach include the common value of Savannah Cement and the communities we are related to, promotes competitiveness and innovation; promotes a sustainable business model; Integration of our business into society and development of human capital. As part of building perfection with people, Savannah participates in programs that are consistent with its corporate strategy, core values and brand history. Programs that are relevant and have a balanced mix of activities that reflect the diversity of Kenyans and the needs of the business, with the aim of promoting both. To realize the economic benefits of CSR, the company considers the most important and valuable partnership as with its employees. The company's sustainability performance is a shared focus, and its employees actively address safety, environmental performance and corporate governance in their day-to-day activities.

To build and maintain partnership partnerships with the communities, the company maintains open communication with regulatory authorities on the basis that it is equally important for regulators to understand the unique aspects of cement production as well as the company needs to understand regulatory processes and practices. The company maintains partnerships through community engagement, stakeholder engagement, customer retention, employee engagement, and marketing communications. Management believes that environmental sustainability is one of the key pillars of the company's sustainability model. The company focuses on energy efficiency, global warming issues and the daily challenges associated with exhaust emissions. The company's intervention involves supporting innovative community projects such as tree planting and community cleanup campaigns.
4.6.5 ARM, Africa Ltd

The CSR approach of the company focuses on health, education, environmental protection and future orientation. In terms of health care, the primary focus of the company is to improve the quality of life of all stakeholders. These participants include people living in neighboring communities and cannot access good health services. Therefore, the company operates fully in Kaloleni. The team also has a registered clinician, a pharmacist and a professional laboratory. Clinics takes nearly 2,000 patients per month, especially children, but also adults. The company also supports clinics in Athi River and other auxiliary hospitals and clinics in Dar es Salaam and Tanga. In addition, the company incorporates dental and eye clinics in collaboration with Lions and other service organizations.

As part of education financing, the Rhino Cement Foundation encourages 30 new students and 20 university students each year with full training, books and accommodation. These are children and teenagers who are very aggressive but whose families cannot afford to take them to higher education. Young girls who care for younger siblings and street boys are now learning medicine, accounting and engineering. In order to ensure sustainability, corporate employees play an important role in helping children chosen for academic purposes. In fact, many graduates have received leadership positions in the company. Faith is that the gift of education builds a life of hope and opportunity.

The company believes it is a shared and personal responsibility to protect and improve the environment in which we all live and work. The Kaloleni factory was the first regional cement company to receive ISO 14001 environmental management certificates in 2004. Every year, the company blocks more than 250,000 free seedlings for schools and community organizations across Kenya. The program was launched recently in Tanzania and Rwanda. The Kaloleni sand
is also the only regional cement company that has set up online surveillance systems for dial around the clock. This system does not only make the dust particles of the dust, but also the air quality according to the recent European standards of cement industry.

Finally, according to the future look, the company creates trees near its industries and fixes its quarries. The company boasts its staff and customers who support wildlife and national parks. The Rhino Cement Agency supports the Sanctuary of Ngong Forestry, Nairobi Greenline Trust and Lewa Wildlife Conservancy that has recently been recognized by the United Nations as the World Heritage.

4.6.6 National Cement Ltd

The company plays a very important role in the growth and support of the local community. This includes activities to conserve the environment and support education, as shown in the following illustrations:
4.7 General Summary of Findings

Cement manufacturers have adopted CSR programs. These companies have health and safety policies that benefit their stakeholders, provide quality products and services, and implement strict security policies and staff. Companies also provide employee training programs and employment opportunities for citizens. Although not all worked, the study found that these companies sometimes provide support and tariffs for those who need and also support youth development programs. The results of this study are similar to the work of Akinyomi (2012).

The study found that the cement manufacturers in Nigeria are regularly observing their CSR efforts in areas such as learning support and sports activities. On the other hand, the cement manufacturers in Kenya comply with several areas through CSR programs. This includes health care services, where some cement companies in Kenya, for example, are equipped with medical equipment, such as ARM and Kaloleni hospitals, Mombasa County. The cement factory also supports many health care facilities across the country and in the region. Companies also support education programs through funding and warranty, although this is not often the case. Such projects are like the Rhino Foundation of Rhino which on the basis of needy cases, scholarships for secondary school and university students.

In protecting the environment, cement manufacturers are committed to preserving the environment. This includes planting trees and preserving trees, for example the case of Bamburi Cement, which maintains several conservation centers, notably the self-supporting Haller Park. This finding is in line with the work of Patil and Sawant (2014), which stated that CSR activities are carried out in areas where businesses benefit greatly, eg. in the area of the Health and Family Welfare Program, community infrastructure development projects, the contribution to the religious and social program, the promotion of cultural heritage, the use of natural resources, the program to empower women, the education program, the activities of the
public interest, and the development of agriculture. Regarding the impact of government policy, the study found that government policy has a moderate impact on the extent of the social responsibility of cement manufacturers. The government's influence is mainly due to regulations and government action to enforce standards to improve corporate disclosure and transparency. The government also sensitizes through its agencies and facilitates the facilitation of socially responsible investments. It has also been found that through government initiatives, the company's commitment to corporate social responsibility can be appropriately facilitated and priorities identified in the company's business. At the same time, incentives and support were created and resources were mobilized for the company, albeit at a minimal level. This result is in line with the work of Muthuri and Gilbert (2011), who found that CSR initiatives can be easily carried out by companies in Kenya if there are adequate institutional frameworks at local and global level.

The investigation also revealed that companies have strong motivations and reasons to commit to CSR. The study found that the need for improved financial performance was the main motive, followed by improving the reputation and brand loyalty of companies. Companies are also committed to CSR to comply with regulations and increase market value. The study also found that companies push for environmental considerations and drive CSR initiatives. The study by Vani and Krishna (2015) found that India's key players in the cement industry are motivated to contribute to society and the environment, as the cement production process leaves a strong environmental footprint. The process of producing cement consumes a lot of energy, both thermal and electrical, mainly through coal-fired power plants and also releases carbon dioxide.
Finally, this study focused on the analysis of the impact of CSR on the performance of cement manufacturers in terms of their growth and development. Business growth and development indicators included improved market control, improved service quality, improved profitability, improved customer relationships, lower compliance costs, and higher performance. The study found that CSR initiatives are important for organizational performance. In particular, the study found that CSR leads to improved market share, improved quality of goods and services, and higher profitability of cement producing companies. CSR initiatives have been identified as helping to reduce compliance costs, particularly with regard to environmental regulations. The results also showed that CSR leads to an increase in production volume as organizations focus on cheaper and sustainable raw materials. This result is consistent with Mwancha and Ouma (2017). They found that CSR initiatives have increased market share, increased ROI through market share and increased customer preference for Safaricom products compared to competitors. The company also benefits from economies of scale due to a larger market share than its competitors. The investigation therefore found a link between CSR initiatives and increasing market share, which means that CSR initiatives have an impact on the market share of companies.
CHAPTER V
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

For the purpose of this study, conclusions are based on the study findings and in line with the three objectives described in the primary chapter of the study. It should be noted that the conclusions are also in accordance with the literature of the study earlier discussed. The correlation between the findings of this study vis-à-vis the reviewed literature will be discussed. Finally, recommendations will be proposed for further research on the area of study as well as for improved policy on refugee handling.

5.1 Introduction

This section contains a summary of what the researcher found in line with the objectives. The conclusion is also in accordance with the literature review and the relationship with the findings is also discussed. The need for further research and recommended action plans are proposed.

5.2 Summary of the Findings

The results show that cement manufacturers have introduced a variety of CSR activities, including health and safety measures for the benefit of their stakeholders, providing quality goods and services, and implementing stringent safety policies for employees and subcontractors. The companies also offer employee qualification programs and job opportunities for the locals. These companies have also from time to time carried out support and scholarship programs for those in need as well as financing youth development programs. In terms of government policy; This study found that government policy has a moderate impact on the social responsibility of cement manufacturers. These government policies and regulations include standards to improve corporate disclosure and transparency, to raise awareness of their agencies, and to facilitate socially responsible investment. Accordingly,
government action facilitates the activities of such companies in the area of social responsibility by helping to identify business activity priorities, providing incentives and support, and mobilizing resources for businesses, albeit at a minimal level.

Regarding the CSR motives, the study found that cement companies have strong motivations and reasons to engage in CSR activities. Driving forces for CSR include the need to improve financial performance, improve the company's reputation, strengthen brand loyalty, and comply with laws and regulations. The investigation found that the need to improve market value and drive for environmental impact also drives CSR initiatives. Finally, it was noted that CSR initiatives are important for organizational performance. In particular, the study showed that CSR leads to better market control, improved quality and higher profitability of cement manufacturers. It has also been noted that CSR initiatives help reduce compliance costs, especially with regard to environmental regulations. The results also showed that CSR leads to an increase in production volume as organizations focus on CSR goals to improve their goal function and promote sustainable activities.

5.3 Conclusions of the Study

This study aims to measure current situation of cement industry in Kenya in CSR involvement. There is much evidence of how the CSR affects the performance of the cement industry in Kenya. The analysis of CSR on cement manufacturing companies in Kenya. In order to determine the impact of government policies on CSR activities and the growth and development of cement manufacturing companies in Kenya, the study realized the interests of CSR activities and their impacts on the growth and development of such companies in Kenya. The companies are doing the CSR activities according to their collaborative policies and also contributes to their growth and development by increasing market and consumer confidence.
This finding is in line with the study by Opilo, Mulili & Kimani (2018) who established that companies involve in CSR activities to achieve competitive advantage over rivals in the market. They argued that CSR involvement is a company initiative for sustainable existence. Further, the conclusion is relevant to the study by Godos-Díez, Cabeza-García and Fernández-González (2018) who established that CSR directly affect business management to the extent that companies increasingly take into consideration the opinion of society, attempting to gain stakeholders’ trust through effective CSR management. This enhances corporate success and sustainability especially through internalization strategies.

On Government, through policies it influences CSR initiatives of the cement manufacturing companies through regulations and awareness creation. Though it was spoken in low tones, the political environment also hugely affects the growth and development of these companies especially in times of new governments and based on the affiliation of the top management to those in power. As a results, some off the record complained of some competitors receiving more investors based on the government initiatives. This conclusion is relevant to the study by Ayalew (2018) who established that existing frameworks that are both Government and privately initiated have a significant impact on the extent to which companies engage in CSR activities. Further, the conclusions complement the study by Dyduch and Krasodomska (2017) who also concluded that industry environmental sensitivity have a significant influence on CSR disclosures.

For the third purpose, the study also concludes that cement manufacturers have incentives and motivation for CSR. Common drivers for CSR are financial performance and social welfare. Finally, the study concludes that CSR plans have a positive impact on the growth and development of cement manufacturing companies in Kenya. This succeeds by improving
market control, providing good benefits and benefits to the cement manufacturing companies. CSR plans have been identified as helping to reduce compliance costs, especially in terms of environmental regulations. It is also consistent with the study by Naser and Hassan (2013) that indicated that the extent of CSR disclosure is influenced by corporate size, industry and profitability. Another study by Asemah, Okpanachi and Edogoh (2013) found out that the motivation to participate in CSR is that organizations that exercise corporate social responsibility benefit from many benefits. The benefits include improved brand and reputation, lowering operating costs, gaining new customers, balancing power and responsibility, preventing government regulations, improving the image of a company in the public and promoting long-term activities.

5.4 Recommendations

Based on the research results, the researcher recommends a series of political and practical questions. First, cement companies must work with local communities to ensure that their policies maximize the social well-being of those involved. The companies that produce cement can participate in activities such as: B. Strengthening vulnerable members of society through the initiation of socially sustainable projects. This could be achieved by introducing the specific leadership of the local community without the intervention of local politicians. This would mean that such companies are considered good corporate citizens.

The study also suggests that cement manufacturers establish guidelines for internal quality following specific environmental objectives and ensure customer satisfaction. However, companies must ensure that these quality guidelines are cost effective according to their implementation and efficiency. Due to concerns, the government should also ensure that these
internal policies only increase the regulatory system that exists from the national and international perspective.

Further, the study recommends that cement manufacturing companies should engage in a number of CSR activities as this increases their customer base to ensure that the company’s financial performance also improves. Moreover, by engaging in CSR activities a firm’s visibility and publicity increases. Also, engaging in CSR, allows to be in a good position to contribute largely to the community at large.

From a policy perspective, the researcher recommends that the government should compel the cement manufacturing companies to be required to disclose their CSR information publicly in details on specific time frame. This can be achieved if the Government imposes stronger rules and regulations to assert its position on the same. This implies that the government should use regulations to push the cement manufacturing companies to disclose their CSR information.

5.5 Suggestions for Further Study

Many other lessons can be done according to current research; because this study only focused on the impact of CSR on cement manufacturing companies, the same investigation can be made from the client's perspective to ensure the impact of CSR activities has been done. Such studies in the sector can be established to focus on other sectors of the economy, especially the service and delivery sector. Other research can be done to explore the CSR and specific performance indicators such as benefits and other financial performance indicators. Finally, research can be done to explore the nature and extent of the involvement of CSR and institutions and government agencies.
REFERENCES


Friedman, M. (2007). The social responsibility of business is to increase its profits, Springer.


Tanaya, J. (2012). Corporate Social Responsibility: A framework for Analysis CSR heterogeneity through the case of Indonesian Palm Oil. PhD in Faculty of Humanities, The University of Manchester.


QUESTIONNAIRE

PART A: BACKGROUND INFORMATION
1. Please indicate the name of your company _________________________
2. Your Gender
   i. Male ■
   ii. Female ■
3. For how long have you been working in the organization?
   i. 1 - 5 years
   ii. 6 - 10 years
   iii. 11-15 years
   iv. 16 – 20 years
   v. Above 20 years
4. What is your position in the organization?
   i. Senior Level Management ■
   ii. Middle Level Management ■
   iii. Low Level Management ■

PART B: CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES
The following is a list of corporate social responsibility activities. Using a scale of 1 to 5 where 1 =Very low, 2=Low, 3=Moderate, 4=High, 5= Extremely high, please indicate what extent your company has adopted each of them.

<table>
<thead>
<tr>
<th>What is the extent of your agreement?</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Extremely High</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The company has sponsorship and scholarship programs for the needy.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. The company provides goods and services of high quality.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. We provide employment opportunities to the locals.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. The company has policies to cater for health and safety matters of the workers and other stakeholders as well for the customers</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. The company ensures minimal usage of the natural resources which are sources of livelihood.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6. The company ensures employee engagement and involvement in skills development programs.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7. The company implements stringent safety policies for employees and subcontractors.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8. The company finances youth development programs including games and tournaments.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
PART C: GOVERNMENT POLICIES INFLUENCE ON CSR

The following is a list of Government policies. Using a scale of 1-5 where 1= Not at all; 2 = Small extent; 3 = Moderate extent; 4 = Great extent & 5 = Very great extent. Please indicate the extent to which you agree the following government regulations influence the company’s CSR in its operations in Kenya?

<table>
<thead>
<tr>
<th>Government Policies and Regulations</th>
<th>Do Government policies influence CSR initiatives of Cement Manufacturing companies?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification of priorities in the firm’s operations</td>
<td>Not at all</td>
</tr>
<tr>
<td>Creation of incentives and support, and mobilize resources for the firm</td>
<td>2</td>
</tr>
<tr>
<td>Raise awareness and build capacities for CSR</td>
<td>3</td>
</tr>
<tr>
<td>Regulating business activities</td>
<td>4</td>
</tr>
<tr>
<td>Facilitating the company’s engagement in corporate social responsibilities</td>
<td>5</td>
</tr>
<tr>
<td>Offering technical assistance towards CSR where necessary</td>
<td>6</td>
</tr>
<tr>
<td>Offering capacity building</td>
<td>7</td>
</tr>
<tr>
<td>Improve disclosure and transparency</td>
<td>8</td>
</tr>
<tr>
<td>Facilitate socially responsible investment</td>
<td>9</td>
</tr>
</tbody>
</table>

PART D: MOTIVES FOR CSR ACTIVITIES

The following is a list of motives for CSR. Using a scale of 1-5 where 1= Very Low; 2 = Low; 3 = Moderate; 4 = High & 5 = Extremely high. Please indicate the extent to which you agree they drive CSR involvement.

<table>
<thead>
<tr>
<th>Motives for CSR</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Extremely High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial motives - Firm’s profitability</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Social sustainability</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Ecological consideration</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Market Value</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Good reputation and brand loyalty</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Compliance with the law and regulations</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
PART E: EFFECT OF CSR ON CORPORATE GROWTH AND DEVELOPMENT

The following is a list of effects CSR. Using a scale of 1-5 where 1= Not at all; 2 = Small extent; 3 = Moderate extent; 4 = Great extent & 5 = Very great extent. Please indicate the extent to which you agree with the effect of CSR on the following performance indicators.

<table>
<thead>
<tr>
<th>Corporate Growth and Development Indicator</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Increased Profitability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Improved Market Share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Improved Customer Relations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Reduced Compliance Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Improved Quality of Goods and Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Increased Output Volume</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PART F: INTERVIEW GUIDE

1. Does the company have a policy on CSR?
2. What are the CSR activities that the company has adopted?
3. Explain how the Government policies affect CSR initiatives of a company.
4. Explain the factors that motivate a company to get involved in CSR.
5. How does it benefit your companies to be involved in CSR.

Thank you for your participation! The End