IJARR, 3(11), 2018; 01-12

International Journal of Advanced Research and Review

www.ijarr.in

CORPORATE SOCIAL RESPONSIBILITY ON FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN NAKURU TOWN, KENYA

Joy .M. Obwocha[1], Stephen OlooMagadi[2]

[1]MBA Candidate, School of Business and Economics, Kabarak University, Email: joyobwocha@gmail.com
[2]School of Business and Economics, Kabarak University, Kenya. Email: Smagadi.kabarak.ac.ke

ABSTRACT

Corporate social responsibility is a way of giving back to the society by the businesses as a way of appreciating the society who are their consumers as well. By doing so, the corporations gain by having favorable public view thus in a way increase their profitability by having more consumers consume their products. The main objective of the study was to establish the effects of CSR on financial performance of commercial banks in Nakuru with focus on education and health activities. This study adopted social cost agency and relational theory. Primary data was used which was collected by use of questionnaires. Using descriptive research design, the study tested for a linear relationship between corporate social responsibility and financial performance. The target population was the Chief Finance Officers and managers in commercial banks in Nakuru town. Data analysis was done using descriptive and inferential statistics, and the findings presented using tables. The study concluded that scholarships that commercial bank have provided to needy students has increased financial performance of the bank. Yet, it was also concluded the efforts that the bank has made in sponsoring community education has increased customers desire to continue banking with the bank. The study further inferred that most customers like being associated with the bank due to it support in buying books for school libraries in the area and bank support in construction of classroom blocks most customers often speak to surrounding people about the bank. The study recommended that banks should provide scholarships to the needy students since this will improve banks image which will attract more customers and hence improve their financial performance. It is also recommended that banks should put more resources in sponsoring community education so as to increase customers desire to continue banking with the bank.

Keywords: Corporate social responsibility, Commercial banks and Financial performance

1.0 INTRODUCTION

Since time immemorial, CSR has been in existence paving way for corporations to have ethical, philanthropic, moral and felony obligations. It is the regular commitment with the aid of corporations to make contributions to economic improvement and behave ethically as they enhance the pleasant of lifestyles of the individuals of society in which the company exists in, (Holme and Watts, 2000). The primary motive for a company‘s existence is that of profit maximization. In a bid to gain this intention, company‘s processes have now not been able to keep away from main to the degeneration of the environment inside and around it. The result has been dangerous places of work and the encircling surroundings via emission of toxic materials and other similar troubles (Lindgreen, Swaen and Johnston, 2009).

In the worldwide scene, CSR has emerged as an great concept that has strategic importance to many groups. Companies are taking direct and considerable steps to expose their CSR spending to clients (Luo and Bhattacharya, 2006). Bhattacharya and Sen (2004) argue that many advertising and marketing studies have decided that social responsibility programs have a significant have an effect on on several universal performance outcomes, as a result aorganisation with accurate reputation on CSR creates a high quality context that virtually boosts company normal performance (Giirhan - Canli and Batra, 2004). The exercise of CSR has been dominated via way of traits in Western and superior international locations, such as the United States of America (USA) and the UK (UK) (Cheers, 2011) and it is uncertain whether or not it interprets easily into developing and non-Western countries. These particular instances had been noted by way of way of numerous students who have identified the gaps among developed and developing countries even as CSR is implemented (Visser, 2007).

Various investigations on CSR have been led in Africa to set up the connection among CSR and budgetary execution; these examinations still show clashing outcomes. Usman and Amran (2014) led an examination on 68 organizations in the Nigeria stock trade; the investigation tried to build up if there was a connection among CSR and money related execution of these organizations. Utilizing CSR lists and budgetary execution estimates the examination reasoned that from the relapse investigation, human asset divulgences, items exposure, client revelations and network inclusion revelation, were found to upgrade money related execution. The outcomes additionally uncover a negative connection between ecological exposure and monetary execution, which demonstrates that revelation of the organization's natural effect data could be esteem wrecking in Nigeria. In South Africa, the World Bank (2003), featured various corporate budgetary disappointment and inconsistencies, these were faulted for frail CSR structure.

In Kenya, Naiseka (2014) hooked up that companies are driven in to CSR practices to fulfill legitimacy and shareholders demand. The have a look at concluded that link between CSR and monetary performance is not clean. Wanjala (2011) conducted a look at that assessed elements that effect on corporate social responsibility. The observe centered on commercial banks in Kenya and established that profitability turned into one of the key elements influencing CSR sports in the surveyed business banks. A have a look at by means of Kipruto (2014) on the other hand set up that being socially responsible did now not have any impact on overall performance of industrial banks in Kenya. A examine through Nkaiwatei (2011) that targeted on the oil industry.

Okoth (2012), in the course of his have a look at on impact of CSR on financial performance of business banks in Kenya, realized that CSR has an impact on ROA and ROE. Gichana (2004) determined out that everyone companies listed at NSE had integrated CSR in their challenge statements .This turned into in some unspecified time in the future of a check on a survey of CSR practices through Kenya groups indexed at NSE. According to Okiro, Omoro & Kinyua (2013) industrial banks can use CSR to create a platform for improving their brand value and to sell themselves. The link between CSR and corporate general overall performance can simplest be clean if the additives of the CSR programs in an enterprise are honestly identified before the relationship of the joint and severa abilities can be mounted (Gathungu and Ratemo, 2013). Institutions which have remained competitive and which have skilled regular boom were embracing CSR sports for a long term. This has enabled them to flourish in competitive markets wherein dealers sell similar items at comparable charges (Ong’olo, 2012). This demonstrates that CSR performs a crucial function in a firm’s monetary success. Centered on those arguments, this thesis interests at bringing out the relationship between CSR spending and company's performances (if any exists), further to purpose at statistics if actually CSR is a need or is it simply an avenue to waste organization property, as already placed forth via CSR critics.

Managers trust that steady CSR will permit the firm to have appreciate in the market location and also it enables the firm to have extra income and also it attracts greater certified body of workers who would wish to be related to a firm with true CSR with the intention to ultimately enhance the firm's economic performance (Robins, 2015) Kanwal et al., 2013) states that, there may be a effective relationship between CSR and performance of the company financially. Thus spending on CSR activities now guarantees sustainability of the company in the long term as well as development of monetary overall performance. Commercial banks in Kenya are regulated via the CBK which oversees the banks to make sure they comply with the regulation. The banking quarter in Kenya has undertaken numerous regulatory and economic reforms inside the past. These reforms have enabled the banking quarter to attract many overseas banks to go into the Kenyan marketplace (Irungu, 2013).

Commercial banks have embraced CSR in the beyond few years with some having a chief effect as visible of their financial reviews and web sites in which the banks publish the assets they have got used towards CSR. Notable examples are Equity's "Wings to Fly" basis that allows shiny however a needy student, Standard Chartered that has a programme to help those with eye troubles which is the "Seeing is Believing" programme. All this programs are in accordance to the regulation and also help increase the picture of the firms to the public eye which in flip helps boost the earnings financially.

1.2 STATEMENT OF THE PROBLEM

In the East African place, the Kenyan banking machine is regarded because the most superior and really aggressive. This manner that some banks like KCB and Equity have thoroughly organized CSR structures which are doing very well. (Serafiem (2010) says that, having a long time economic plan this is powerful can entice buyers each foreign and nearby who spend money on long time tasks and at the same time allows get admission to their funds in a short time period word. Studies have shown that CSR has an impact on customers mindset in the direction of the goods if the firm and as such it has a superb dating with economic overall performance (Classon & Dahlstrom, 2006).In Kenya, a have a look at by Okeyo, 2013, discovered that a correlation observe on CSR and loyalty in Standard Chartered Bank confirmed that CSR inspired the customers loyalty both in an attitudinal or behavioral way. Attitudinal loyalty is manifested inside the way the customers how pride to the goods supplied, their willingness to recommend the same to spouse and children or friends, and willingness to talk to customer support about the goods. Financial establishments can increase the fee of technological innovation via figuring out the entrepreneurs with maximum promising technology. Successful institutions can assist reduce liquidity risk and permit lengthy-time period investment Mutuku (2004).Banks with sound long term performance can provide activity security to its personnel create new employment opportunities; guarantee government of continuous revenue other than pleasing their shareholders' expectancies.

The usual research hassle that this observe addressed changed into that, in spite of the numerous talks held on CSR, implying that CSR is a prerequisite for accurate company management and governance; little has been carried out to establish whether certainly there may be any relationship among CSR spending and the corresponding performance of firms adopting these CSR practices. Is CSR centered on improving the financial performance, which is the underlying cause for a firm's existence or is it all approximately growing fee the society? What parameters depict a socially accountable firm? What are the drivers for embracing CSR? What aspects of CSR ought to a company embody maximum? If these problems are not looked at and analyzed, then corporations ought to simply be indulging themselves in activities that result in a waste of the ever confined company resources.1.3

Objectives of the Study

This study has both general and specific objectives

1.3.1 General Objectives

To investigate the effect of corporate social responsibility on financial performance of commercial banks in Nakuru Kenya.

1.3.2 Specific Objectives

To determine the effect of supporting education on the banks financial performance in Nakuru, Kenya.

To determine the effect of community health programs on financial performance of banks in Nakuru, Kenya

1.4 Research Hypothesis

H01 : Education CSR activities have no significant effect of supporting education on banks' financial performance.

H02 : There is no significant relationship between health and financial performance of bank

2.0 LITERATURE REVIEW

2.1 THEORETICAL REVIEW

The study adopted social costs and agency theory.

2.1.1 Social Costs

The phrases 'social cost' factor out, at a very essential degree of analysis, the identical concept. Problems rise up in the literature with reference to the look at of 'external economies'. According to Marshall (1920), out of doors economies want to be secured with the resource of the awareness of many small companies of a similar individual in particular localities or with the resource of the localization of industry. The vicinity of small enterprise is thought of as a depend of exogenous advantage as soon as they will be positioned among a cluster of comparable companies. There is normally a few a part of the company's activities that influences the surroundings. A transition from 'outdoor' to 'social' is a quick logical passage, in truth social forces right here co-carry out with monetary.

2.1.2 Agency Theory

In this principle, proprietors are the principals and bosses are their sellers. The supervisor bears fiduciary obligation towards the owners and is generally hassle to sturdy incentives as a way to alienate their economic pursuits with those of the proprietors, and with the maximization of shareholder cost. Today, it is typically standard that beneath sure conditions the delight of social pursuits makes contributions to maximizing the shareholder cost and most huge groups pay attention to CSR particularly in considering the pursuits of humans with a stake in the firm. In this understand, Jensen (2000) has proposed what he calls 'enlightened cost maximization'. This concept specifies lengthy-term rate maximization or fee-attempting to find because the firm's objective which allows some alternate-offs with applicable constituencies of the agency. To distinguish worthwhile CSR from others which aren't, Burke and Logsdon (1996) proposed the concept of SCSR to consult pointers, applications and strategies which yield substantial business associated benefits to the employer, specifically with the aid of assisting center commercial business enterprise sports activities, and for this reason contributing to the firm’s effectiveness in carrying out its task.

2.2 Conceptual Framework

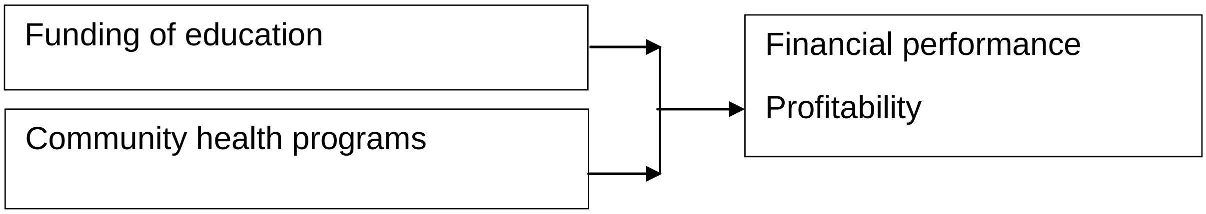

Figure 1: Conceptual Framework

2.3 EMPIRICAL LITERATURE

2.3. Review of CSR and education

Education is the spine of improvement in a country and consequently the monetary banks have been key gamers in aid of tutorial tasks to enhance the instructional requirements. National financial organization as an instance has completed the supply of chairs and lockers to Awendo Primary School and Kamagambo Day Secondary School, Equity has the ‘’ wings to fly ‘’ initiative to provide bursaries to needy but bright student, KCB foundation additionally offers bursaries, modern day chartered has programmes that are absolutely carried out by means of way of our employees: Financial Education for Youth (FE4Y) and Education for Entrepreneurs (E4E). FE4Y is a set of programmes geared closer to constructing monetary functionality of the arena’s younger people at the same time as E4E is aimed toward building financial capability of non-client micro and small corporations with a focal point on girls owned or led companies.

In Kenya, Ndegi (2014) opines that Standard Chartered Bank acknowledges that schooling is a key pillar of Kenya‟s Vision 2030 blueprint. To help in addition this time table, the financial institution has decided to resource girl child education. The Global Give Back Circle marketing campaign (GGBC) seeks to finish the academic way of the worlds downside women, so that they gain employable skills and become contributing participants of society. It accomplishes this thru a transitioning model that acknowledges an impoverished female needs mentoring empowerment and financial enablement to step-trade her accessibility to Life‟s Chances (Clark, 2007).

Oyaya (2012) explored the effectiveness of CSR as a PR device for selling the photo of KCB at the same time as assessing the stakeholders' perceptions of the enterprise and comparing the extent of stakeholders‟ involvement in the sporting out of CSR. Findings discovered that carrying out CSR now not simplest fulfils the responsibility of supplying for the needy in our societies however moreover promote the photo of a company. From the examiner findings, it become mentioned that there has been lack of knowledge by way of the residents of Kiamumbi location on the CSR activities executed by using way of KCB at Maria Immaculata Education Centre. Such an trouble may be addressed as rely of coverage through publicizing of CSR sports and status quo of vital linkages and family individuals with the media in addition to prolonged network involvement in CSR activities. The have a look at findings additionally revealed that majority of the respondents at Maria Immaculata Education Centre and the encircling regions did not have any form of ongoing relationships with the Bank

2.3.2 Review on CSR and Health

Another region wherein the CSR applications were done includes the health sector. The idea in the again of the CSR programs is to make sure the curtailment of human suffering via manner of organization organizations which can be either legally mandated to play a position of these that adopt the duties as part of their ordinary ethical obligations (Porter, 2011). Seeing is Believing" is Standard Chartered Bank's flagship sustainability initiative geared toward doing away with avoidable and curable blindness, National Bank has long term answers to health care all over the U.S.through the development of fitness centers, donation of machines and system's for government hospitals amongst many others. In 2012, bank donated six dialysis machines to Coast and Rift Valley provincial preferred hospitals similarly to Moi Teaching and Referral medical institution at an anticipated well-known price of Kshs.10 million. This donation aimed to relieve struggling for humans with kidney associated ailments at the same time as lowering the congestion at Kenyatta National Hospital.

Health Sector genuinely sticks out as a frontrunner, while discussing the CSR problems. Part of the reason is its near relation to its a couple of stakeholders of society, authorities, and special personal sectors (Chege, 2014). Another part of the cause may be that its manner of creating income has a bigger dating to humans‟s lives thru affecting their fitness troubles rather than different organisation entities. There are many motives why it's going to pay for businesses, each huge enterprise and SMEs (small and medium corporations) to be socially responsible and be acutely aware about the interest of the important issue stakeholders. The healthcare enterprise has a spread of traumatic situations that the common individual might not completely recognize.

In Kenya, Clark (2007) posited that Standard Chartered Bank has been accomplishing; "seeing is believing" marketing campaign initiative aimed in the direction of eradicating avoidable and curable blindness. The flagship software program accomplished its fundamental dreams in 2012 with appreciate to contributing to contributing to bargain of avoidable blindness in Kenya. The software furnished 869 surgical approaches for numerous blinding and potentially blinding situations for children. The software program emerge as applied for the duration of the 5 partnering hospitals i.E. Kikuyu Eye Unit, Sabatia Eye Hospital, Tenwek Eye Unit, Lighthouse for Christ Eye Hospital and Kwale District Eye Centre. Ndegi (2014) examine determined that 33.3% of the respondents (n = 33) indicated that healthcare packages had been the foremost CSR duties that Standard Chartered Bank Kenya had undertaken (Ndegi, 2014)

3.0 RESEARCH METHODOLOGY

This study used descriptive survey of the economic banks licensed in Nakuru. According to Mugenda and Mugenda (2006), a descriptive research is a manner of gathering statistics with a purpose to answer questions regarding the repute of the topics within the observe. The research design to be used on this take a look at could be the descriptive layout.

3.1 Target Population

Target population refers to the entire group of individuals or objects to which the researcher is interested in generalising the conclusions. The total population of banks listed In Nakuru metropolis turned into 25.Two officials from every financial institution have been used to make the population beneath have a look at to be fifty. Since the target population was a manageable size the researcher includes all the 50 employee of commercial banks.

3.2 Data Collection Instruments and Procedure

Questionnaire was used to collect the primary data desirable for the study. Questionnaires are any written instruments that present respondents with a series of questions or statements to which they are to react either by writing out their answers or selecting from among existing answers (Jankowicz, 2005). The design of the questionnaires was based on a multiple-item measurement scale. The questionnaire was divided into five sections. The study commenced after obtaining a research permit from the National Commission for Science Technology and Innovation (NACOSTI) through School of Pos- Graduate Kabarak University. The researcher then administered the questionnaires on the respective confirmed appointment dates, administered the questionnaires and collected the same after one week.

3.3 Data Analysis and Presentation

Data collected was quantitative in nature. Quantitative data was analysed by use of Statistical Package for Social Sciences (SPSS) version 24. Both descriptive and inferential statistics was used in the study. Descriptive statistics involved the use of percentages, frequencies, measures of central tendencies (mean) and measures of dispersion (standard deviation). Inferential statistic was used to determine the relationship between variables.

4.0 FINDINGS AND DISCUSSIONS

4.1 Response Rate

The study sample size was 50 out of which 45 responses were obtained, giving a response rate of 90%. The study did not achieve a 100% response rate as some of the questionnaires were half way filled by the respondents and hence could not be used in the study. However, according to Orodho (2003) any response of 50% and above is adequate for analysis thus 84% response rate was excellent.

4.2 FINDINGS AND DISCUSSIONS

4.2.1 Distribution of Respondents by Gender

Responses	Frequency	Percentage
Male	27	60%
Female	18	40%
Total	**45**	**100**

Table 4.1 above indicated that majority of the staff working with banks were male (60%) while only 40% were female. This implied that there were more males working in commercial Banks in Nakuru and this was contrary to the affirmative action on two-third gender rule enshrined in the Constitution of Kenya 2010 which requires all entities not to have more than two third representation of either gender (Republic of Kenya, 2010). Therefore commercial Banks should put into place measures to strike the two-third gender balance.

4.3 Education programs and financial performance

Table 1: Descriptive Analysis for effect of education programs and financial performance

	n	SA	A	U	D	SD	χ2	ρ
The scholarships that commercial bank have provided to needy students has increased financial performance of the bank	45	38.64	47.73	6.82	4.55	2.27	13.24	0.021
The efforts that the bank has made in sponsoring community education has increased customers desire to continue banking with the bank	45	22.73	54.55	21.5	13.9	10.1	14.12	0.056
Based on bank support in construction of classroom blocks most customers often speak to surrounding people about the bank.	45	29.55	40.91	13.64	15.91	0.00	9.68	0.001
Most customers like being associated with the bank due to it support in buying books for school libraries in the area	45	15.91	43.18	10.1	24.1	17.7	18.93	0.58

It is clear from the descriptive results in table 4.7 above that Majority of the respondents were in agreement that the scholarships that commercial bank have provided to needy students has increased financial performance of the bank as seen from 38.64% of the staff who strongly agreed and 47.73% who agreed. The remaining 6.82% were not sure while a minority 4.55% disagreed and 2.27% strongly disagreed. Further analysis revealed ($\chi2$ = 38.50, p = 0.000), meaning that the scholarships that commercial bank have provided to needy students has increased financial performance of the bank

Regarding whether efforts that the bank has made in sponsoring community education has increased customers desire to continue banking with the bank, 22.73% of the respondents strongly agreed while 54.55% agreed with ($\chi2$ = 14.12, p = 0.056) denoting insignificant effect on financial performance. A majority of the respondents also supported the argument that based on bank support in construction of classroom blocks most customers often speak to surrounding people about the bank. where 29.55% strongly agreed, and 40.91% agreed.

A few were opposed to this view where 13.64% were not decided and 15.91% disagreed. More analysis showed ($\chi2$ = 9.68, p = 0.001). signifying on whether customers like being associated with the bank due to it support in buying books for school libraries in the area, 15.91% of the respondents strongly agreed, and a further 43.18% agreed that Most customers like being associated with the bank due to it support in buying books for school libraries in the area This shows that there was agreement that Most customers like being associated with the bank due to it support in buying books for school libraries in the area degree

4.4 Health Programs

Table 2: Effect of CSR on health programs and financial performance

	N	SA	A	U	D	SD	χ2	P
Customer confidence and trust with the bank has growth due to it numerous support of community health projects	45	18.7	31.3	13.9	20.1	20.1	11.45	0.022
The frequency to which the bank contributes towards the construction of health facilities makes customers to talk about the bank in meetings and groups	45	47.73	27.27	12.7	13.64	6.82	28.05	0.000
Community has benefited a lot from bank health projects making most of them to open their accounts with the bank	45	15.91	13.82	13.64	29.55.8	9.09	8.95	0.062
Bank sponsor health wellness camps that has improved customer allegiance of being associated with the bank	45	38.64	29.55	12.7	15.91	4.55	16.91	0.002
Customer satisfaction has increased as a result of bank support in purchase medical drugs for public health facilities	45	8.9	16.5	8.9	22.8	43.0	38.50	0.000

In line with the results shown in Table 4.8 above, the study revealed that 18.18% of the Respondents strongly agreed while 31.82% agreed that Customer confidence and trust with the bank has growth due to it numerous supports of community health projects. This shows that the proportion of those in support of the statement was half (50.0%) while 40.95% were in disagreement.

Majority of the respondents were in agreement that the frequency to which the bank contributes towards the construction of health facilities makes customers to talk about the bank in meetings and groups. This was according to 47.73% who agreed and 27.27% who strongly agreed. A few were however of a contrary opinion where 13.64% disagreed, and 6.82% strongly disagreed. Further analysis of the results revealed that frequency to which the bank contributes towards the construction of health facilities makes customers to talk about the bank in meetings and groups $\chi2 = 28.05$, $p = 0.000$ with the financial performance of the banks

Whether community has benefited a lot from bank health projects making most of them to open their accounts with the bank, 15.91% of the respondents strongly agreed while 31.82% agreed that community has benefited a lot from bank health projects making most of them to open their accounts with the bank. That notwithstanding, 29.55% disagreed and 9.09% strongly disagreed while 13.64% were not sure.

Majority of the respondents were also in agreement that Bank sponsor health wellness camps that has improved customer allegiance of being associated with the bank. This view was upheld by 38.64% of the respondents who strongly agreed and another 29.55% who agreed and opposed by 15.91% who disagreed and 4.55% who strongly disagreed These findings disagree with Mutuku (2015) study who sought to find out the effects of corporate social responsibility health related programs profitability and findings showed that on health related programs has a positive impact on profitability

4.4 Inferential Statistics

Table 3: Correlations between supporting education and financial performance

		financial performance
Supporting education	Pearson Correlation	.302**
	Sig. (2-tailed)	.007
	n	45

****. Correlation is significant at the 0.01 level (2-tailed).**

According to the consequences of correlation analysis indicated in Table 4.12 above, it become found out that the relationship between assisting training and financial overall performance became wonderful, susceptible but statistically great ($r = 0.302$; $p < 0.05$). The interpretation of the results was that with the aid of enhancing assisting education through corporate social obligation, there was a slight however sizeable chance that monetary performance might increase.

Table 4.1: Correlation between community health programs Training and financial performance of banks

		Financial performance
Community health programs	Pearson Correlation	.104
	Sig. (2-tailed)	.363
	n	45

As per the connection results appeared in Table 4.13 above, it was set up that there existed a positive, feeble and measurably not huge connection between network wellbeing programs and money related execution of banks ($r = 0.104$; $p > 0.05$). The discoveries implied that corporate social obligation of network wellbeing projects would influence monetary execution of banks. In this regard, it was inferred that network wellbeing programs have minimal significance to monetary execution of banks

4.5 Regression Analysis

Table 4: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	2.145	.525		4.086	0.000
Supporting Education	0.366	.127	.317	2.882	0.005
Community health programs	0.225	.088	0.362	2.557	0.013

$Y= 2.145+ 0.366X_1 +0.225X_2$

The results of the regression analysis shown above were interpreted to mean that while holding other factors constant, a change by 1 unit on financial performance of banks required 0.366 unit change in supporting education; 0.225 unit change in community health programs

4.6 Hypothesis Testing

The null hypotheses were tested at 95% self belief degree which was equivalent to possibility price (p-cost) of huge level of 5%, this is, zero.05. This implied that any p-value much less than zero.05 brought about the rejection of the unique null speculation and as an alternative accepting the trade speculation to be proper. On the alternative hand, p-value more than zero.05 meant that the specific null speculation changed into now not rejected; instead, it was taken to be true. The result of the t-information as proven in Table 19 changed into used to test the null hypotheses as defined hereafter.

The first speculation
H01: There is no enormous effect of assisting training on monetary performance of banks in Nakuru, Kenya.
HA1: There is an extensive effect of supporting schooling on monetary overall performance of banks in Nakuru, Kenya

According to the results of the t-records, the calculated t -cost is greater than tabulated t value ($t = 2.894$; $p < 0.05$), it was established that the effect of supporting education on financial performance of banks was statistically significant. The results implied that the null hypothesis was rejected, while the alternate hypothesis **(HA1)** was effectively taken to be true.

The second hypothesis
H02 There is no significant effect of community health programs on financial performance of banks.
HA2: There is significant effect of community health programs on financial performance of banks

The results of the t-statistics indicated that the calculated t-value is greater than tabulated t value ($t = 2.555$; $p > 0.05$). Therefore the null speculation becomerejected and the trade hypothesis **(HA2)** became considered to be genuine. This showed that the impact of community health packages on financial overall performance changed into statistically massive.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 CONCLUSIONS

The study concluded that scholarships that commercial bank have provided to needy students has increased financial performance of the bank. Yet, it was also concluded the efforts that the bank has made in sponsoring community education has increased customers desire to continue banking with the bank. The study further inferred that most customers like being associated with the bank due to it support in buying books for school libraries in the area and bank support in construction of classroom blocks most customers often speak to surrounding people about the bank.

The study deduced that customer confidence and trust with the bank has growth due to it numerous supports of community health projects. The frequency to which the bank contributes towards the construction of health facilities makes customers to talk about the bank in meetings and groups. It was further concluded that community has benefited a lot from bank health projects making most of them to open their accounts with the bank. Bank sponsor health wellness camps that has improved customer allegiance of being associated with the bank. The study concluded that Customer satisfaction has increased as a result of bank support in purchase medical drugs

5.2 RECOMMENDATIONS

The study recommended that banks should provide scholarships to the needy students since this will improve banks image which will attract more customers and hence improve their financial performance. It is recommended that banks should put more resources in sponsoring community education so as to increase customers desire to continue banking with the bank. To improve on the CSR education activities, there is need for thorough screening of beneficiaries to ensure that students who benefit from scholarship are those who are needy and bright. Moreover, community representatives need to be included in screening of students who apply for scholarships. Moreover banks needs to increase its funding to ensure more needy students are enlisted under their scholarship programme.

5.3 Suggestions for Further Research

The study recommends further studies on the influence of CSR activities by commercial banks on customer satisfaction

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