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CHALLENGES OF IMPLEMENTING CORPORATE SOCIAL RESPONSIBILITY STRATEGIES BY COMMERCIAL BANKS IN KENYA

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Abstract

Purpose: The purpose of the study was to determine the challenges faced by commercial banks in Kenya in implementing corporate social responsibility strategies.

Methodology: The research design was descriptive survey design. The population was 43 commercial banks in Kenya. Study was a census that is all the 43 duly licensed and operational commercial banking institutions within the country were used. The data collection instrument was a questionnaire. The data analysis method was quantitative in nature. Descriptive statistics was used. The particular descriptive statistics used were means scores and percentages. The software for analysis was SPSS Version 20.

Results: Results indicated that a the macro-environment challenges affecting the implementation of corporate social responsibility strategies by commercial banks were overwhelming poverty, culture of a community and high tax rates. Results also indicated that the industry specific challenges affecting the implementation of corporate social responsibility strategies by commercial banks were: ability of customers to bargain for particular CSR projects and bargaining power of suppliers. Results also indicated that the other challenges affecting the implementation of corporate social responsibility strategies by commercial banks were incompetent human resources and lack of clear guidelines in the bank.

Unique contribution to theory, practice and policy: Recommendations are that that in order to tackle the challenges faced by commercial banks in Kenya in implementing corporate social responsibility strategies then, the banks should ensure community participation before CSR implementation and the banks should understand the culture of a community. Bank should also ensure that it has structures on CSR implementation and the budgets on CSR should be made to facilitate effective resource allocation. Banks should carry out thorough market analysis on the CSR project. For effective implementation of CSR the government should tackle the problem of overwhelming poverty and high tax rates. The banks should employ competent human resources and give clear guidelines of CSR implementation.

Keywords: *Challenges, commercial banks, implementation of, Corporate Social Responsibility strategies.*

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1.0 INTRODUCTION

1.1 Background of the Study

Strategy implementation, a step in the strategic management is an integral component of the strategic management process. Strategic management is viewed as the set of decisions that result in the formulation, implementation and control of plans designed to achieve organization's purpose (Pearce & Robinson 2007). Strategy implementation is viewed as the process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the organization are successfully achieved as planned (Thompson & Strickland, 2003). Jooste and Fourie (2009) found that strategy implementation is more important than strategy formulation in majority of organizations and that the ability to implement a strategy in an organization is more important than the ability to formulate a strategy.

Resource based theory is applicable to the study as it supports that resources at a firm's disposal are a critical factor for effective corporate social responsibilities strategy implementation. It is expected that an organization that has adequate financial resources would facilitate effective/successful corporate social responsibilities strategies. Institutionalization theory explains how organization cultures, can affects corporate social responsibilities of companies. Institutional theory approach provides useful guidelines for analyzing organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations.

The importance of corporate social responsibilities has become an important issue for banks to address ahead of corporate scandals in the beginning of the century. Commercial banks are paying more attention to their corporate social responsibilities. Common corporate social responsibility practices in most organizations by different organization are centered on mainly poverty alleviation, healthcare, education, charity activates, cultural enrichment, youth development, women empowerment, patronizing sports and music (Alam Hoque,& Hosen, 2010). Blahová and Knápková (2010) assert that one of the challenges of implementing corporate social responsibility strategies originate from isolating the workforce. First limitation factor in CEO's being able to create and follow through great strategy is their isolation from their own workforce. Information is idealized as it passes each management level resulting in good strategy being based on questionable data and ideals. Brenda (2013) states that Corporate Social Responsibility in the banking sector is becoming a well-established notion in the service industry and financial institutions are coming around to the idea that there is more to invest than just to focus on the figures. However challenges such as lack of resources, incompetent management and organization politics leads to a decline in the effectiveness of CSR in banks.

1.2 Statement of the Problem

Corporate Social Responsibility (CSR) is becoming an increasingly important activity to businesses nationally and internationally. As globalization accelerates and large corporations serve as global providers, these corporations have progressively recognized the benefits of providing CSR programs in their various locations. CSR activities are now being undertaken throughout the globe (Kiran & Sharma, 2011). In the implementation of CSR strategies, organizations are faced by a number of challenges which this paper aims to investigate. In the light of the importance of strategy implementation as a component of the strategic management process, the high failure rate of change initiatives due to poor implementation of new strategies and the fact that a lack of strategic leadership has-been identified as one of the major barriers to effective strategy implementation. Additionally, a poor understanding of the strategy by the workforce and ineffective communication of the strategy to the workforce are the most important barriers to effective strategy implementation (Jooste & Fourie, 2009).

Organizations in Kenya and Commercial Banks in particular are increasingly being held accountable for corporate social issues such as fair trade, environmental degradation and local or regional socioeconomic matters. Implementing CSR requires a banks perspective to be re-oriented so that new relationships can be formed, new values defined and new strategies developed. Examples of CSR activities by commercial banking sector include the Standard Chartered Marathon, KCB Safari Rally, Equity Scholarship program among others. If these CSR activities are not well implemented, they may influence the competiveness of the banks negatively.

A number of studies (Otieno, 2008; Odhiambo, 2006; Nduku, 2008; Mwiti, 2009; Okeyo, 2004) attempting to shed some light on corporate social responsibility are more general or have failed to give detailed insights on challenges faced by commercial banks in Kenya in implementing corporate social responsibility strategies. Otieno (2008) studied the practice of corporate social responsibility of commercial banks in Kenya. Although the study achieved its objectives it did not focus on the challenges faced by commercial banks in CSR strategy implementation. Odhiambo (2006) researched on corporate social responsibility as a strategic tool for stakeholder's mgt in large scale enterprises in Kenya but the study did not focus on all aspects of CSR strategy implementation or on its challenges. Nduku (2008) studied the practice of corporate social responsibility among foreign multinational corporations in Kenya; Mwiti (2009) conducted a survey on the relation between corporate social responsibility and competitive advantage in the oil industry in Kenya while Okeyo (2004) did a survey of levels & determinants of corporate social responsibility among commercial firms in Kenya. Although these studies attained their objectives they did not focus on the challenges faced by commercial banks in implementing corporate social responsibility strategies. There is little published work on challenges faced by commercial banks in implementing corporate social responsibility strategies, particularly in the context of developing countries in the dynamic African region and specifically in Kenya. This study intends to bridge this gap in knowledge.

In contrast to the many studies (Otieno, 2008; Okeyo, 2004; Kostyuk, 2011; Otieno, 2011) that are related to the banking industry, there is only a limited amount of research on challenges faced by commercial banks in implementing corporate social responsibility strategies. The numerous studies while shading so much light on the corporate social responsibility have not covered the challenges faced by commercial banks in implementing corporate social responsibility strategies. To address this gap in knowledge and the study sought to answer the question; what are the challenges faced by commercial banks in Kenya in implementation of corporate social responsibility strategies?

1.3 Objective of the Study

The objective of the study was to determine the challenges faced by commercial banks in Kenya in implementing corporate social responsibility strategies.

2.0 LITERATURE REVIEW

2.1Theoretical Literature

2.1.1 Resource Based Theory

This theory argues that firms possess resources enable firms to achieve competitive advantage and lead to superior long term performance. Valuable and rare resources can lead to the creation of competitive advantage. That advantage can be sustained over longer time periods to the extent that the firm is able to protect against resource limitation, transfer or substitution (Frawley & Fahy, 2006). Information system resources may take on many of the attributes of dynamic capabilities and may be useful to firms operating in rapidly changing environment. Information resources may not directly lead the firm to a position of superior sustained competitive advantage but they may be critical to the firm's long term competitiveness in unstable environments if they help it develop, add, integrate and release other key resources over time (Wade & Hulland, 2004).

Resources such as adequate finance and competent and skilled managers in banks are crucial for the effectiveness management practices in a rapidly changing environment (Wade & Hulland, 2004). The dynamic capabilities which consist of the activities and mechanisms of managing resources in the creation of value may have an influence on the effectiveness and success of youth enterprise projects within the country. It is expected that an organization that has adequate financial resources would facilitate effective/successful corporate social responsibilities strategies. This theory is relevant to the study as it explains how resources at a firm's disposal are a critical factor for effective CSR strategy implementation.

2.2 Empirical Literature

Once strategies have been agreed on, the next step is implementation; this is where most failures occur. It is not uncommon for strategic plans to be drawn up annually, and to have no impact on the organization as a whole. According to Thompson, Strickland and Gamble (2005), the better conceived a company's (organization) strategy and the more competently it is executed, the more likely it is that the company (organization) will be a standout performer in the market place

Muthuri and Gilbert (2010) examined the focus and form of corporate social responsibility practice of companies in Kenya. It is evident from our findings that the nature and orientation of CSR differ across companies with operations only in Kenya and those headquartered abroad or with international operations. Significantly, firm-related drivers such as public relations and performance, as well as global institutional pressures explain the focus and form of CSR in Kenya. The researcher concluded that for the institutionalization of CSR in Kenya, attention must be paid to conditions that stifle CSR uptake such as lack of government regulations, and the government's capacity and commitment to enforce regulation. The establishment of functional CSR institutions and a vibrant civil society that advance civil regulation ought to be encouraged.

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Blahová and Knápková (2010) assert that one of the challenges of implementing strategies originate from isolating the workforce. First limitation factor in CEO's being able to create and follow through great strategy is their isolation from their own workforce. Information is idealized as it passes each management level resulting in good strategy being based on questionable data and ideals. Not so many CEO's spend time with staff at all levels and most importantly listen without passing judgment.

Otieno (2011) established how Commercial Banks in Kenya practice CSR and the challenges they face. The study targeted corporate managers involved in CSR. A descriptive survey was used and the questionnaire consisted of open ended structured and semi structured questions which was pretested for clarity. The results showed that in most of the companies, the Functional group in a company such as the Foundation, Marketing Department, and PR Department Etc initiates CSR programs with the blessing of the CEO. The entry point for CSR practice has been concentrated on two aspects: community work and PR. Also getting the other functional groups involved in embedding the CSR strategy into the way the company plans and implements products and services is rare. More findings revealed that most companies leave the CSR implementation to the corporate foundation or its equivalent, while half say they let the public relations or corporate communications group take the lead.

3.0 RESEARCH METHODOLOGY

The research design was descriptive survey design. The population was 43 commercial banks in Kenya. Study was a census that is all the 43 duly licensed and operational commercial banking institutions within the country were used. The data collection instrument was a questionnaire. The data analysis method was quantitative in nature. Descriptive statistics was used. The particular descriptive statistics used were means scores and percentages. The software for analysis was SPSS Version 20.

4.0 RESULTS AND DISCUSSIONS

4.1 Background Information

This section displays the results of the background information. Specifically, this captured the respondents` level of education, when the bank commenced its operation, and the core banking business of the respondents` bank.

4.1.1 Level of Education

The table below presents the background information on the level of education of the respondents.

Table 1 Level of education

Level of education	Frequency	Percent
College Level	4	11.1
University Level	23	63.9
Postgraduate Level	9	25
Total	36	100

Among the respondents, 63.9 percent were at the university level of education where as 25 percent of the respondents had postgraduate level of education.

4.1.2 When the bank commenced its operation

The table below presents the background information on when the bank commenced its operation.

Table 2: When the bank commenced its operation

When the bank commenced its operation	Frequency	Percent
More than 5 Years	36	100

All the respondents said that their banks commenced more than 5 years ago.

4.1.3 Core Banking Business of the Bank

The table below presents the background information on the core banking business of the bank.

Table 3 Core Banking Business of the Bank

	No	Yes
SME Loans	50%	50%
Corporate Loans	25%	75%
Asset Financing	86%	13%
Agriculture Loans	91%	8%
Unsecured Loans	69%	30%
Mortgage Financing	75%	25%

The respondents indicated that 75percent of commercial banks offered corporate loans where as 50 percent of commercial banks offered SME loans.

4.2 Challenges in the Implementation of CSR Strategies

4.2.1 Macro-environment Challenges

In order to access the macro-environment challenges in the implementation of corporate social responsibility strategies by commercial banks, respondents were asked to rate the factors on a scale of 1 to 5; (1; very low extent, 2; low extent, 3; moderate extent, 4; great extent, 5; very great extent). The means of the factors of macro-environment challenges in the implementation of corporate social responsibility strategies by commercial banks were ranked in order to establish their order.

Table 4: Macro-environment Challenges

Statement	N	Mean	Std. Deviation	Rank
Overwhelming poverty hinders effectiveness in CSR	36	3.58	1.156	1
Culture of a community greatly determines the adoption of CSR	36	3.5	0.941	2
High tax rates affect CSR implementation	36	3.03	0.81	3
Challenge of globalization affect CSR effectiveness	36	2.69	1.064	4
Floods, draught and environmental challenges impact CSR initiatives	36	2.67	1.069	5
Challenges emanating from political factors	36	2.5	1.342	6
Challenges of technology advancement	36	2.5	1.298	6
Challenges of complying with regulation	36	2.14	1.15	7

The highest rank (for instance Rank 7) in table 4 implies that respondents were neutral in the assertion that the commercial banks had macro-environment challenges in the implementation of corporate social responsibility strategies while the lowest of the ranks (for instance Rank 1) implied that the respondents agreed that the commercial banks had macro-environment challenges in the implementation of corporate social responsibility strategies. Specifically, the results indicate that the greatest macro-environment challenges to the implementation of corporate social responsibility success were; overwhelming poverty (mean = 3.58), culture of a community (mean = 3.5), high tax rates (mean =3.03), and lastly globalization (mean = 2.69), while the least macro-environment challenges to the implementation of corporate social responsibility success were: complying with regulation (mean = 2.14), technology advancement (mean = 2.5) as indicated by the rank results in table 4.

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4.2.2 Industry Specific Challenges

In order to access the industry specific challenges in the implementation of corporate social responsibility strategies by commercial banks, respondents were asked to rate the factors on a scale of 1 to 5; (1; very low extent, 2; low extent, 3; moderate extent, 4; great extent, 5; very great extent). The means of the factors of industry specific challenges in the implementation of corporate social responsibility strategies by commercial banks were ranked in order to establish their order.

Table 5 Industry Specific Challenges

Statement	N	Mean	Std. Deviation	Rank
The bargaining power of suppliers impacts CSR initiatives	36	2.39	1.293	1
The challenge of the ability of customers to bargain for particular CSR projects	33	2.24	1.226	2
The impact of clients in the bank hinders implementation of CSR	33	2	1.061	3
Competition among banks on CSR practices hinder its effectiveness	36	1.83	0.878	4
Threat of new entrants in the banking industry curtail the CSR implementation	36	1.75	0.692	5

The highest rank (for instance Rank 5) in table 5 implies that respondents were neutral in the assertion that the commercial banks had industry specific challenges in the implementation of corporate social responsibility strategies while the lowest of the ranks (for instance Rank 1) implied that the respondents agreed that the commercial banks had industry specific challenges in the implementation of corporate social responsibility strategies. Specifically, the results indicate that the greatest industry specific challenges to the implementation of corporate social responsibility success were; bargaining power of suppliers (mean = 2.39), ability of customers to bargain for particular CSR projects (mean = 2.24), while the least industry specific challenges to the implementation of corporate social responsibility success were: new entrants in the banking industry (mean = 1.75), competition among banks (mean = 1.83) as indicated by the rank results in table 5.

4.2.3 Other Challenges

In order to access the other challenges in the implementation of corporate social responsibility strategies by commercial banks, respondents were asked to rate the factors on a scale of 1 to 5; (1; very low extent, 2; low extent, 3; moderate extent, 4; great extent, 5; very great extent). The means of the factors of other challenges in the implementation of corporate social responsibility strategies by commercial banks were ranked in order to establish their order.

Table 6 Other Challenges

Statement	N	Mean	Std. Dev	Rank
The composition of the CSR governing committee is a key determinant of successful CSR performance	36	3.47	1.158	1
Declining bank revenues and low budgetary allocations for CSR	36	3.28	1.233	2
Forming a foundation is a good way of managing CSR activities of a bank	36	2.94	1.286	3
Misappropriation of funds meant for CSR	36	2.89	1.489	4
Most CSR programs lack tangible deliverables making it difficult to put management accountable on value for money spent on CSR	36	2.86	1.313	5
Financial and skilled manpower scarcity	36	2.75	1.228	6
Lack of adequate management attention to CSR activities	36	2.61	1.554	7
Our managers view CSR implementation as a public relation exercise thus their dedication to CSR programs is limited	36	2.5	1.32	8
Incompetent human resources	34	2.35	1.178	9
Lack of clear guidelines in our bank has affected CSR implementation	36	2.11	1.19	10

The highest rank (for instance Rank 10) in table 6 implies that respondents were neutral in the assertion that the commercial banks had other challenges in the implementation of corporate social responsibility strategies while the lowest of the ranks (for instance Rank 1) implied that the respondents agreed that the commercial banks had other challenges in the implementation of corporate social responsibility strategies. Specifically, the results indicate that the greatest other challenges to the implementation of corporate social responsibility success were; that the composition of the CSR governing committee is a key determinant of successful CSR performance (mean = 3.47), declining bank revenues and low budgetary allocations for CSR (mean = 3.28), forming a foundation (mean = 2.94) while the least other challenges to the implementation of corporate social responsibility success were: lack of clear guidelines in our bank has affected CSR implementation (mean = 2.11), Incompetent human resources (mean = 2.35) as indicated by the rank results in table 6.

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4.3 Curbing the Challenges in Implementation of CSR Strategies

4.3.1 How to Curb Macro Economic Challenges

In order to determine how commercial banks in Kenya counter the macro economic challenges they face in implementation of corporate social responsibility strategies, respondents were asked to rate the factors on a scale of 1 to 5; (1; very low frequency, 2; low frequency, 3; moderate frequency, 4; frequently, 5; very frequently). The means of the factors of how commercial banks counter the macro economic challenges they face in implementation of corporate social responsibility strategies were ranked in order to establish their order.

Table 7: How to Curb Macro Economic Challenges

Statement	N	Mean	Std. Dev	Rank
Community participation strategy before CSR implementation is used to reduce the socio-cultural challenges	33	4.21	0.65	1
Our bank understands the culture of a community eases CSR implementation	34	3.79	0.88	2
Our bank carries out a market analysis on latest trend of technology reduces the challenges of technology in CSR implementation	33	3.27	1.126	3
Our bank carries out an impact analysis on the environment to determine its strengths and control its weaknesses	36	3.22	0.929	4
Our bank lobbys the government as a way of addressing political challenges	36	2.94	1.068	5

The highest rank (for instance Rank 5) in table 7 implies that respondents were neutral in the assertion that the commercial banks had ways to counter the macro economic challenges they face in implementation of corporate social responsibility strategies while the lowest of the ranks (for instance Rank 1) implied that the respondents agreed that the commercial banks had ways to counter the macro economic challenges they face in implementation of corporate social responsibility strategies. Specifically, the results indicate that the greatest strategies to counter the macro economic challenges they face in implementation of corporate social responsibility strategies were; community participation strategy before CSR implementation is used to reduce the socio-cultural challenges (mean = 4.21), the bank understands the culture of a community (mean = 3.79), while the least strategies to counter the macro economic challenges they face in implementation of corporate social responsibility strategies were: that the bank lobbys the government as a way of addressing political challenges (mean = 2.94), the bank carries out an impact analysis on the environment to determine its strengths and control its weaknesses (mean = 3.22) as indicated by the rank results in table 7.

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4.3.2 How to Curb Industry Specific Challenges

In order to determine how commercial banks in Kenya counter industry specific challenges they face in implementation of corporate social responsibility strategies, respondents were asked to rate the factors on a scale of 1 to 5; (1; very low frequency, 2; low frequency, 3; moderate frequency, 4; frequently, 5; very frequently). The means of the factors of how commercial banks counter industry specific challenges they face in implementation of corporate social responsibility strategies were ranked in order to establish their order.

Table 8: How to Curb Industry Specific Challenges

Statement	N	Mean	Std. Dev	Rank
High clientele participation provides diversity of ideas in CSR implementation	36	3.97	0.696	1
Market analysis on the CSR project that is likely to have a significant impact should be chosen	36	3.94	0.754	2
Being unique and highly initiative in the CSR project curbs the challenge of competition	36	3.92	0.967	3
Government stability will ensure successful implementation of CSR	36	3.53	1.028	4

The highest rank (for instance Rank 5) in table 8 implies that respondents were neutral in the assertion that the commercial banks had ways to counter industry specific challenges they face in implementation of corporate social responsibility strategies while the lowest of the ranks (for instance Rank 1) implied that the respondents agreed that the commercial banks had ways to counter industry specific challenges they face in implementation of corporate social responsibility strategies. Specifically, the results indicate that the greatest strategies to counter other challenges they face in implementation of corporate social responsibility strategies were; that high clientele participation provides diversity of ideas in CSR implementation (mean = 3.97), that market analysis on the CSR project that is likely to have a significant impact should be chosen (mean = 3.94), while the least strategy to counter other challenges they face in implementation of corporate social responsibility strategies was: that government stability will ensure successful implementation of CSR (mean = 3.53) as indicated by the rank results in table 8.

4.3.2 How to Curb Other Challenges

In order to determine how commercial banks in Kenya counter other challenges they face in implementation of corporate social responsibility strategies, respondents were asked to rate the factors on a scale of 1 to 5; (1; very low frequency, 2; low frequency, 3; moderate frequency, 4; frequently, 5; very frequently). The means of the factors of how commercial banks counter other challenges they face in implementation of corporate social responsibility strategies were ranked in order to establish their order.

The highest rank (for instance Rank 5) in table 9 implies that respondents were neutral in the assertion that the commercial banks had ways to counter other challenges they face in implementation of corporate social responsibility strategies. The lowest of the ranks (for instance Rank 1) implied that the respondents agreed that the commercial banks had ways to counter other challenges they face in implementation of corporate social responsibility strategies. Specifically, the results indicate that the greatest strategies to counter other challenges they face.

Table 9: How to Curb Other Challenges

	N	Mean	Std. Dev	Rank
Our bank ensures it has structures and processes for any CSR to be effective	36	4.42	0.604	1
Budgets on CSR are made to facilitate effective resource allocation	36	4.39	0.728	2
Our bank take keen interest on the guidelines on effective CSR implementation	36	4.22	0.832	3
Our bank's management employ competence for implementation of CSR	36	4.19	0.786	4
Interaction with the local community to understand what kind of CSR project to implement is most used	36	3.94	0.63	5

in implementation of corporate social responsibility strategies were; that bank ensures it has structures and processes for any CSR to be effective (mean = 4.42), the budgets on CSR are made to facilitate effective resource allocation (mean = 4.39), while the least strategies to counter other challenges they face in implementation of corporate social responsibility strategies were: interacting with the local community to understand what kind of CSR project to implement is most used (mean = 3.94), bank's management employ competence for implementation of CSR (mean = 4.19) as indicated by the rank results in table 9.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

5.1.1 Macro-environment Challenges

The study examined the macro-environment challenges in the implementation of corporate social responsibility strategies by commercial banks. From the results, the study finds that the greatest macro-environment challenges in the implementation of corporate social responsibility strategies by commercial banks were; overwhelming poverty (mean = 3.58), culture of a community (mean = 3.5), high tax rates (mean =3.03), while the least macro-environment challenges to the implementation of corporate social responsibility success were: complying with regulation (mean = 2.14), technology advancement (mean = 2.5).

5.1.2 Industry Specific Challenges

The study examined the industry specific challenges in the implementation of corporate social responsibility strategies by commercial banks. From the results, the study finds that the greatest macro-environment challenges in the implementation of corporate social responsibility strategies by commercial banks were: bargaining power of suppliers (mean = 2.39), ability of customers to bargain for particular CSR projects (mean = 2.24), while the least industry specific challenges to the implementation of corporate social responsibility success were: new entrants in the banking industry (mean = 1.75), competition among banks (mean = 1.83)

5.1.3 Other Challenges

The study examined the other challenges in the implementation of corporate social responsibility strategies by commercial banks. From the results, the study finds that the greatest other challenges in the implementation of corporate social responsibility strategies by commercial banks were: that the composition of the CSR governing committee is a key determinant of successful CSR performance (mean = 3.47), declining bank revenues and low budgetary allocations for CSR (mean = 3.28), forming a foundation (mean = 2.94) while the least other challenges to the implementation of corporate social responsibility success were: lack of clear guidelines in our bank has affected CSR implementation (mean = 2.11), Incompetent human resources (mean = 2.35).

5.1.4 How to Curb Macro Economic Challenges

The study examined how commercial banks in Kenya counter the macro economic challenges they face in implementation of corporate social responsibility strategies. From the results, the study finds that the greatest strategies to counter the macro economic challenges they face in implementation of corporate social responsibility strategies were; community participation strategy before CSR implementation is used to reduce the socio-cultural challenges (mean = 4.21), the bank understands the culture of a community (mean = 3.79), while the least strategies to counter the macro economic challenges they face in implementation of corporate social responsibility strategies were: that the bank lobbys the government as a way of addressing political challenges (mean = 2.94), the bank carries out an impact analysis on the environment to determine its strengths and control its weaknesses (mean = 3.22)

5.1.5 How to Curb Industry Specific Challenges

The study examined how commercial banks in Kenya counter industry specific challenges they face in implementation of corporate social responsibility strategies. From the results, the study finds that the greatest strategies to counter other challenges they face in implementation of corporate social responsibility strategies were; that the bank ensures it has structures and processes for any CSR to be effective (mean = 4.42), the budgets on CSR are made to facilitate effective resource allocation (mean = 4.39), while the least strategies to counter other challenges they face in implementation of corporate social responsibility strategies were: interacting with the local

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community to understand what kind of CSR project to implement is most used (mean = 3.94), bank's management employ competence for implementation of CSR (mean = 4.19).

5.1.6 How to Curb Other Challenges

The study examined how commercial banks in Kenya counter other challenges they face in implementation of corporate social responsibility strategies. From the results, the study finds that the greatest strategies to counter other challenges they face in implementation of corporate social responsibility strategies were; that high clientele participation provides diversity of ideas in CSR implementation (mean = 3.97), that market analysis on the CSR project that is likely to have a significant impact should be chosen (mean = 3.94), while the least strategy to counter other challenges they face in implementation of corporate social responsibility strategies was: that government stability will ensure successful implementation of CSR (mean = 3.53).

5.2 Conclusions

In line with the above findings the study concluded that macro-environment challenges affect the implementation of corporate social responsibility strategies by commercial banks. More specifically, it was concluded that among the macro-environment challenges affecting the implementation of corporate social responsibility strategies by commercial banks were overwhelming poverty, culture of a community and high tax rates.

Secondly, the study concluded that industry specific challenges affect the implementation of corporate social responsibility strategies by commercial banks. More specifically, it was concluded that among the industry specific challenges affecting the implementation of corporate social responsibility strategies by commercial banks were: ability of customers to bargain for particular CSR projects and bargaining power of suppliers.

Thirdly, the study concluded that other challenges affected the implementation of corporate social responsibility strategies by commercial banks. More specifically, it was concluded that among other challenges affecting the implementation of corporate social responsibility strategies by commercial banks were: Incompetent human resources and lack of clear guidelines in the bank.

The study concluded that there are strategies to counter the macro economic challenges they face in implementation of corporate social responsibility strategies. More specifically, it was concluded that among the strategies to counter the macro economic challenges they face in implementation of corporate social responsibility strategies were: community participation strategy before CSR implementation and the bank understands the culture of a community.

The study concluded that there are strategies to counter the industry specific challenges they face in implementation of corporate social responsibility strategies. More specifically, it was concluded that among the strategies to counter the industry specific challenges they face in implementation of corporate social responsibility strategies were: that the bank ensures it has structures and the budgets on CSR are made to facilitate effective resource allocation.

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Lastly the study concluded that there are strategies to counter other challenges they face in implementation of corporate social responsibility strategies. More specifically, it was concluded that among the strategies to counter the industry specific challenges they face in implementation of corporate social responsibility strategies were: high clientele participation which provides diversity of ideas in CSR implementation and market analysis on the CSR project.

5.3 Recommendations

This study results validate the CSR theories. The CSR approaches proved useful in identifying the critical success factors. In particular, it was through CSR approaches that the study was able to identify the following; Utilitarian, managerial and relational theories of corporate social responsibility. The study also validated the several theories by showing their usefulness. For instance, the study applied the social contract theory, relational theories and the theory of social costs.

Based on the above findings the study recommends that in order to tackle the challenges of implementing corporate social responsibility strategies by commercial banks in Kenya then the following strategies should be pursued by the players in the sector. The banks should ensure community participation before CSR implementation and the banks should understand the culture of a community. Bank should also ensure that it has structures on CSR implementation and the budgets on CSR should be made to facilitate effective resource allocation. Banks should carry out thorough market analysis on the CSR project.

For effective implementation of CSR, the government should tackle the problem of overwhelming poverty and high tax rates. The banks should employ competent human resources and give clear guidelines of CSR implementation.

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