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Corporate Social Responsibility Practices and Performance of Public Organizations in Kenya: A Critical Review

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Abstract:
There's no doubt that Corporate Social Responsibility (CSR) is now a global concept and a prominent feature of international business, with its practice localized and differing across countries. Past studies suggest that a firm which is socially responsible acknowledges that it exists and operates in a shared environment. The purpose of this study was to critique corporate social responsibility practices (philanthropic, ethical, economic and legal activities) on public organization's performance. This is characterized by a mutual impact of an organization's relation on a broad variety of stakeholders, who are affected by and can eventually affect the achievement of its objectives. This article concludes 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 its capacity and commitment to enforce regulation. It also recommends that the government should provide incentives to organizations to enable them practice CSR more. Further research should be done to identify other variables that may influence the performance of a firm such as government policy on taxation and regulations existing in a country. Based on the findings of the study, all public organizations should embrace CSR unlike current practice where some of the organizations consider it as a strategic issue. The study concludes that CSR activities in public organizations cannot operate in isolation from other elements of the business. It is important that all the functional area strategies and capabilities, including full support from management in order to be consistent with the business unit goals and strategies, organizations to be competitive, they have to strive to achieve greater coordination and collaboration of corporate social responsibility approaches required in its management.

Keywords: *Corporate social responsibility, organizational performance*

1. Introduction

Corporate social responsibility (CSR) has received a lot of limelight since the 1950s and has become part of the planning process for Chief Executive Officers (CEOs). CSR is about values and standards by which businesses operate. It is about the commitment of businesses to behave ethically, operate legally and contribute to economic development while improving the quality of life of its employees and their families, as well as the local community and society at large. It affects every aspect of business from the source of raw materials and how they are produced to what happens to the products and services. These effects in any given organization can either be positive or negative. They are accelerated by economic, legal, ethical or philanthropic responsibility which are obstacles associated with organizations carrying out, execution or practice of the plan, a method or design, idea, model, specification, standards or policy for doing something. As much implementation is action that must follow any preliminary thinking in order for something to actually happen. Organizations strive to use proven methodologies and enlist professional help to guide them through the process which often stems from lack of accurate planning in the beginning stages of the project, due to inadequate resources, high regulation standards, lack of measurement system and lack of strategic vision or unforeseen problems that arise. It involves organization of the firm's resources and motivation of the staff to achieve objectives (Ramesh, 2012).

To contribute to the understanding of the link between corporate social responsibility and public organizations' performance in developing nations such as Kenya, this study sought to investigate the effect of corporate social responsibility manifested through the dimensions of philanthropic, economic, ethical and legal responsibility on performance of public organizations in Kenya. There is very limited literature that focuses on identifying and examining the barriers that impede the CSR on organizational performance. Comprehensive study on barriers to CSR implementation is fragmented for instance; Du, Bhattacharya and Sen (2011) have limited their analysis on barriers relating to trust. In recent years, there has been an increase in the carrying out of CSR activities by organizations in different industries. The drastic growth in expenditures by organizations to carry out the CSR activities suggests that people are finding a benefit in carrying Corporate Social Responsibility activities (Palmer, 2012).

1.1. Statement of the Problem

The link between CSR and corporate performance can only be clear if the components of the CSR programs in an organization are clearly identified before the relationship of the joint and several functions can be established (Gathungu, 2013.). Companies are continuously engaging in Corporate Social Responsibility activities; however, the society does not seem to be convinced that organizations are doing it for the good of the society. The society almost always views an organization engaging in CSR as a public relation move rather than an activity carried out with the society's best interests in mind (Palmer, 2012).

A number of studies have been done with varied results in the subject of CSR in Kenya (Kemboi et al., (2015), Chemwile (2017), Omwenga (2013), Mwai (2013), Muthami (2014), Sasaka P.S., Namusonge G.S, and Sakwa M.M (2014). Although some of the studies are unpublished, it is evident that the assumption is that there is a direct relationship between strategic management practices and CSR performance without taking into consideration the role of intervening variables or moderating factors. This raises the need to investigate the effect of mediating factors.

In spite of the existing of some literature about the role of corporate social responsibility in the aspects of environment and society, there is a significance gap about how corporate social responsibility improves organization's performance due to lack of documented evidence of the benefits hence the researchers focus to find out the effect of CSR on public organizations' performance. It also seeks to find out the policies set by the government concerning the CSR activities since CSR has been used by business institutions to evade tax in terms of paying less towards tax as tax is free of CSR activities organization indulge in. Further, this study seeks to provide valuable information on the role that CSR plays in influencing the performance of an organization and produce findings that managers can use whilst coming up with business strategies in order to maximize profits.

2. Literature Review

2.1. Theoretical Review

The shareholder value theory a perspective denoted by the Nobel Laureate Milton Friedman (1970) argues that only social responsibility of business is to develop its profits while following legal norms. He mentioned in his famous article Strategic Management, A Stakeholder Approach that a corporation has stakeholders, that is, groups and individuals who benefit connected with the corporation actions. This theory asserts that an organization is not only required to be obliged in making more profits for its equity holders but it should also make sure that its stakeholders are more satisfied. Scholars such as (Harrison & Wicks, 2013 ;) asserts, this theory recognizes that organizations are obliged to a number of stakeholders especially all those related to the firm. The theory further provide that organizations should treat all stakeholders fairly to improve their performance and competitiveness in the marketplace (Tilakasiri, 2012; Yin et al., 2013). This is because, the major organizational stakeholders can easily impact or be impacted by a slight activity taken by their organization as they tend to contribute greatly in creation of organization wealth, hence, the reason they are considered to be both beneficiaries as well as potential losers. Further, Bondy (2012), asserts that businesses should seek to give a balance between the interests of its diverse stakeholders to give each constituency some levels of satisfaction. Thus, this theory tends to play a very vital role when examining the whole concept of CSR (Chen, 2015; Tilakasiri, 2012).

However, this theory, despite its extensive significance in regards to the concept of CSR, its proponent assumes that all concerned stakeholders should be fairly treated which is in a direct conflict to the broad business objective of making profit. As a result, the risk in this theory is that corporate directors would share the interest of stakeholders who are only interested in maximizing profits, across the spectrum of other stakeholders as people in the surrounding area, those whose lives are touched by the business operations.

Carroll (2016) made a specific theory for the way corporations interact with their surrounding community and the whole world, known nowadays as Carroll's Pyramid of CSR. Carroll's theory is composed of four obligations that create a foundation or infrastructure for the business's responsibilities toward society. Economic responsibility which is the obligation of a business organization to make money. He placed the economic obligation in the base of the CSR Pyramid because it's vital for business survival and is represented by a corporation through investments, marketing strategies, business operations, and long-term financial strategies with variant stakeholders. Legal responsibility - corporations must respect laws and regulations. It's placed in the second level of the CSR Pyramid. A responsible corporation is a corporation that accepts rules of a fair business game and adheres to law because it believes that fair business reflects positively on the whole economy and society. Ethical responsibility - corporations must behave as a good citizen in its society. Such responsibility allows corporations to make what is good for society even if the law didn't require it. Carroll mentioned that corporations must be responsive to the spirit of the law, not just to the letter. Philanthropic responsibility - It is a voluntary activity guided by the business's desire to participate in social activities that are not mandated, not required by law, and not generally accepted in business as ethical sense. It's a pure giving for society, it's an activity or project created by a corporation and purely dedicated to community expectation.

In criticizing this theory Crane and Matten (2016) observed that all the levels of CSR depicted in Carroll's pyramid play a role and interlink in some manner. Likewise, Visser revisited Carroll's pyramid in developing countries, particularly in Africa, and argued that the order of the CSR layers differs from the classic pyramid. Visser mentioned that in developing countries, economic responsibility continues to get the most emphasis, but philanthropy is given the second highest priority followed by legal and then ethical responsibilities. As a result, there are some other aspects most corporations shed the light on, such as the nature and the situation of the surrounding environment and community before adopting Carroll CSR framework.

- The Triple Bottom Line theory (TBL) was postulated by John Elkington in his book Cannibals with Forks the Triple Bottom Line of 21st Century Business. TBL can be considered a CSR framework that incorporates three dimensions of performance: economic, social and environmental. As elaborated by John Elkington, the three dimensions of TBL must obtain sustainable results. Sustainability is the main aim of the TBL concept. Companies must apply TBL in order to achieve continuous profits and long-term social and environmental projects. Many corporations and nonprofit organizations have adopted the TBL sustainability framework to perform CSR projects.
- Economic dimension; according to TBL theory the most important for a company is not to make high profits but to achieve continuous profit for the long term. So, Business corporations start to enroll in the TBL CSR framework as well as they draw a strategic plan through calculating expenditures and taxes, forecasting business climate factors, evaluate market benchmark and avoid maximum risk threats. Real study for all these components will lead to achieve sustainable profits.
- Social Dimension; business must pay attention to its social affairs as well as paying attention to its financial affairs. Achieving social sustainability by a corporation is a must in the TBL CSR framework. But since societies differ from region to another, every corporation has to collect data from national authorities concerning social affairs, as unemployment rates, human rights, female labor force participation, health services, educational services provided by government, etc. After determining the community priorities, shareholders must take decisions to satisfy as much as possible the social needs. So, for a business to be stable over the long-term social activities of a business corporation must satisfy surrounding society needs as much as possible.
- Environmental Dimension; environmental sustainability is one of the main concepts in the TBL framework. If business companies will not respect the environmental dimension, our children will not be able to enjoy the same quality of life we are enjoying now. Corporations must pay attention to environmental changes and obey the new environmental laws while being careful to the consumption of natural resources. Corporations have to use the alternative energy sources in order to minimize the consumption of traditional sources of energy (for example oil, gas, coal, etc.), and it has to safe air and water sources, with disposing of toxic and solid waste in an environmental manner. All these factors maintain environmental sustainability.

This theory is, however, critiqued about flexibility of the TBL concept which allows companies to implement social and environmental strategies in a sustainable manner. Timothy F. Slaper (an economic research analyst) mentioned that there are challenges to put the TBL theory into practice. These challenges include measuring each of the three categories, finding applicable data and calculating policy's contribution to sustainability. Overcoming these challenges allows companies to take the correct long-term decisions.

2.2. Empirical Literature Review

2.2.1. Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (Tomal & Jones, 2015). Organizations focus on continuous performance, because performance improvement enables organizations to grow (Gavrea et al., 2011). For the organizations, it is very important to identify and understand the factors which affect the performance, in order to take reasonable steps to make them available (Jarad et al., 2010). According to Cho, T. (2011) organizational performance is the result of many business factors such as work process, team/group communication, business culture and image, policies, leadership, and climate that encourage innovation, creativity and loyalty.

Measuring the performance of any organization is a difficult task as it provides information on the quality of processes performed within the organization, helps in developing strategic plans and assess the fulfillment of organizational objectives (Abu Jarad et al, 2010; Gavrea et al, 2011; Almajali et al., 2016). Usually using financial measures organization assess their performance. However, these measures have been criticized for encouraging short-term views, producing management conflicts, not having strategic focus, and failing to provide information about customer requirements and the quality of competitors' performance (Shahin et al, 2014). Furthermore, without taking organizational objectives into account the evaluation of performance is not possible. Therefore, in today's competitive environment, organization must be able to evaluate their objectives (Moghaddam et al., 2015) such as product cost, profit, as well as subjective performance, and set up suitable plans to accomplish their objectives (Yunis et al., 2013) and competitive advantages (Gallardo-Vázquez and Sanchez-Hernandez, 2014). There are many measurement techniques available, for organizations which who want to fulfil these objectives and increase organizational performance, among which balanced score card (BSC) is one of the most valuable performance measurement and management method that is commonly known and used. Researchers have studied the association between CSR and the firm's performance mostly exists in one of three principal types: a positive association (Ansong, 2017; Maldonado-Guzman, Pinzon-Castro & Lopez-Torres, 2016), a negative association (Raihan et al., 2015) and a neutral association (McWilliams & Siegel, 2000; Misura, Cerovic & Buterin, 2018). In the Kenyan situation, it is important that an investigation is carried to establish how public entities balance between performance and CSR activities.

2.2.2. Corporate Social Responsibility

The term CSR is used interchangeably such as Corporate Citizenship related to the concept of Triple Bottom Line which refers to financial, social & environmental considerations an organization pursues as it carries on with normal business (Wanyama, 2012). Also, Rahim (2013) has identified several interchangeable definitions of CSR from different scholars such as 'corporate citizenship', 'the ethical corporation', 'corporate governance', 'corporate sustainability', 'social responsible investment', and 'corporate accountability'. Corporate Social Responsibility is when organizations or institutions undertake activities that will benefit both the society in which it operates and thus making profits. It operates under four responsibility levels; which are the economic, legal, ethical and philanthropic which must all be accomplished in order of priority.

Globally, CSR is well embraced by a number of private and large firms. Favotto, Kollman and Bernhagen (2016) having been researching on CSR and governance for almost two years established that an organization's ethical codes tend to influence the firm's attitude towards adoption of CSR. However, Bernhagen and Kollman, (2013) observe that this influence is usually limited and uneven among business enterprises.

Kuada J. and Hinson E. R. (2012) carried out a comparative study titled "Corporate Social Responsibility (CSR) Practices of Foreign and Local Companies in Ghana". The study assessed the key motives underlying CSR practices of foreign and local firms operating in Ghana and the societal as well as business outcomes of their practices. Kuada J. et al (2012) established that CSR decisions of foreign firms were mainly guided by legal prescriptions, while those of the local firms were guided by discretionary and social considerations. However, Kuada J. et al (2012) found that there was a statistically insignificant degree of importance that the two groups of firms attach to discretionary motives for their CSR practices. It was also established that the CSR decisions of most foreign firms located in Ghana are triggered mainly by legal obligations and anticipated economic gains, which shows that legal accountability and corporate image preservation constitute key CSR drivers and benefits of foreign firms in Ghana. Kuada J. et al (2012) concluded that local firms appear to engage in CSR practices that support community development presumably because they see such activities as part of their culturally prescribed duties. Kuada J. et al (2012) advocates for the government to provide incentives that further encourage CSR activities. The challenge is that increased CSR initiatives might be seen as an excuse by the government to neglect its own social and community development obligations. It is therefore important that organizations engage in operations that will result in increased earnings and performance.

Muiruri (2012) did a study to evaluate the challenges faced in aligning CSR to the corporate strategy at the Safaricom Foundation. The study employed a case study approach with an interview guide constructed and interviews conducted on personnel involved in the CSR programs in order to elicit responses for an in depth understanding and the data collected was analyzed through content analysis. This study established that Corporate Social Responsibility is a fundamental part of corporate strategy and that political and regulatory environments are key in ensuring successful completion of CSR projects. Safaricom Foundation CSR policies are aligned with the Vodafone policies which are the parent company and are not impediment in the planning and execution of the CSR strategy.

Munyoki (2013) carried out a study on the relationship between Corporate Social Responsibility practices and market share among supermarkets in Kisumu town. This study aimed to uncover the factors that motivated the practice of Corporate Social Responsibility amongst supermarkets in Kisumu Town for the period 2006-2010. The population of study was all supermarkets in Kisumu town with the sample frame being provided by the Kisumu county office. All five supermarkets were selected. Questionnaires were used to collect data with respondents being top level managers from all five supermarkets. The data was analyzed using descriptive statistics and regression models. The results showed that indeed a relationship existed between corporate social responsibility and the market share because the supermarkets that carried out corporate social responsibility also had high sales revenue. Moreover, the study discovered a positive correlation co-efficient between market share index and the corporate social responsibility. The study found that the main CSR areas were education, water and sanitation, health and support to orphans. The bigger supermarkets tended to prefer education, water and sanitation, while the smaller supermarkets favored support to orphans.

Amara (2013) did a study on determining factors taken into consideration when the commercial banks in Kenya were looking for a CSR program to undertake. The study was conducted using a descriptive cross sectional census survey method. This study concluded that majority of Commercial Banks are highly influenced by their financial capability, what everybody is involved in when it comes to social corporate responsibility, their stakeholder's choices, their technology levels, their company objective, rating by commercial banks association of Kenya, organizational structure and ethical considerations. The study also found that there is significant influence of government policies, political instability, and resource allocation, literacy of commercial banks staffs, role allocation, and incentives of employees to the choice of CSR programs in commercial banks. The study recommended the need to frequently to carry out corporate social responsibility activities in order to have the good will from the community they operate from.

Muthami (2014) carried out an investigation on how CSR affected performance at Unilever ESA. The study concluded that corporate social responsibility affects the corporate organization performance of the organization to a great extent. The study revealed that corporate social responsibility enhanced organizational performance through creation of demand for the organization's product, bringing the company closer to the people, increasing sale volumes and making the company socially responsible. The study established that through CSR activities, the company was able to enhance its reputation and through reputation management, the organization influenced corporate organization performance in the organization. The study found that reputation management enables a company to build positive relationships and help companies to build customers' trust thereby increasing sales. The study further revealed that challenges Unilever ESA Kenya faced in Corporate Social Responsibility were: selection of the project that represents the interest of the community, employee involvement in project implementation, stakeholder's involvement in the projects and selection of projects that are environment friendly and thus need for further studies to be carried out.

According to Favotto *et al.* (2016) organizational engagement in CSR initiatives is also greatly influenced by the nature of the industry in which they operate. This fact has seen many firms especially those in extractive sector engaging in frequent CSR initiatives to consolidate on its perceived advantages. Another key determining factor in firm's engagement in CSR initiatives is the extent to which an organizational residential status is integrated with global markets or NGO networks (Berliner and Prakash, 2012; Perkins and Neumayer, 2010).

In Kenya, public corporations face unprecedented challenges arising from a rapidly changing market because of new technologies, economic uncertainty, fierce competition, and demanding customers (Sasaka, 2016). The firm's involvement in corporate social responsibility will improve the welfare of the community in which they do exist (Omondi & Muturi, 2013). Consequently, there has been a shift from the traditional business model, which emphasized on shareholder wealth maximization, as indicated above, to a more holistic one that emphasizes the economic, social, and environmental responsibilities of corporations. Towards this, the government developed a Code of Governance for State Corporations in Kenya (Mwongozo, 2015) and directed all boards of state corporations to make and implement a policy on good corporate citizenship, with an appropriate budget of CSR.

Corporate social responsibility experts blame the lack of trained personnel in connection to failed projects in trying to implementing CSR. Non-availability of accurate information, lack of understanding of the necessity and communication are vital in implementation as it gives priorities and highlights the most important projects to start with when it comes to CSR. From the various researches carried out it is quite clear that there is need to further find out the importance of public organizations CSR activities in Kenya.

2.3. Economic Responsibility and CSR

Any corporation or organization, even if it's a non-profitable organization, as charities association needs assets in order to succeed and sustain. According to Carroll (2016), the first step in implementing CSR is to enroll in business operations and to make profits. He added that profits are necessary to reward investors and owners. Moreover, profits must be reinvested back to maintain business growth. Economic responsibility is represented by a corporation through investments, marketing strategies, business operations, and long-term financial strategies with variant stakeholders. However, organizations need to recognize that their economic performance is not something they do just for themselves but also for society (Carroll and Shabana, 2010).

Past studies done in Nigeria (Osisioma, Nzewi & Nwoye, 2015), and in Kenya, a study by Kipruto (2014) to determine the effect that CSR has on financial performance of commercial banks in Kenya found that CSR has a positive and significant effect on financial performance. The researcher used cross-sectional research design and a regression model. The study by Kipruto (2014) revealed that highly profitable institutions have invested heavily in CSR activities for many years while those that have always reported losses have been considering CSR as unnecessary expenses. The conclusion of Kipruto (2014) was that CSR should be considered as part of daily operating activities of commercial banks.

Skare and Golja (2012) investigated the relationship between CSR (economic responsibility) and financial performance. The authors confirmed that CSR firms in the average enjoy better financial performance than non-CSR firms. On the other hand, Okoth (2012) found out that CSR was good for the financial performance of large and medium sized banks and had no effect on the Return on Assets of small banks. The researcher noted that CSR had a positive and significant effect on Return on Assets (ROA) and Return on Equity (ROE) for all commercial banks when aggregated. However, when classified on the basis of market size, the study revealed that CSR improved financial performance of large and medium sized banks while the effect on ROA of small banks was insignificant. This study concluded that CSR had a positive effect on financial performance of large and medium sized banks and no significant effect on the financial performance of small banks and that it was not in the interest of shareholders of small banks to engage in CSR activities as doing so could only drain their wealth without any returns.

2.4. Legal Responsibility and CSR

Legal responsibilities reflect a view of codified ethical in the sense which embodies basic notions of fairness as established by our lawmakers. Business is bound by Law for the benefit of society. If business does not agree with laws that have been passed or are about to be passed, our society which has been provided with a mechanism, by which dissenters can be heard through Court of Laws, specifically Consumer Act, 1985 and many other such laws. It refers to the positive and negative responsibilities sited by the laws and rules of society on organizations (Carroll and Shabana, 2010). Proponents argue that this obligation must be understood as a proactive duty. That is, laws aren't boundaries that enterprises skirt and cross over if the penalty is low; instead, responsible organizations accept the rules as a social good and make good faithful efforts to obey not just the letter but also the spirit of the limits.

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2.5. Ethical Responsibility and CSR

Ethical responsibilities represent the norms and standards of what employees, consumers, shareholders and the community think of as fair while protecting the stakeholders' moral rights. Firms are continually investing even more resources into provision of services for the good of the public, and many companies are striving to reduce negative externalities arising from their activities to levels below those required by law with many firms now providing regular public statements extensively discussing their CSR activities, (Amin-Chaudhry, 2016). As Mapepeta (2015) noted, the practice of investments by businesses globally is increasingly being met by strict requirements to be responsible while operating in the community where the business is established. This involves businesses adhering to the morally accepted standards which according to Pivato et al. (2013), goes a long way in cultivating trust. Al-Tawil (2016) pointed out that there has been an increase in the number of businesses coming up with ethical codes of conduct to direct their corporate activities.

Many organizations today publish reports to account for the environmental impact of their activities, with some going as far as undertaking various forms of environmental impact assessments before the approval of any project. Organizations are also beginning to appreciate their role of being good corporate citizens by involving communities as important organizational stakeholders. Many customers are made aware of issues such as child labor, exploitation of workers and destruction of the environment through the mainstream media and the internet. As a result, pressure from different stakeholders along with massive media coverage has forced many companies to act ethically to protect their public reputation (Boyle, 2016). Managers may encounter obstacles while making decisions, but ethics should be part of every business decision.

Trust building is a fundamental asset in every business relationship and a very important motivation for an organization ascribing to CSR initiatives. Canli and Fries (2015) argued that a company which adheres to the prescribed codes of ethics and engages in socially responsible activities gains customer trust. They also argued that a company with a good reputation will ultimately attract less blame from the customer if a recall situation occurs. Recent findings from studies in the hospitality industry also show that ethical CSR practices led to improved corporate image as a result of increase in customer loyalty, (Duzgun and Uyuger 2017). However, it is difficult to know what right or wrong as ethical standards are not clear or classified (Smirnova, 2012) thus a need for further study is recommended to enhance awareness to organizations.

2.6. Philanthropic Responsibility and Organization's Performance

The practices of philanthropy have been evolved from the day business existed in this world until today. Before 1970, basically, corporate shared its profit with the community through philanthropic activities. Carroll and Shabana (2010) stated that philanthropic responsibility includes those company activities that are in response to society's expectations that businesses be good citizens. This includes actively engaging in performances or programs to encourage human-welfare or goodwill. Philanthropic responsibility represents voluntary actions of organizations such as charity, donations, financial and other contributions that goal to increase the quality of life in the community (Smirnova, 2012).

Omwenga (2013) carried out a study on the management perception of corporate social responsibility at Kenya power lighting company. The study sought to determine what the perception of the management team was on Corporate Social Responsibility. This was a descriptive study that was conducted by use of questionnaires and targeted 53 managers from the West Kenya region. A response rate of 92% was achieved and data was analyzed by help of descriptive statistics. The study concluded that most managers had a positive perception of various statements on CSR. The study showed that philanthropy increased Kenya Power's competitive advantage and that engaging in Corporate Social Responsibility by the company enhances the company's public image. The study also showed that Kenya Power's environmental interventions should be continued as it directly contributed to conservation of the environment. The study concludes that the perception by the managers of the company is largely positive and the company should continue engaging in Corporate Social Responsibility initiatives to support the community.

There are different initiatives and innovative tools that companies can engage themselves in through philanthropic CSR. Cheema et al. (2017) found that these initiatives can affect the firm's sustainability and competitive advantage position through participating in the protection of the community, building socially needed amenities and offering grant and scholarships to individuals and groups. This agrees with Chaudhry (2016) who argues that CSR may be used as a strategy to provide a competitive differentiation in an environment that is increasingly competitive.

While philanthropic corporate social responsibility is imbedded in non-reciprocity, voluntarism and the interaction with other stakeholders in the society, Boyle (2016) asserts that the voluntary dimension of philanthropic CSR is not a carte blanche for the company to limit itself to do the bare minimum. Aakhus and Bzdak (2012) stated that despite philanthropic CSR being voluntary, it should in fact be regarded as mandatory or obligatory as keeping promises to the society in which the businesses operate. Ochoti, Muathe, Ronoh and Maronga, (2013) found that institutions which embrace this concept reap many benefits including customer loyalty, positive attitudes towards brands, customer trust, positive publicity and better financial performance. According to Smith (2013) CSR speaks volumes about a company's identity, what it believes in and how it is doing business, he argues that CSR is a core element of reputation and can be used to help establish trust and goodwill amongst stakeholders. In its purest form, corporate social responsibility can be adopted for its own sake, simply because it is the right way for a company to behave.

Duarte, Mouro and Neves (2010) in their study found that society's understanding of the nature of socially responsible corporations can be discussed in three ways; the first looks at philanthropic CSR as playing an active role in enabling members of society attain social well-being; the other is developing a business that is both efficient and ethical in its operations and finally practices that show respect and concern for the well-being of the community. According to Bell (2011) public perception of philanthropic CSR is continuously evolving as the stakeholders continue to gain access to more and more information and thus recommendation for further study.

3. Conclusion

This study intended to find out the effects of corporate social responsibility activities on organizational performance in public organizations in Kenya. Therefore, it can be concluded that emphasis on implementation of corporate social responsibility activities is very important in ensuring continuous organization which in turn enhances service delivery to the organization, customers and its community. The study also concludes that firms should advance to four dimensions of corporate social responsibility activities which include; philanthropic, ethical, economic and legal activities that positively impact on corporate social responsibility. This plays a major role in facilitating growth and profitability of public organizations in Kenya. In a bid to formulate new strategies for organizations, there is need for evaluation of existing structures to find out whether they are sustainable or need reviews to ensure effective corporate social responsibility with key in enhancing organization's performance. It can further be concluded that, by treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. Once a company is profitable and meets its legal responsibilities, it can move up the ladder to ethical responsibilities, which might include paying higher wages, offering employees better benefits, avoiding trade with unscrupulous companies or providing jobs to those who would otherwise have difficulty finding work

4. Recommendations

The study established that firms should ensure continuous improvement of policies and strategies in order to enhance implementation of corporate social responsibility activities. There's need for senior management involvement to ensure continuous and intensive research and development in order to ensure maximum exploitation of activities used for managing and controlling corporate social responsibility in order to enhance organization performance, this will ultimately contribute to easy attainment of goals and objectives. The study also established that polices used by firm are outdated and lack effective policy framework which should govern the implementation and execution of corporate social responsibility thus a recommendation that the management should come up with effective policy framework and measures to help in guiding the implementation of corporate social responsibility. This will enable a rapid growth and development of firms while enhancing relationship with communities.

Further, it's recommended that CSR in form of economic, ethical and legal activities should be enhanced. By doing so, it will assist staff in improving operational processes and incorporating stakeholders in identifying problems quickly and systematically for overall organizational performance. In addition, the best corporate philanthropy programs should align perfectly with the company's business goals, culture, and persona. Those programs that do so are far more likely to remain viable for years, allowing time and momentum to do the best for the community and the organization.

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