

**INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON  
SUSTAINABLE GROWTH OF LARGE SUPERMARKETS IN KENYA**

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**A Research Project Submitted in Partial Fulfillment of the Requirements for the  
Award of Degree of Master of Business Administration of South Eastern Kenya  
University**

**2023**

## DECLARATION

I understand that plagiarism is an offence and I therefore declare that this project is my original work and has not been presented to any other institution for any other award.

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## **ACKNOWLEDGEMENT**

I wish to express my sincere gratitude to my supervisor Dr. Anne Christine Kabui for her professional guidance and encouragement in compiling this project report. I am equally grateful to other members of the Faculty for their objective and in-depth scholarly criticism of my work which inspired me to aspire for academic excellence.

## **DEDICATION**

I dedicate my research work to my parents Mr. and Mrs. Seurey, for instilling in me virtues of resilience and hard work early in my life. This work is a mark to their contribution in my life. Also, to my wife Dianah and my daughters Winfridah and Joy for their encouragement.

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## **ABBREVIATIONS AND ACRONYMS**

<b>CSR</b>	:	Corporate social responsibility
<b>KCB</b>	:	Kenya Commercial Bank
<b>MNCs</b>	:	Multinational corporations
<b>SADC</b>	:	South African Development community
<b>SPSS</b>	:	Statistical Product and Service Solutions

## OPERATIONAL DEFINITION OF TERMS

<b>Corporate Social Responsibility:</b>	This is a strategy where an organization engages in programs and executes organization mandate in such a way that it addresses all the responsibilities it has to all stakeholders. It goes over and above the profit-making goals with aim of impacting organization and voluntary contribute to better societies.
<b>Large supermarkets:</b>	Category of retail supermarkets which offers a wide variety of products such as appliances, clothing and groceries offering a one stop shopping experience. They are classified based on the turn over, number of branches and number of employees with turnover as key parameter.
<b>Program:</b>	An officially organized system of services, activities, or opportunities that help people to benefit from it.
<b>Sustainable:</b>	The ability of an organization to maintain a certain rate and level of growth over time.
<b>Growth:</b>	The gradual process of increasing in size and breath.

## ABSTRACT

Corporate Social Responsibility (CSR) is a strategy where an organization engages in programs and executes organization mandate in such a way that it addresses all the responsibilities it has to all stakeholders. It goes over and above the profit-making goals with aim of impacting organization and voluntary contribute to better societies. It gives organizations opportunities to demonstrate their good corporate citizenship in their products or services and is propositioned that it must incorporate the economic, legal, ethical and philanthropic expectancies of the society. Supermarkets in Kenya are faced with problem of sustainable growth by expanding in the first five to ten years of their operations, then unfortunately facing eminent closure Therefore the study conceptualized that CSR may influence the sustainable growth of large supermarkets in Kenya. The general objective of this study was to assess the influence of corporate social responsibility on sustainable growth of Large Supermarkets. Specific objectives were; to assess the influence of economic responsibility on sustainable growth of Large Supermarkets in Kenya, to examine the influence of legal responsibility on sustainable growth of Large Supermarkets in Kenya ,to examine the influence of ethical responsibility on sustainable growth of Large Supermarkets in Kenya ,to determine the influence of philanthropic responsibility on sustainable growth of Large Supermarkets in Kenya and to assess the combine effect of economic, legal, ethical and philanthropic responsibility on sustainable growth of Large Supermarkets in Kenya. This study was anchored on three theories, instrumental theory, stakeholders' theory and ethical theory which spoke to the responsibilities of a business to all her stakeholders. The study used descriptive research design. Target population was 25 branches of the three Large Supermarkets as registered by the registrar of companies. Semi-structured questionnaire was used for data collection. Respondents were branch managers and the staff in charge CSR at the branch for 25 branches for Large Supermarkets, which translated to 50 respondents in total. Descriptive and inferential statistics were used to test existence and strength of relation between CSR and Sustainable growth of large supermarkets. The findings revealed that all four CSR operationalization had a strong positive and significant correlation with sustainable growth of large supermarkets in Kenya. The linear regression analysis indicated that all the predictor variables influenced sustainable growth leading to the conclusion that the four need to be exercised and granted considerable weight so as to contribute to sustainable growth of large supermarkets in Kenya. The study recommends adoption of the CSR as one way of enhances sustainable growth in the long term. Further studies can be comparative across industries and different sectors to enable comparisons and generalization.





# CHAPTER ONE

## 1.0 INTRODUCTION

This chapter covers the background of the study, statement of the problem, objectives of the study, study of hypothesis, the value of the study, scope, limitation and delimitation.

### 1.1 Background of the Study

The roots of Corporate Social Responsibility (CSR) can be traced back to Ancient Mesopotamia around 1700 BC, at the point where King Hammurabi introduced a code in which builders, and farmers were sentenced to death if their negligence caused the deaths of others and brought major inconvenience to local citizens as quoted Dankova, (2012). The corporate social responsibility a strategy where an organization engages in programs and executes organization mandate in such a way that it addresses all the responsibilities it has to all stakeholders. With a view of developing a better corporate image for themselves, CSR is represented by the contribution made by companies to society through its business activities and its social investment. Comprehensive explanation of CSR, must embrace a full range of responsibilities of the business corporation to the society. It was thus propositioned that the corporate social responsibility of business corporations must incorporate the economic, legal, ethical and philanthropic expectancies of the society (Tran, 2022).

Cha and Jo (2019), Marina and Senatot (2017), Adda, Bosco and Aboteyure (2016), Kungu (2021), Miyogoh, Arasa and Ngui (2021) are among scholars who have tested effects of different aspects of CSR on performance, market share, corporate image and growth. The findings present mixed findings necessitating further studies. The conceptualization of corporate social responsibility influencing sustainable growth was anchored on three theories, instrumental theory, stakeholders' theory and ethical theory which spoke to the responsibilities of a business to all her stakeholders.

The study intended to find out if the amount of money, personnel, time and the frequency that large supermarkets in Kenya engaged in economic, legal, ethical and philanthropy had any bearing on their sustainable growth. Firms grow in breadth and the provisions they offer; they could also grow in geographical expansion. Of concern, was whether this growth can be sustained over the years, and if so, can CSR influence it?

### **1.1.1 Corporate Social Responsibility (CSR)**

According to Grover, Kar, and Ilavarasan (2019), CSR implies raising enterprise behaviors to a level that is consistent with the prevailing norms, values, and expectations of the society. Gangi, Meles, Monferrà, and Mustilli (2018), posits that CSR comprises society's expectations on economic, legal, ethical, and philanthropic issues of organizations at a specific time. CSR gives organizations opportunities to demonstrate their good corporate citizenship in their products or services and look at the company's social and environmental surroundings to protect the company from outsized risk (Kuldip, 2021). The four core areas for CSR have no equal measure when it comes to amount and percentage to invest, frequency of execution and the public participation among the stakeholders.

According to Carroll and Buchholtz (2015) CSR has economic responsibilities for the firm that it is important to perform in a manner consistent with maximizing earnings per share, the organization to be committed to work on profit levels, to maintain a strong competitive position, and competitive wages. The firm is expected to meet its economic responsibility and therefore the core mandate of a business is to generate and maintain sustainable corporate profits by the means producing and providing the necessary products and services to society.

While meeting legal responsibilities, important expectations of business include their performing in a manner consistent with expectations of government and law, complying with various international and local regulations, conducting themselves as law-abiding corporate citizens, fulfilling all their legal obligations to societal stakeholders, providing

goods and services that at least meet minimal legal requirements. Furthermore, adhering to CSR principles which have benefits to the organization, it helps to avoid excessive exploitation of labor, frequent court litigations, bribery and Corruption (Carroll & Shabana, 2010). The responsibility extends to consumers, employees, and competitors as part of the key stakeholders that will be directly affected in case of breach.

According to Freeman, Dmytriiev, and Phillips, (2021). Ethical responsibilities embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights. Therefore, the organization has an obligation to work on retention rates, level of customer loyalty and eliminate counterfeit goods. Motilewa, Worlu, Moses and Adeniji (2017) argued that, accountability is an aspect of ethical responsibility which is concerned with organization recognizing that its actions affect the external environment, and therefore assuming responsibility for the effects of its actions. Customer loyalty arising from a firm's involvement in CSR is also a concept for ethical responsibility which is ascribed as the result of consistently positive emotional experience.

Carroll (2016) stated that, corporate philanthropy includes all forms of business giving, which is not meant to give any direct monetary return. To fulfill their perceived philanthropic responsibilities, companies should engage in some public participation activities like education scholarships to students, social welfare through the number of products and service donations, and donate money for religious foundation activities. The philanthropy may extend to as many areas as an organization deems possible and applicable in its industry.

Organizations need to put into consideration CSR and sustainable growth as part of their long-term vision. CSR strategy and sustainable growth approach have an increasingly

important role in the competitiveness of organizations, gaining trust, creating corporate values, and respect of its employees, consumers, partners and the social community in general (Chien,Pantamee, Hussain, Chupradit, Nawaz and Mohsin2021).

### **1.1.2 Sustainable Growth (SG)**

Organizations have stages of life's trajectory where it is perceived to start from their foundation, grow to maturity, decline and finally either die or revamp to new energies (Arvanitis & Wörter, 2013). However, the dissolution of a company can emerge at any point of its life cycle, therefore, for any organization to remain afloat in business, sustainable growth is seen as a major objective in the contemporary competitive world (Pohle & Hittner, 2008). Growth is the process of increasing in size and breath while sustainable growth is the ability of an organization to maintain a certain rate and level of growth over time therefore, every organization strives to be relevant in its industry, to attain competitive advantage which is demonstrated by its level of expansion and market share and this relevance can only be ultimately achieved when the firm realizes sustainable growth. Often the concept of sustainable growth can be understood as institutional arrangement of generating growth in a sustainable manner. (Brain, 2020).

Eichholtz, Kok and Quigley (2010) argued that sustainable companies anticipate the future needs of society and adjust their business priorities to new needs, making sure they have the resources to continue doing business. Michael (2013) stated that without sustainable growth, neither the society nor the business enterprises will have a future. In business terms, growth is interpreted as an increase in economic or business capacity in terms of selling products or services while in economics, the term growth is associated with the process of development, expansion and acceleration (Lin, 2020).

### **1.1.3 Large Supermarkets**

Supermarket operate on self-service basis, their prices are comparatively lower, credit is not extended to customers, they offer large variety of goods, their profit margins are lower, customer care is minimum, sales are not compelled and there is a neat display of

good which are attractive (Naeem, 2021). Large supermarkets are a category of retail supermarkets which offers a wide variety of products such as appliances, clothing and groceries offering a one stop shopping experience. They are classified based on the turnover, number of branches and number of employees with turnover as key parameter. The volume, variety, variation and visibility are the four V's that distinguish large supermarkets from other categories of retail outlets (Naeem, 2021).

Walmart is the largest supermarket in the world commanding over 25% of annual sales in the sector. Tesco, Sainsbury, Aldi Asda and Morrisons are the big four in the world with over three quarter of the market share (Business news, 2021). In Africa, Shoprite is the largest supermarket worth 8.3 billion dollars. In Kenya, large supermarkets are classified in line with the four Vs in turnover, presence in multiple locations, the size of the branches, variety and volumes of products they sell. According to registrar of companies in Kenya (2021) the large supermarkets are Naivas limited, Quick mart Supermarket and Carrefour Supermarket. The classification is based on the turnover, number of branches and number of employees with turnover as key parameter (Registrar of Companies, 2021). Their expansions in different geographical areas in more branches outlets enable them to bring services to enable them bring their services close to people.

Some of supermarkets operate globally as multinational some have expanded to Africa continent. Over the years, other supermarkets are being opened and others are being shut down. The growth and expansion of supermarkets in Africa is spearheaded mainly by South African supermarkets. The South African's supermarkets opened doors in South African Development community(SADC) countries which increased dramatically in the mid-1990s. The major South African supermarkets have expanded their market share in the region through buying other supermarkets, franchising, and forming partnerships with other supermarket chains. (Weatherspoon & Reardon, 2003).

#### **1.1.4 Naivas Limited, Quick Mart and Carrefour Supermarkets**

According to Kenya retail report (2021) in 2021, Kenya had a total of 11 supermarkets .Naivas Limited, Quick Mart and Carrefour Supermarkets are the three classified as large supermarkets. Naivas Limited was registered in 1990. It is operating as a private company, the company initially operated as Rongai Self Service Stores Limited, later in 2007 the name of the company was also changed to the current Naivas Limited. Naivas Limited satisfy needs through efficient, innovative product catalogue and ethical practices while meeting the diverse expectations of other stakeholders (Naivas ltd, 2021).Naivas has 84 branches as at 2021 and revenue of Ksh. 101 billion with 8,000 employees across their branches(Victor, 2022).

Quick Mart supermarket was established in 2006 with the first branch in Nakuru town. The retailer expanded its territory of operations and so far has a total of 51 branches and outlets across eleven counties across Kenya. The Quickmart supermarket can attribute its growth to the new investors, Adenia Partners, who control the majority of shares. The acquisition saw Quick Mart merge withTumaini Self Service Limited. It is worth Ksh. 80billion with over 6,000 employes in all its branches (Quickmart ltd, 2022).

Carrefour is a French multinational retail corporation headquartered in Massy, France. It opened its first store in Kenya in 2016 in Karen, Nairobi. In her expansion efforts Carrefour announced plans, in September 2020 to open new branches in the coastal city of Mombasa, in Kisumu and more branches across Nairobi and its environs. (Business Daily, September 23,2020).To date, Carrefour has 19 branches, turnover of 32.9 billion in 2021with over 1,900 employees in all its branches .

## **1.2 Statement of the Problem**

Retail industry where large supermarkets belong, offers the service of bringing commodities near the customer and they all endeavor to offer a great shopping experience. Though they all offer similar or relatively similar products, their sustainable growth greatly differs with some doing very well over a long period of time and others not lasting for long in operations hence not sustainable. Supermarkets in Kenya are faced with challenges of sustainable growth by expanding in the first five to ten years of their operations, then unfortunately facing eminent closure (Business daily, September 23, 2020) raising the question on what are some of the strategies they could employ to change this trend.

According to Thuy and Minh (2020) globally, supermarkets have incorporated Corporate Social Responsibility in their operations to enhance the brand equity, performance, profitability and corporate image. Farther revealed some CSR aspects have positive impacts on the brand image of the supermarket chain. The study by Haung and Kong (2020) on the impact of CSR on brand equity: the moderating role of consumer involvement in CSR, concluded that the degree of a firm's CSR positively impacts brand awareness, perceived quality, and brand loyalty through empirical analysis. The extent to which different aspects of CSR influence organization greatly differs and so does the elements of what it influences ranging from performance, to corporate image, to sustainability. The mixed findings necessitate further research.

All the activities undertaken at the branch are geared toward the benefit of the whole. Specific branches are strategically picked and assigned to undertake CSR in their respective locality. Indicators of the impact for the whole can be measured from the specific efforts. The study conceptualized corporate social responsibility in the economic, legal, ethical and philanthropy responsibilities. Therefore the study assessed whether corporate social responsibility in large supermarkets in Kenya, that were, Naivas limited, Quick Mart supermarket and Carrefour supermarket, influenced their sustainable growth.

### **1.3 Objectives of the Study**

The general objective of this study was to assess the influence of corporate social responsibility on the sustainable growth of Large Supermarkets in Kenya.

#### **1.3.1 Specific objectives**

The study was guided by the following objectives:

- i. To assess the influence of economic responsibility on sustainable growth of Large Supermarkets in Kenya.
- ii. To examine the influence of legal responsibility on sustainable growth of Large Supermarkets in Kenya.
- iii. To examine the influence of ethical responsibility on sustainable growth of Large Supermarkets in Kenya.
- iv. To determine the influence of philanthropic responsibility on sustainable growth of Large Supermarkets in Kenya.
- v. To assess the combine effect of economic, legal, ethical and philanthropic responsibility on sustainable growth of Large Supermarkets in Kenya.

### **1.4 Study Hypothesis**

The study was guided by the following Study hypothesis;

- Ho<sub>1</sub> Economic Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya.
- Ho<sub>2</sub> Legal Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya.
- Ho<sub>3</sub> Ethical Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya.
- Ho<sub>4</sub> Philanthropic Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya.
- Ho<sub>5</sub> The combine effect of economic, legal, ethical and philanthropic responsibility does not have significant influence on sustainable growth of Large Supermarkets in Kenya.



### **1.5 Significance of the Study**

Corporate Social Responsibility assessment from the study generated information that retail chain managers could use to inform their CSR so as to improve sustainable growth. Especially on the economic, legal, ethical, and philanthropic responsibilities on the different fronts. The findings offer an opportunity for the industry to help businesses adequately train all cadres of employees to ensure readiness and ability to carry out CSR activities. More specifically, top management should be thoroughly trained on how to handle CSR.

The regulator, the Competition Authority of Kenya, benefits from the study findings on the specific aspects of CSR and how they may use them to aid in protecting consumers from unfair and misleading practices by the retail industry.

The findings are used to inform possible extensions on the theories as well as affirm if the postulations of stakeholder theory, ethical theory and instrumental theory are upheld in the context of large supermarkets in Kenya. The study findings will also add to the existing pool of empirical knowledge about corporate social responsibility and sustainable growth for reference by other scholars.

### **1.6 Limitations of Study and Delimitation**

The study had the constraint of some respondents being afraid to share information on their CSR as they considered it a strategy that could give an edge over others. The respondent got all requisite research authorizations and assured respondents of confidentiality and that the data collected was for academic purposes only.

### **1.7 Scope of the Study**

The study was on large supermarkets in Kenya as per the registrar of companies in 2021, these were Naivas, Quick mart and Carrefour. Since not all their branches had CSR, the respective headquarters gave a list of the specific branches with CSR. A total of 25

branches of the three large supermarkets from Kisumu, Nairobi, Mombasa and Kiambu counties were considered.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

This study was theory testing and was anchored on three theories which were discussed in this chapter. The chapter further reviewed empirical literature relating to specific objectives clearly capturing existing gaps. It ended with a diagrammatic representation of the study in a conceptual framework.

### **2.1 Theoretical Framework**

The study was founded on three theories, instrumental theory, stakeholders' theory and ethical theory which explained the actions of organizations as necessitated by shareholders needs. The three theories were complementary in supporting study objectives.

#### **2.1.1 Instrumental Theory**

In the Instrumental theory, Friedman (1970) being the author, argued that in a free economy the core business for an organization in social responsibility was to use its resources and engage in activities designed to increase its profits so long as it operate within the legal frame work in place which is to engage in an open and free competition, without fraud. According to Garriga and Mele, (2004) the corporation was seen as only an instrument for wealth creation and its social activities were only means to achieve economic results and maximize shareholders value.

Large supermarkets were perceived to be instrument for wealth creation for their investors and give value for money to customers. Only the economic aspect of the interactions between business and society was considered in the Instrumental theory, therefore, economic responsibility was understood as a mere means to scale up profit levels, customer base, and firm level of market share. Accordingly, any social activity was accepted if, it was consistent with economic progression of the organization. However, instrumental theory was not free from limitations and was narrow in its

approach as it excludes other important aspects of corporate social responsibility such as ethical and philanthropic responsibility, in view of the above other theories were required to support other parameters of corporate social responsibility.

### **2.1.2 Stakeholders Theory**

Stakeholder theory by Freeman (1984) argues that the typical stakeholders are owners, financiers, activist groups, suppliers, customers, employees, trade unions, competitors, authorities and political groups. This theory states that the success and sustainable growth of a company depends on its ability to balance the various interests of the stakeholders. If able, then the company will achieve ongoing support and enjoy a growing market share, sales, and profits. Stakeholder theory describes all stakeholders to whom organization is responsible for and therefore the activity of the company should consider the good of stakeholders (Freeman, 1984; Garriga& Mele, 2004, Gideon& Agaba, 2020).

In connection to study, the stakeholder theory anchors the study since it postulates that legal social responsibility was pursued in order to satisfy an array of stakeholders. The business had legal duties, reciprocity and philanthropic responsibilities towards community and society at large for a continued sustainable existence for itself and the society at large, The stakeholders theory advocates that, companies should act consistent with the legal rights of the stakeholders and on that basis was regarded as the ethical principal of business responsibility (Tilakasiri, 2012; Gideon, 2020). Therefore, companies which do not act consistent with ethical principal face large penalties and other disadvantages such as deterioration of relationship, damage to reputation, declining productivity, and reduced customers' loyalty. These postulations continue to be tested across different industries.

The stakeholder's theory did not fully expound on the aspects of ethical responsibility directly as the key role for corporate social responsibility and therefore another theory was picked as a complementary theory for ethical on this study.

### **2.1.3 Ethical Theory**

The author of ethical theory, Kant (1990) argues that corporations have a moral obligation to people which supersedes the singular pursuit of profit. It suggests that all stakeholders have the right to be treated fairly by an organization. The ethics of CSR has been described as the alignment of business operations with social values. It is not ethical to give attention only to shareholders and neglect employees and customers interest (Gotherstrom, 2012). All parties, individual or organizations, which have a stake in the organization expect the organization to treat them ethically.

Thus, in connection with the study, ethical theory provides an enterprise with the basis of those morally mandatory obligations which go beyond economic and legal responsibilities of business. These responsibilities were not stipulated by law but expected by society from business such as respecting people, avoiding social harm and preventing social injury, even if it might not benefit business financially. The approach required business to solve problems they created. The business was expected to exercise ethics and care while undertaking all her operations. It should invest financial and time resources as well as participate in various activities of stakeholders.

### **2.1.4 The Triple Bottom Line**

According to Aal, Di Pietro, Edvardsson, Renzi, and Mugion, (2016) the triple bottom line is a form of corporate social responsibility dictating that corporate leaders tabulate bottom-line results not only in economic terms but also in terms of company effects in the social realm, and with respect to the environment. The term Triple Bottom Line, basically tries to combine the three spheres of sustainability: the economic, the social and the environmental. The triple bottom line is based on the assumption that companies do not only have profitability as their only objective but that they also have other objectives such as adding environmental and social value to society (Crane, Matten & Moon, 2010). The theory states that companies should prepare three different bottom lines; the measure of corporate profit, the measure of how socially responsible the company has been throughout its operations and measure of how environmentally responsible the company

has been. TBL theory is relevant to this study since it encourages businesses to take a broader approach to business for long term Sustainability.

## **2.2 Empirical Review**

The section discussed studies which have been done relating to corporate social responsibility and sustainable growth by different scholars. They present positive, negative or no relationships hence mixed findings. They were organized in pair wise reviews as per the specific objectives of the study, and they indicated conceptual, contextual and methodological gaps for farther research.

### **2.2.1 Economic Responsibility and Sustainable Growth**

Adeyanju (2012) conducted study on an assessment of the impact of corporate social responsibility in Nigerian society, using the banking and communication industries as a case study. The researcher argued that, for an organization to achieve its set of objectives, it must fulfill its economic responsibilities to the stakeholders. Therefore, if banks are to guarantee continuous investment of their shareholders, they have the duty of ensuring effective performance by utilizing the capital invested in the bank to maximize profit and to pay good dividends to shareholders. The study approach was both descriptive and analytical. Data collected for the study were from both primary and secondary sources. Analysis was conducted using both regression and correlation analysis. The regression result revealed a strong and significant relationship between CSR and Societal Progress such that the relationship between CSR and Societal Progress was statistically significant. It was concluded that CSR plays a significant role in Societal Progressiveness in terms of economic growth. The study focused on banking and communication industries, it was a case study and used analytical approach while this current study examines CSR initiatives and sustainable growth for large supermarkets in Kenya.

Rongoei and Muturi (2018) carried out study on Effect of Corporate Social Responsibility on Organizational Performance: a case of Sony and Chemelil sugar factories in Kenya. The main objective of the study was to investigate the effect of

corporate social responsibility on organizational performance. The basis of the study was to establish the effects of economic, legal, ethical and philanthropic activities on organization performance. The study adopted descriptive statistics and stratified random sampling technique was employed for the study, Data was analyzed through descriptive statistics, further multiple regression analysis was conducted to establish the effect of CSR activities on organizational performance. Based on economic activities, it was found most of the respondents supported that an economic activity had a role on organization performance in Sony and Chemelil Sugar Company. It was also found out that most respondents strongly agreed that the fundamental requirement of existence, businesses had an economic responsibility to the society. The study focused on the organizational performance while current study focused on sustainable growth.

Miyogoh, Arasa, and Ngui. (2021). Carried out a case study about the influence of corporate social responsibility on market share in the telecommunication industry in Kenya with particular focus on how community social support, environmental responsibility, CSR economic expectations and consumer protection influence market share of the telecommunication industry. The study applied descriptive survey design. Structured questionnaire was used to collect data and analyzed using descriptive statistics, correlation and regression analyses by use of SPSS Version 25.0 software. Pearson correlation analysis revealed that community social support, environmental responsibility, CSR economic expectations and consumer protection had positive correlation with market share of the telecommunication industry in Kenya. Community social support, environmental responsibilities, CSR economic expectations and consumer protection had positive influence on market share of the telecommunication industry. The study concludes that community social support was a way to get back to the community by supporting the development of social amenities and services, environmental responsibility was at the core of environmental sustenance, consumer protection and CSR economic expectations were important pillars driving telecommunication firms' market share. The study examined CSR and market share of the telecommunication industry in

Kenya while current study focused on CSR influence on sustainable growth for large supermarket in Kenya.

Chang`Kwony, and Omwono, (2019) conducted the study to examine relationship between CSR activities and firm performances in Baringo County Kenya. The study was developed and guided by the stakeholder theory. The study employed correlation research design. Stratified random sampling technique was used to select the respondents. A structured questionnaire was the tool for data collection. Data collected was coded and analyzed using both descriptive statistics and inferential statistics. The study found that economic activities had exhibited a negative and significant effect on firm performance implying economic activities decreased firm performance.

Garg, Kumar, and Singh, (2021) studied the relevance of Corporate Social Responsibility (CSR) expenditure to the firms in the mandatory regime in India. The study hypothesized that the firms which fulfilled the CSR expenditure requirement would exhibit higher stock returns and lower systematic risk. The data of four years (2016-2019) for the sample of 426 National Stock Exchange (NSE) listed Indian firms were taken to employ regression method. The CSR expenditure in the mandatory regime was not found to be relevant to the firms because of an insignificant positive impact of mandatory CSR expenditure on stock returns. Thus, the instrumental aspect was not supported by the findings.

### **2.2.2 Legal Responsibility and Sustainable Growth**

Osodo (2014) did the study on the effect of legal corporate social responsibility on consumer identification among Safaricom Limited Company clients in Kajiado County, Kenya. The main objective of the study was to determine the effect that legal CSR had on consumer identification. Explanatory survey was adopted where questionnaires were administered to Safaricom clients. Cluster sampling technique was used and then simple random sampling was done. The researcher found out that Legal CSR was not a very strong predictor of consumer identification. It was concluded that legal CSR had a



significant effect on consumer identification. The study did not examine how other variables such as ethical, economic and philanthropic may influence sustainable growth for large supermarkets. Therefore it was examined in the current study.

Kinyanjui, Juma, Njeru, and Onyango, (2018) conducted the study on influence of legal and ethical CSR strategy on performance of public Universities in Kenya. The main objective of the study was to establish whether engaging in legal and ethical CSR practices would influence the performance of the public sector institutions in Kenya. The study adopted a descriptive survey design and purposive sampling where only those members of the population with the desired information that was relevant for the study were sampled. Questionnaire was the main data collection instrument. It was found that legal and ethical practices positively contribute to organizational performance of Public Universities. From study findings large percentage of respondents agreed that Public Universities have elaborate policies that guided ethical practices and legal processes. The respondents noted that there were adequate legal and ethical controls within their universities but they lacked the goodwill to implement the same. The study focused more on the legal responsibility influenced performance of public universities in Kenya while the current study examined all four CSR influencing sustainable growth for large supermarkets in Kenya.

Cha and Jo (2019) assessed the effect of the corporate social responsibility of franchise coffee shops on corporate image and behavioral intention. The study featured on franchise shops in South Korea and employed survey questionnaires as a tool to collect data from 300 sample participants. The study found that economic, discretionary, and legal responsibilities had significant effects on corporate image. The study indicated that observing legal standards, adherence to mandated social welfare laws, fulfilling contract requirements and improving compliance to regulations was vital to the firm's corporate image. The study focused on CSR in small enterprises influencing corporate image while the current study examined corporate social responsibility influencing sustainable growth in large supermarkets in Kenya.

Masa'deh, Alrommad, Alkhalafat, Obeidat and Abualoush (2018) in a study on the role of Corporate Social Responsibility in enhancing firm performance from the perspective of IT employees in the Jordanian banking sector found that legal responsibility had no remarkable effect on firm performance. The study took into consideration Transformational Leadership (TFL) as a probable mediator in the role CSR played to enhance the firm performance among Information Technology (IT) employees in the banking sector. The results indicated that legal responsibility had no remarkable effect on firm performance.

### **2.2.3 Ethical Responsibility and Sustainable Growth**

Marina and Sentot (2017) did a study on Business Ethics for Business Sustainability in Muhammadiyah Hospital in Indonesia. The objective of the study was to examine how business ethics could support sustainable growth in hospitals. Business continuity in a hospital was primarily affected by the implementation of ethics in the hospital's daily operations. Furthermore, Marina and Sentot cited Graafand Ven, (2006) which they stated that corporate social initiatives, as the basis of corporate long-run goals, are genuinely guided by moral values or ethics. The methodology which was employed in the study was a qualitative approach, with the purpose of uncovering the broader perspective on the implementation of business ethics at the hospital. It was found that applying business ethics to a hospital ensured the sustainable growth of the hospital, for its own sake, and the sake of the local community, the government and also the hospital's shareholders. The researchers concluded that the study could be replicated with quantitative methods to uncover the general purpose. The study examined how ethics support sustainable growth in hospitals while the current study focused on all four CSR influences the sustainable growth for large supermarkets in Kenya.

Kungu (2021) carried out study on the Effect of corporate social responsibility on corporate image of commercial government-owned entities in Kenya. A quantitative approach was predominantly applied in the study. The study employed a structured research questionnaire. The collected data was analyzed using SPSS 25, with descriptive

and inferential tests being employed. The correlation tests indicated there was a strong positive effect of economic and environmental social responsibility on the corporate image. The study further affirmed there was a moderate and positive effect of ethical and legal social responsibility and corporate image of state corporations in Kenya. The study concluded that economic and ethical social responsibility had a significant positive effect on corporate social responsibility. The study dealt with the commercial government-owned entities in Kenya using quantitative approach while the current study focused was retail private owned large supermarkets in Kenya using a descriptive design.

Adda, Bosco, and Aboteyure (2016) assessed Business Ethics and Corporate Social Responsibility for Business Success and Growth in Ghana, the objective of the study was to determine MBA students and managers' perceptions on business ethics and CSR in relation to business success. The researchers found that, when students and managers were asked on the importance of business ethics for business success, most of the respondents affirmed positively. When also asked whether business ethics can lead to positive employee relations, majority affirmed in positive. As well as whether their organizations have a Code of Ethics, and if so, whether training was offered to the employees on ethical behavior, again, majority affirmed in positive. In conclusion the study showed that many of the MBA students and managers perceived business ethics and social responsibility as important for organizational growth and success. Specifically, they considered business ethics to lead to positive employee, customers and as well community relations. Furthermore, they perceived better corporate image/reputation, greater customer loyalty; and a strong and healthier community as benefits that can insured to the benefit of corporations that are socially responsible. It is therefore, important that business schools and professionals in the corporate world turn their attention to those factors, since they were critical components in their training and practices. Study examined the business ethics for business success in Ghana while the current study focused on ethics as one of the CSR that might influence sustainable growth for large supermarkets in Kenya.

#### **2.2.4 Philanthropy Responsibility and Sustainable Growth**

Mjomba and Rugami (2017) conducted the study on Corporate Social Responsibility and Competitive Advantage of Equity Bank Kenya limited. The objective of the study was to establish the relationship between CSR and competitive advantage of Equity bank Kenya limited. That was based on education sponsorship program, financial literacy training, entrepreneurship education program, environment conservation activities and agriculture program. The methodology used was descriptive and exploratory research design, stratified random sampling technique was used to divide the population into regions then simple random sampling was used to select the sample size and quantitative data collected was analyzed by used of descriptive and inferential statistics. It was found that Education sponsorship program improved the Bank's brand reputation while financial literacy training and entrepreneurship education program promotes the Bank's customer retention. Agriculture programs and environment conservation activities enhance the Banks stakeholder relationships. The results indicated that the bank had adopted CSR as a strategic pillar to grow and sustain its business growth offering a sustainable competitive advantage. To the bank CSR offered an opportunity to build a strong brand reputation, improved customer retention, customer loyalty and promote a strong stakeholder bond which drove the business growth. The study focused on CSR in banking sector while the current study examined influence of philanthropy as one of the CSR that could influenced growth in private owned large supermarket in Kenya.

Boafo and Kokuma (2016) conducted the study on the Impact of Corporate Social Responsibility on Organizational Performance: A Case Study of Vodafone Ghana Limited. The main purpose for the study was sought to address the issue by assessing the impact of Corporate Social Responsibility on organizational performance. Descriptive approach was used. Primary data were captured through the use of questionnaires administered to management and staff of Vodafone Ghana limited. Simple random sampling technique was used to select randomly respondents among management and staff. Boafo and Kokuma cited Gaberman (2008) argued that, a more common approach to CSR was corporate philanthropy. Over the years, philanthropy had been defined in

various ways. Philanthropy primarily connotes the distribution of financial wealth, it importantly includes non-financial components such as gifts-in-kind, voluntary services and knowledge. The study found that both the community and the company benefitted from CSR, as one received help and the other won more customers as the company's CSR projects had influenced customers' purchase decision. The case study of Vodafone Ghana Limited, which was mainly about the impacts Philanthropy as one of the CSR initiatives on Organizational performance. Current project examined CSR influence on sustainable growth for large supermarket in Kenya.

Shaoyan, Jingwen, Xiaohui and Wanwan (2018) conducted study on Corporate Philanthropy and Innovation Performance. The main objective of the study was to explore the impact of philanthropic donations on innovation performance of enterprises in China. Shaoyan *et al.* (2018) cited Xu Tao and Wang Ling, (2012) who argued that enterprises often establish and maintain friendly relations with universities and research institutes through philanthropy, which will benefit enterprises to obtain external scientific and technological innovation resources. As a result, enterprises can improve their innovation performance, and achieve a win-win situation. The study adopted quantitative data analysis of enterprises in China and the results found by the researchers were obviously significant positive correlation between philanthropic donations and innovation performance that is, the higher the level of philanthropic donation, the stronger the promotion effect on innovation performance, also the disclosure of philanthropic information, weaken the promotion effect of philanthropic donation on innovation performance Corporate philanthropy became a strategic business activity and the disclosure of certain philanthropic donations meant that enterprises faced the risk that corporate growth strategies were known to competitors (Acharya & Subramanian, 2009). The conclusion of the study made a useful extension of the existing philanthropic donation literature and provided a theoretical basis for the philanthropic practice of the enterprise. The study focused on philanthropy by universities and research institutes while the current study examined philanthropy by large supermarket in Kenya.

Ofunya and Mathenge (2015) carried out the study on Corporate Social Responsibility and Philanthropy (A Case study of Equity Bank Ltd). The study was guided by the following specific objectives, first was to examine the extent to which Corporate Social Responsibility and Philanthropy had been adopted by Equity Bank Ltd, second was to evaluate the corporate social responsibility and philanthropy initiatives undertaken by Equity Bank Ltd, and finally, was to investigate the value of adoption of corporate social responsibility and philanthropy in Equity Bank Ltd. Methodology adopted by the researcher was qualitative technique. Questionnaires were used to collect data. In addition, personal face to face and telephone interviews were conducted with all the respondents. The descriptive statistics were employed to analyze data collected. Researchers found that most important aspect of CSR, provided opportunity to improve relationships with local communities. Significant portion of respondents recognized CSR as means to enhance long-term stakeholder value. The research evaluated philanthropy initiative undertaken by Equity bank while current study examined philanthropy responsibility by large supermarkets in Kenya.

Sokro and Agbola (2016) conducted the study to assess the impacts of philanthropic corporate social initiatives on customer loyalty performance in telecommunication firms in Ghana. Descriptive approach was used. The study employed a structured research questionnaire. The descriptive statistical analysis and inferential analysis were used. The results revealed that the level of quality of the services and costs of products from the firms casted doubts on the genuine of the gestures. That negatively affected the level of performance of the customer loyalties.

### 2.3 Knowledge Gap

Study	Methodology	Findings	Gap
Rongoei and Muturi (2018), Research on Effect of Corporate Social Responsibility on Organizational Performance: a case of Sony and Chemelil sugar factories in Kenya.	Descriptive statistics and stratified random sampling technique	Most respondents strongly agree that businesses have an economic responsibility to the society	Study focused on organizational performance while current study focuses on sustainable growth.
Chang`Kwony, and Omwono, (2019) conducted the study to examine relationship between CSR activities and firm performances in Baringo County Kenya.	Stratified random sampling technique	Economic activities had exhibited a negative and significant effect on firm performance	Study focused on firm performance while the current study focus on Sustainable growth
Kinyanjui, Juma, Njeru, and Onyango, (2018). Influence of legal and ethical CSR strategy on performance of public Universities in Kenya.	descriptive survey design and purposive sampling	Legal practices positively contribute to organizational performance	Study focused more on the legal responsibility influencing performance while this study examines all four CSR influencing sustainable growth.
Cha and Jo (2019), The effect of the corporate social responsibility of franchise coffee shops on corporate image and behavioral intention in South Korea	Descriptive statistics and stratified random sampling technique	Economic, discretionary, and legal responsibilities had significant effects on corporate image.	Focused on CSR influencing corporate image while this current study examines CSR influencing sustainable growth.

Kungu (2021) Research on the Effect of corporate social responsibility on corporate image of commercial government-owned entities in Kenya.	A quantitative approach	A strong positive effect of economic and environmental social responsibility on the corporate image.	Study dealt CSR commercial government-owned entities in Kenya while this study focuses CSR in retail private owned large supermarkets in Kenya.
Shaoyan et al. (2018). Corporate Philanthropy and Innovation Performance.	A quantitative approach	Positive and significant correlation between philanthropic donations and innovation performance	Focused on philanthropy by universities and research institutes while this study examined philanthropy by large supermarket in Kenya.
Masa'deh, Alrommad, Alkhalafat, Obeidat and Abualoush (2018) in a study on the role of Corporate Social Responsibility in enhancing firm performance from the perspective of IT employees in the Jordanian banking sector	Descriptive statistics and stratified random sampling technique	The results indicated that legal responsibility had no remarkable effect on firm performance.	.The study used stratified random sampling technique approach while current study used survey technic.
Garg, Kumar, and Singh, (2021) studied	A quantitative approach	The results were insignificant positive	.The study used quantitative approach



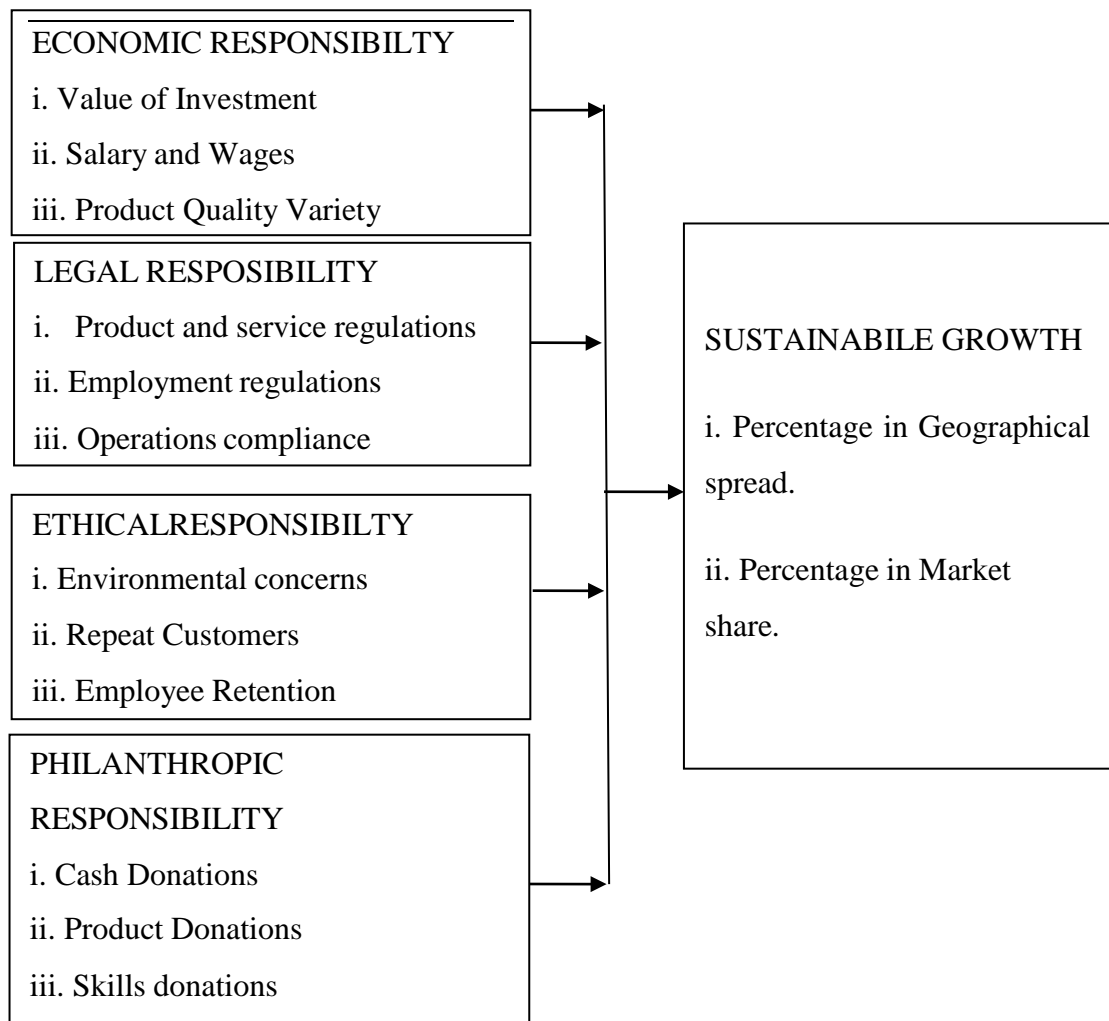
<p>the relevance of Corporate Social Responsibility (CSR) expenditure to the firms in the mandatory regime in India</p>		<p>impact of mandatory CSR expenditure on stock returns</p>	<p>while current study employed qualitative technic.</p>
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<p>Mjomba and Rugami (2017) conducted the study on Corporate Social Responsibility and Competitive Advantage of Equity Bank Kenya limited.</p>	<p>The methodology used was descriptive and exploratory research design, stratified random sampling technique was used to divide the population into regions then simple random sampling was used to select the sample size and quantitative data collected was analyzed by used of descriptive and inferential statistics</p>	<p>The results indicated that the bank had adopted CSR as a strategic pillar to grow and sustain its business growth offering a sustainable competitive advantage.</p>	<p>The study focused on CSR in banking sector while the current study examined influence of philanthropy as one of the CSR that could influenced growth in private owned large supermarket in Kenya.</p>
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## 2.4 Conceptual Framework

### Independent Variable

### Dependent Variable



Source, Author (2022)

Figure 2.1: Conceptual Framework

In the conceptual framework figure 2.1, points to the relationship that was expected between corporate social responsibility measured by economic, legal, ethical and philanthropy and sustainable growth for large supermarket in Kenya. The study independent variables and respective indicators were measured to assess the influence they have on sustainable growth for large supermarkets in Kenya.

The economic responsibility measures the value of money to the customers in the product quality variety, the correct appreciation of employee contribution in wages and salaries and the improvement of shareholders wealth in the changing value of investment. The legal responsibility measures the large supermarkets compliance to registration, product regulations and employment regulations. Ethical responsibility measures the ability of large supermarket to attract and retain customers, employees and their care for the environment. Philanthropy measures large supermarket involvement in community wellbeing through donations in cash, kind and in skill. The sustainable growth of large supermarket was measured by sustained geographical expansion as well as rising market share.

According to Santos and Brito (2012) highlighted the following aspects through which sustainable growth could be measured; market-share, asset, net revenue, net income, and the number of employees. Therefore, in the study, Sustainable growth was considered as dependent variable, and the following indicators were measured by used of percentage change in geographical expansion and percentage change in market share of large supermarkets.

## CHAPTER THREE

### 3.0 RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter covers research design, target population, data collection instrument and method. Finally, it captures data analysis and ethical consideration.

#### 3.2 Research Design

The research design is a method of selection where procedures and techniques are chosen to satisfy the demand of the research objectives (Cooper & Schindler 2014),The study used descriptive design which was appropriate for carrying out a holistic, in depth and comprehensive investigation on the possible influence of CSR on the sustainable growth of large supermarkets.

#### 3.3 Target Population

Cooper and Schindler (2011) population is the total sum of units from which the researcher draws data. According to Kenya retail sector report (2021), the most expanding large Supermarkets in Kenya were Naivas Limited, Quick Mart and Carrefour. These three large supermarkets have twenty-five branches with CSR as informed by their respective headquarters. A census survey was conducted and each branch formed a unit of analysis. The respondents from each branch were branch managers and person in charge of the CSR at branch.

Table 3.1: Number of branches with CSR

Name	Number of Branches with CSR (Unit of Analysis)	Managers and Person in charge of CSR at the Branch (Unit of Observation)
Naivas Limited	4	8
Quick mart	11	22
Carrefour	10	20
TOTAL	25	50

### 3.4 Data Collection Instruments

The study used a semi-structured questionnaire with closed ended questions on likert scale, some choice on ranking questions and a few open-ended questions in line with all operationalization of study variables of the independent and dependent variables. The questionnaire had six sections A to F.

#### 3.4.1 Reliability

Reliability measures consistency, precision, repeatability, and trustworthiness of a research instrument (Chakrabartty, 2013). Therefore, questionnaire was tested using cronbach alpha and according to Kothari (2004) a cronbach alpha value of over 0.7 qualifies an instrument as reliable and consistent for data collection. The questionnaire passed the test in all variables Economic, legal, ethical, philanthropy and sustainable growth as shown by the following cronbach alpha values.

Table 3.2: Reliability test

Variable	Number of Items	Cronbach alpha value	Decision
Economic Responsibility	3	.710	Reliable
Legal Responsibility	3	.861	Reliable
Ethical Responsibility	3	.931	Reliable
Philanthropic Responsibility	3	.739	Reliable
Sustainable Growth	2	.901	Reliable

Source, Data (2022)

#### 3.4.2 Validity

Validity of a study instrument assesses the extent to which the instrument measures what it is designed to measure (Robson, 2011). It is the degree to which the results are truthful. It requires research instrument (questionnaire) to correctly measure the concepts under the study (Pallant, 2011). Therefore, the validity of the instrument was tested through face validity by consulting peer groups and University supervisors who gave their

objective judgment on whether the statement and questions on the questionnaire adequately represented the characteristics under study.

### **3.4.3 Pilot Study**

According to Moxham (2015) the pilot study is undertaken with a view to gather relevant information from a smaller percentage of the population to allow the researcher to assess the adequacy and feasibility of the intended study. Therefore, the pilot study was done at Makunas Supermarket and Naivas Limited branches in Kitui town and the respondents were branch managers and persons in charge of CSR in the respective supermarkets. For this reason, the researcher decided that to capture more accurate data, it was necessary to review questions in the questionnaire to address appropriately the concepts under study by deleting questions in category A in questionnaire which were related with age and language spoken by respondents since they were not useful to the study.

### **3.5 Data Collection Procedure**

According to Mugenda and Mugenda (2012) there is need for collaboration of respondents to ensure that the data collected is accurate. The researcher introduced himself to the respondents through a letter of introduction which explained the purpose of the study. The questionnaire was structured in a manner that captured data on all the variables under study, The section A of the questionnaire was used to collect the respondents' level of education and job experience data while section sections B to F were used to gather information on the views and attitudes of the respondents on the study. The questionnaires were administered by the researcher by direct consultation with the respondents to explain the study's purpose. The questionnaires were hand delivered to the respondents in the respective large supermarket's branches. They were administered through a drop, wait and pick method which ensured that the questionnaires were completed and collected.

### 3.6 Data Analysis

The data was analyzed using the Statistical Package for Social Sciences (SPSS) program, version 26, where descriptive statistics included frequencies, mean, mode and standard deviation which were presented in tables and figures. Furthermore, inferential statistics were conducted to test for presence of relationships and strength of relationship. Correlation tested presence of relationship. Multiple linear regression analysis shows the relationship between the dependent and independent variables. Analysis of variance (ANOVA) test was utilized to test the significance of the regression model develop. The coefficient represents the amount by which the dependent variable changed when the independent variable was changed by one unit. The normality test was contacted to assess whether errors were identically and independently distributed. Multicollinearity test was also done to assess the degree of correlation between the variables. The scatterplot was generated to test for homoscedasticity.

The equation below shows the regression model which was used;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: Y = Dependent Variable (Sustainable Growth)

$\beta_0$  = Constant term

$\beta_1$  = Coefficient for the first independent variable (economic responsibility)

$\beta_2$  = Coefficient for the second independent variable (legal responsibility)

$\beta_3$  = Coefficient for the third independent variable (ethical responsibility)

$\beta_4$  = Coefficient for the fourth independent variable (philanthropy responsibility)

$X_1$  = First independent variable (economic responsibility)

$X_2$  = Second independent variable (legal responsibility)

$X_3$  = Third independent variable (ethical responsibility)

$X_4$  = Fourth independent variable (philanthropy responsibility)

$\varepsilon$  = Error term

### **3.7 Ethical Consideration**

Written permission to conduct the research study was sought from Board of post Graduate studies (BPS) of South Eastern Kenya University, and research permit from NACOSTI (National Commission for Science, Technology & Innovation) before starting the research. Also the researcher sought permission from Large Supermarkets headquarters to collect data. Further, the researcher got consent from individual respondents before asking them to respond to questionnaire. Ethics were handled by the researcher through keeping the data acquired strictly confidential.



## CHAPTER FOUR

### 4.0 RESULTS

The chapter presents results for all the sections in the questionnaire which were categorized into profile of respondents and practice of CSR, descriptive statistics economic, legal, and ethical and philanthropy responsibilities, tests for conditions for regression, linear regression and combine regression results, also inferential statistics results presented.

#### 4.1 Introduction

The general objective of this study was to assess the influence of Corporate Social Responsibility on the sustainable growth of Large Supermarkets in Kenya. A census was conducted on all the 25 branches of large supermarkets. Two questionnaires were issued to each of the 25 branches which made a total of 50 questionnaires. All of them were returned with two having few gaps and hence eliminated. The response rate of 96% was achieved which deemed adequate for the study. According to Mugenda and Mugenda (2003), a response rate of 50% and above is sufficient for statistical analysis. Each branch formed a unit of analysis. The results are presented below.

#### 4.2 Profile of Respondent and Practice of CSR by Large Supermarkets

The study sought to know the highest level of education of the respondent. The results were generated and presented in Figure 4.1.

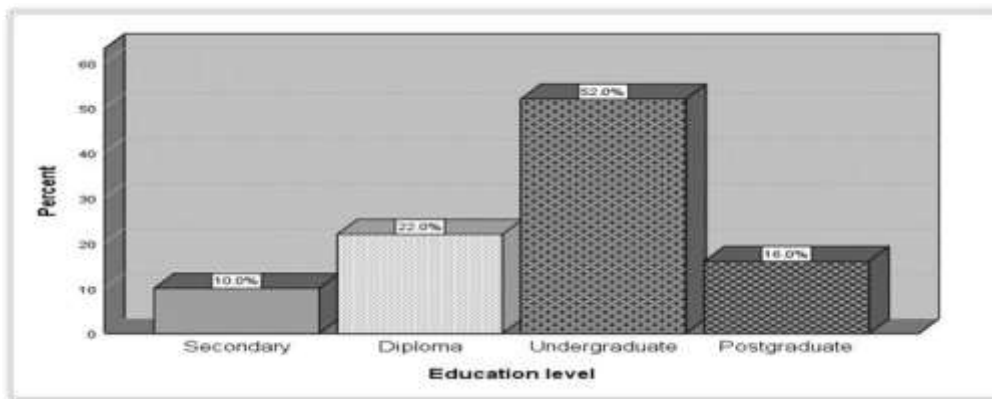


Figure 4.1: Highest Educational Level of the Respondents

The findings in fig. 4.1 indicated a majority (52.0%) had an undergraduate level of education, 16.0% had postgraduate level of education and 22% had diploma level of education which enabling them to answer questions relating to CSR and sustainable growth in their respective branches.

The number of years worked in the large supermarket were analyzed and presented on the figure 4.2 below.

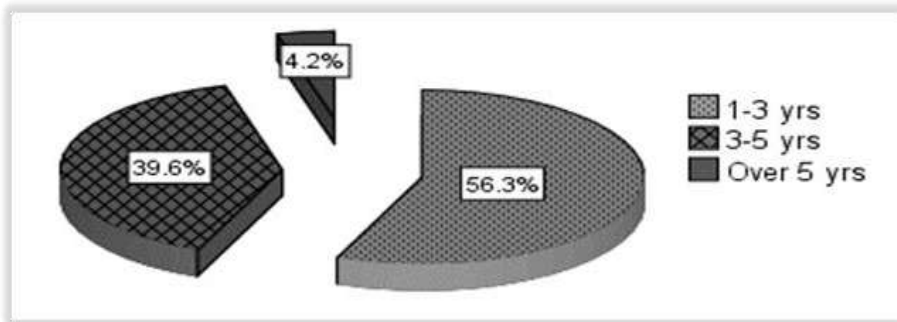


Figure 4.2: Number of Years Worked in the Large Supermarket

Findings on number of years worked at the large supermarket indicated that, a majority (56.3%) of the respondents had worked in the large supermarket for between 1 and 3 years, 39.6% had worked for 3 to 5 years and 4.2% had worked for over 5 years. This therefore indicates that a majority of respondents had requisite information to furnish the study with quality responses CSR initiatives.

The study sought to find out the strategies that large supermarkets used to implement their Corporate Social Responsibility. The findings were summarized in 4.3.

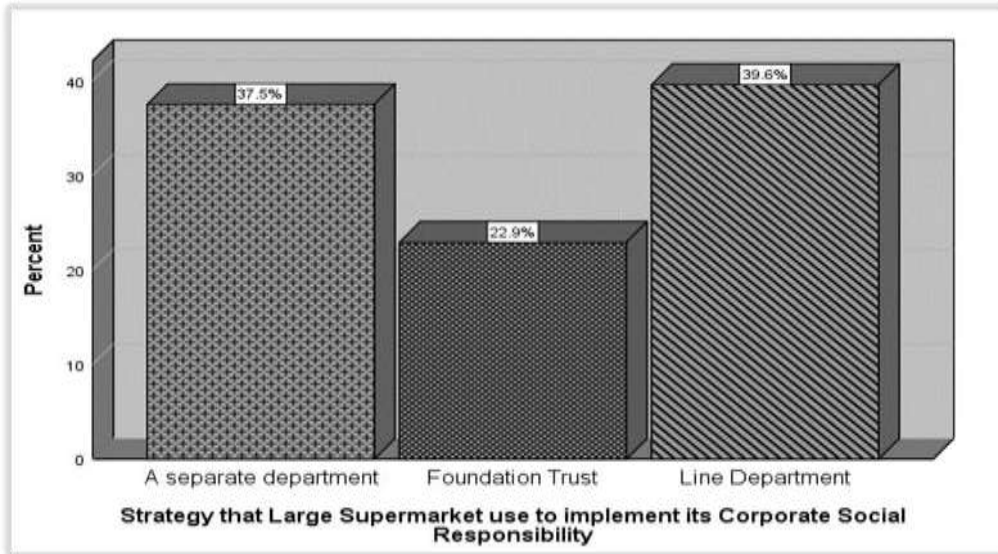


Figure 4.3: Strategy that Large Supermarkets use to implement its Corporate Social Responsibility

The 25 branches of the three large supermarkets practice the economic, legal, ethical and philanthropic responsibilities however differ in how the CSR was captured in the operations of the organization. They have a policy for CSR which cascaded to branches which in turn customized it to the needs of the regions they operate in. Results in the figure 4.3 indicate 37.5% had CSR operating as separate department. 22.9% had established an external arm that handled the CSR while 39.6% ran CSR as one of their operations.

#### 4.3 Descriptive Statistics of the Study

This study used frequencies, mean, standard deviation and mode for descriptive statistics.

##### 4.3.1 Descriptive Statistics for Economic Responsibility

The study sought to establish salary scales in the large supermarkets. The results are presented in figure 4.4 below.

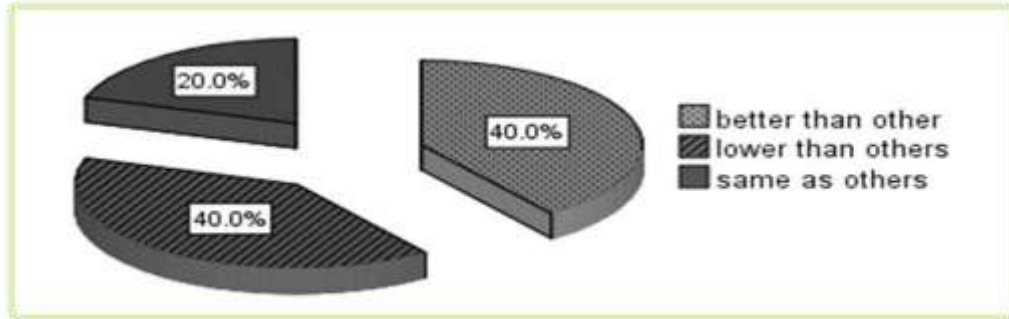


Figure 4.4: Comparison of large supermarket salary scale with other supermarkets

From figure 4.4 the findings on the salary scale indicate that number of respondents who stated the salary scale were better than others and lower than others were equal at 40.0% while 20.0% of respondents stated the salary scale was same as others.

When asked how often do employees leaving the supermarket for greener pastures, majority (44%) of the respondents answered rarely and 8% never leave to greener pastures which indicate that large supermarkets offer moderate level of competitive salaries as presented in the figure 4.5 below;



Figure 4.5: Frequency of employees leaving large supermarket for greener pastures

On the average increase in the sales volume for the large supermarket over the last three years, majority (46.0%) of respondents of large supermarkets recorded an increase of above 10% and (32.0%) of respondents indicated sales to a scale of 5-10% over the last three years this could be attributed to an increase of products range and variety as presented on the figure 4.6 below.

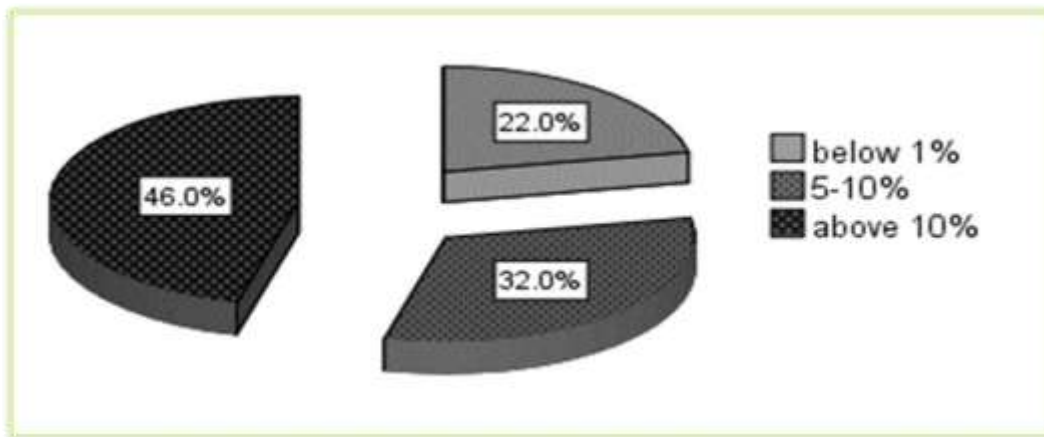


Figure 4.6: Percentage increase in sales volume of large supermarket over the last 3 years

The study sought to find out on the number of product categories available at the branch, the results are presented in the fig. 4.7 below.

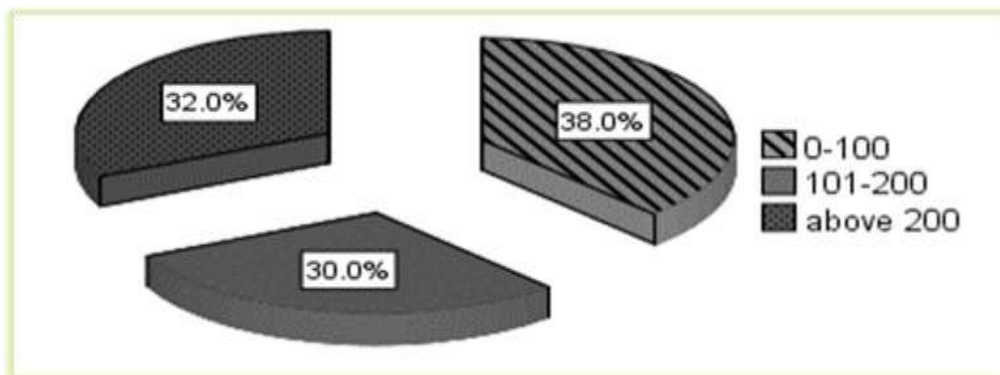


Figure 4.7: Product categories at the branch

The findings on figure 4.7, indicate that 38.0% and 30.0% of large supermarkets have number of product categories available, ranges from 0-100 and 101-200 respectively and

32.0% of large supermarkets have above 200 product categories which indicated improvement of sales by large supermarkets.

The study finding on Economic Responsibility were summarized in Table 4.1

Table 4.1: Descriptive Statistics for Economic Responsibility

	Mean	Mode	Std. Deviation
Growth in profits	3.92	4	0.883
Image Building	3.10	3	1.015
Customer Loyalty	3.88	4	1.111
Product range Expansion	4.34	4	0.895
Competitive Advantage over other retailers	3.38	4	1.048
Customer based Overtime	3.90	4	0.707
Increase sales	3.42	3	1.032
Attracting and retaining good workers	3.26	3	1.965
Attracting new customers	3.78	3	1.991

Source Primary Data (2022)

From Table 4.1 above, the aspects of economic responsibility with the highest means were product range expansion, customer base and loyalty and growth in profits Mean of 4.34 (SD=0.895), 3.90 (SD=0.707), 3.88 (SD=1.111) and 3.92 (SD=0.883) respectively. The aspects with least mean were corporate image and attracting and retaining good workers mean of 3.10 (SD=1.015) and 3.26 (SD=1.965) respectively. The results generally indicate that the respondents agreed economic responsibility plays a key role in sustainable growth of large supermarkets.

### 4.3.2 Descriptive statistics for Legal Responsibility

The descriptive statistics for legal responsibility relates on the product and service regulations, employment regulations and operations compliance and the findings are as follows;

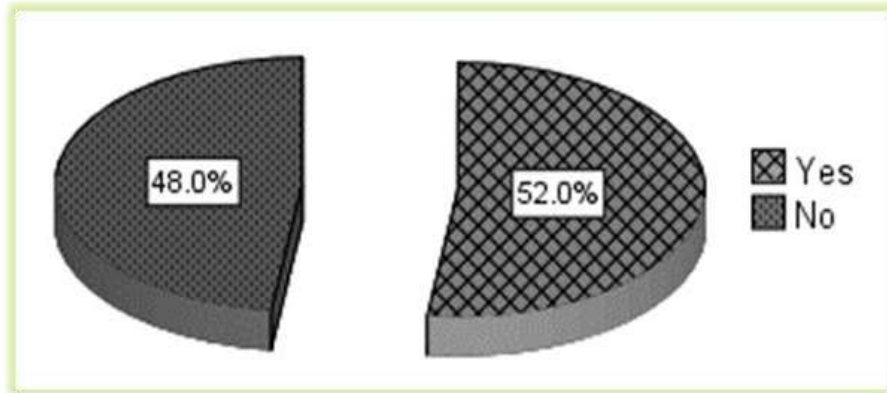


Figure 4.8: Large supermarket as an equal opportunity employer?

The findings on figure 4.8 above, majority of 52% of the respondents indicate large supermarkets as an equal opportunity employer while 48% of respondents disagreed. Different products that Large Supermarket has on the supermarket shelves



Figure 4.9: Different products that Large Supermarket has on the supermarket shelves

The figure 4.9 indicate the different products that large supermarkets had in their shelves and the extent they give accurate disclosure of the contents there in the results recorded

that 30% of respondents agreed at great extent, 42% said to moderate extent and 28% at lower extent.

The study generated a descriptive statistics table for legal responsibility. The findings were presented in Table 4.2.

Table 4.2: Descriptive statistics for Legal Responsibility

	Mean	Mode	Std. Deviation
Rules and regulations on sales practices	3.84	4	1.664
Honoring court litigations	2.94	3	1.245
Ensuring the safety of products and services	3.63	3	1.864
Non-Discrimination in employment	2.49	2	1.192
Child labor and young workers	4.00	4	0.220
Provide accurate information on product composition and safety	2.96	3	1.960
Freedom of association and collective bargaining	4.92	5	0.333
Business registration, (maintained and renewed)	4.44	5	0.091
Following minimum wage requirements	3.40	3	1.222

Source Primary Data (2022)

From Table 4.2, above, the aspects of legal responsibility with the greatest means and modes were business registration (maintained and renewed) and freedom of association and collective bargaining with mean of 4.44 (SD=0.091) and 4.92 (0.333) respectively. The aspect of legal responsibility with the least mean was Non-Discrimination in employment with a mean of 2.49(1.192).The results imply that the respondents agreed large supermarket comply with all legal responsibility in their business operations.



### 4.3.3 Descriptive statistics for Ethical Responsibility

The descriptive statistics analysis for ethical responsibility considered environmental concerns, repeat customers and employee retention as three key operational indicators and the findings for study are as follows;

The study sought to find on average of how many customers do visit large supermarket store more than once and results are shown below.

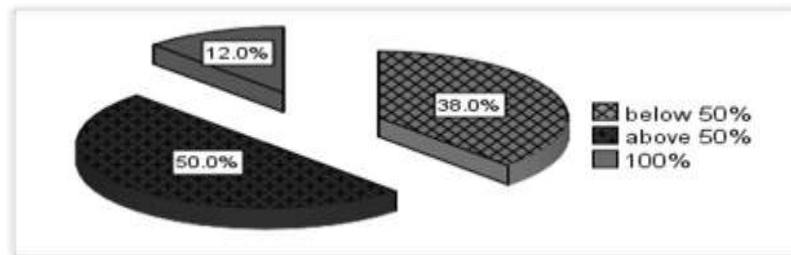


Figure 4.10: An average of repeat customers

The results in figure 4.10 found out that 50% and 38% of respondents agreed that average of repeat customers were above 50% and below 50% respectively while 12% of respondents said 100%.

The study sought to find out over the last three years what volumes of new customers have been received by large supermarket.

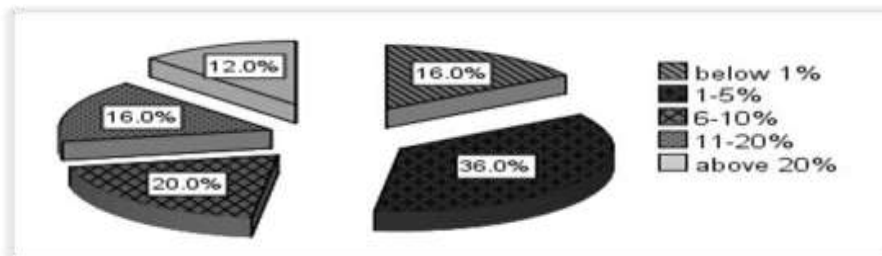


Figure 4.11: volumes of new customers over the last three years

The findings on figure 4.11 indicate 36%, 20%, and 16% respondents said 1-5%, 6-10%, and 11-20% respectively was the volumes of customers over the last three years while 16% and 12% of respondents said below 1%, and above 20% respectively.

On incentives that the large supermarket offer to repeat customers

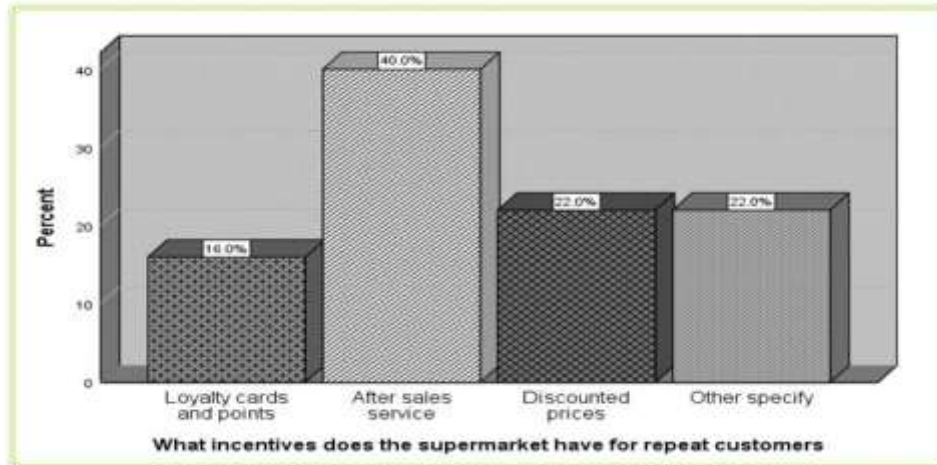


Figure 4.12: Incentives offered by large supermarket for repeat customers

The results on the figure 4.12 indicated the highest portion 40% of respondents stated the incentives that the large supermarket offers to repeat customers, was after sales service while the lowest 16% of respondents indicated incentives were based on loyalty cards and points. The incentives offered for repeat customers based on discounted prices and others, each took a portion of 22%.of respondents.

On average duration that employees work for this large supermarket,

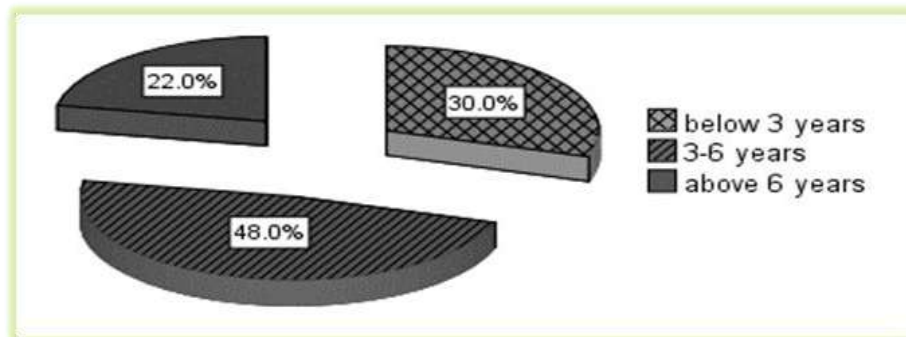


Figure 4.13: Average duration that employees work in a large supermarket

The study found the average duration that employees work for large supermarkets, majority (48%) of respondents indicated 3-6 years, 22% of respondents indicated above 6 years and 30% of respondent indicated below 3years. The result implies that most employees retain their jobs for a period of 3-6 years.

Factors attributed to the retention of employees by this large supermarket

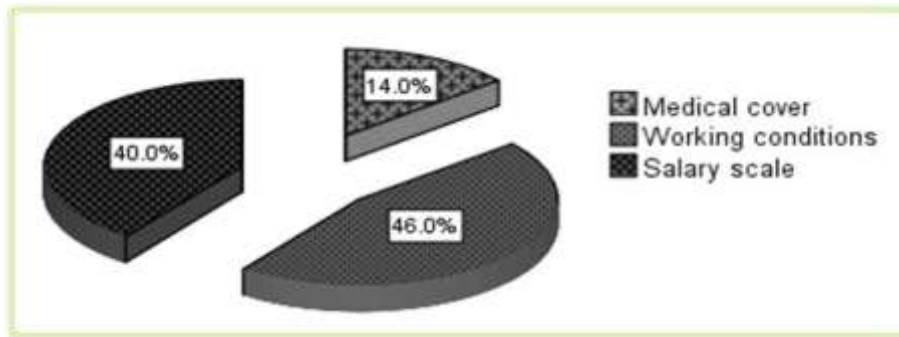


Figure 4.14: Factors attributed to the retention of employees

The results on the figure 4.14 above indicate the factors attributed to the retention of employees by large supermarkets, the working condition took the lead as indicated by 46% of respondents while salary scale came second as agreed by 40% of respondents, the last in the list was medical cover asstated by 14% of respondents.

The study generated descriptive statistics for the variable, ethical responsibility and presented the results in Table 4.3.

Table 4.3: Descriptive statistics for Ethical Responsibility

	Mean	Mode	Std. Deviation
Corruption, extortion or bribery	3.88	4	1.111
Environment conservation	4.16	4	0.738
Employee compensation and benefits	3.80	3	1.988
Transparency and accountability	3.16	3	1.921
Fair competition and anti-trust	3.92	4	1.115
Conflict of interest disclosure	2.66	2	1.081
Counterfeit and generic goods disclosure	3.10	3	1.129
Waste management	3.15	3	1.098

Source Primary Data (2022)

From Table 4.3, above, the aspects of Ethical responsibility with the highest means and modes were corruption, extortion and bribery, environment conservation, fair competition and anti-trust mean of 3.88 (SD=1.11), 4.16 (SD=0.738) ,and 3.92 (1.115) respectively. The aspect with the least means was conflict of interest disclosure with a mean of 2.66 (SD=1.081).The results generally indicated the respondents agreed that large supermarkets practice the aspects of ethical responsibility while discharging their mandate towards stakeholders.

The study found out ways that large supermarkets communicated their policy to employees/stakeholders.

The results were presented in Figure 4.14.

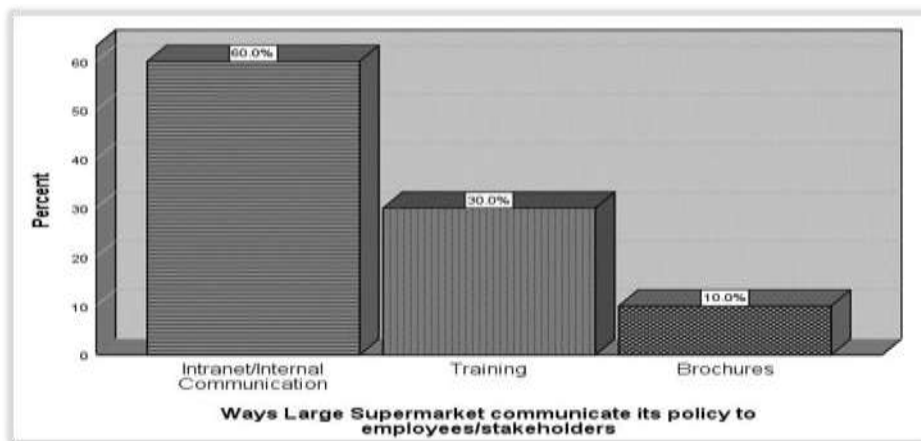


Figure 4.15: Ways those large supermarkets communicate ethical policy to employees/stakeholders

The findings on figure 4.15 recorded 60% of respondents agreed that large supermarkets communicate their policy to employees/stakeholders through internal communication, 10% of respondents stated that brochures were being used to channel matters of policy to employees/stakeholders, and 20% of respondents said through training.

Study sought to establish ways through which large supermarket assess their compliance to the above policies. The study summarized the findings in Table 4.4.

Table 4.4: Ways Large Supermarket assess its compliance to ethical policy

	Frequency	Percent	Cumulative Percent
Self-Assessment Questionnaires	7	26.0	26.0
Internal Audit	12	48.0	74.0
3rd party audits by certified bodies	2	10.0	84.0
Customer/Supplier Meetings	4	16.0	100.0

From Table 4.4a majority (48.0%) of respondents said large supermarket assesses their compliance to the ethical policies through internal audit, and only 10.0% of respondents said they assess their compliance through third party audits by certified bodies.

On rating the large supermarket compliance to ethical policy,

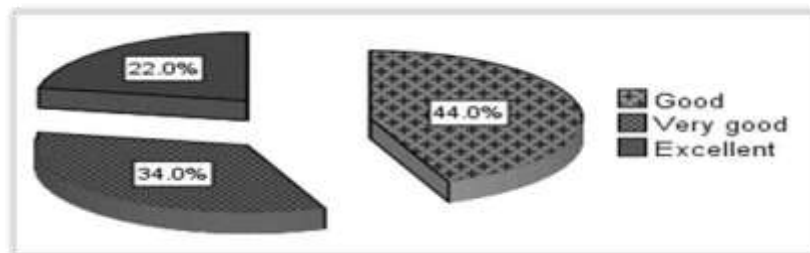


Figure 4.16: Rate at which large supermarket comply to ethical policy

The results on the figure 4.16 above, 22% of respondents indicated the rate at which large supermarket comply to ethical policy was excellent while 34.0% of respondents indicated very good and finally 44% of respondents rated compliance of ethical policy was good..

The study finds out what percentage of supermarket annual budget goes into ethical responsibility

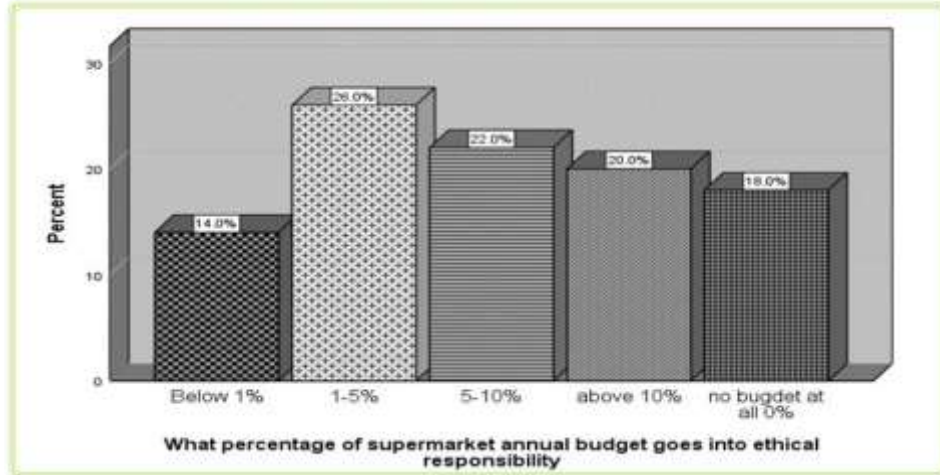


Figure 4.17: Percentage of supermarket annual budget that goes into ethical responsibility.

The results on the figure 4.17, majority (26%) of respondents indicated 1-5% of annual budget was used to support ethical responsibility and (14%) of respondents said below 1% of the budget went into ethical responsibility while 18.0% of respondents stated no budget at all went into ethical responsibility.

#### 4.3.4 Descriptive Statistics for Philanthropic Responsibility

The descriptive statistics for philanthropic responsibility relate to cash donations, product donations and skills/ volunteer activity as operational indicators, the findings for the study are as follows;

The study sought to find the percentage of annual budget that goes into philanthropy,

Table 4.5: Percentage of annual budget that goes into philanthropy in the local community

	Frequency	Percent	Cumulative Percent
Below 1%	9	36	36.0
1 - 5%	13	52	88.0
5-10%	3	12	100.0

From Table 4.6, a majority (52.4%) of respondents said between 1, 5 percent while 12% said 5 to 10 percent while 36%.of respondents state below 1% of annual budget went into philanthropy in the local community.

On whether large supermarkets communicate to their customers about these social commitments or initiatives which they want to pursue or have undertaken, majority 94% of respondents said they communicated while 6% of respondents indicated they did not communicate to their customers on social commitments as indicated on the figure 4.18 below.

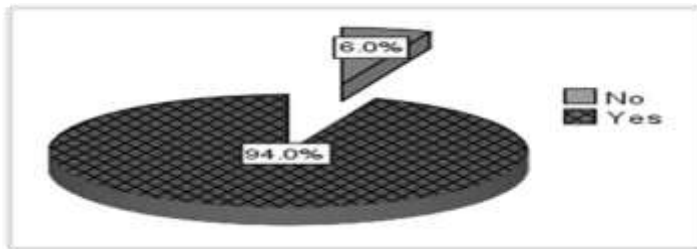


Figure 4.18: If large supermarkets communicate to customers about social commitments

The study sought to find the percentage to which the communication mechanisms are sufficient. The study findings were presented in Figure 4.19.

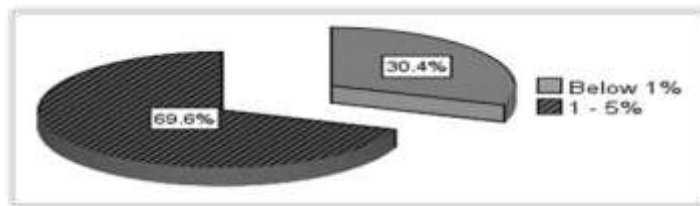


Figure 4.18: Percentage to which the communication mechanisms are sufficient

The results on figure 4.19 above majority 69.6% of respondents stated 1-5% was the percentage to which the communication mechanisms were sufficient, while 30.4% of respondents indicated 5-10% of percentage of the annual budget.

On whether philanthropic responsibilities in Large Supermarket influence sustainable growth,

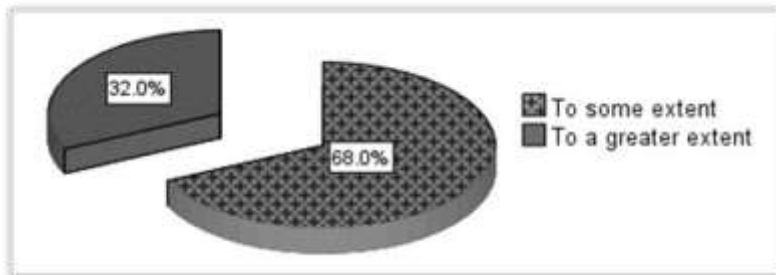


Figure 4.20: Extent to which philanthropic responsibilities influence sustainable growth

The findings in figure 4.20 indicated majority (68.0%) of respondents agreed to some extent while (32.0%) said to a greater extent philanthropy responsibility influence sustainable growth.

The study sought to find the descriptive statistics for the variable Philanthropic Responsibility

Table 4.6: Descriptive Statistics for Philanthropic Responsibility

	Mean	Mode	Std. Deviation
Social welfare education to people.	3.20	3	1.088
Clean up in the market and surroundings.	3.96	4	1.095
Offering free product to needy cause.	4.10	4	1.099
Free samples and product promotions	4.44	4	1.138
Sponsoring extra curriculum activities	3.26	3	1.065
Religious Foundations	3.06	3	1.103

*Source Primary Data (2022)*



From Table 4.5 above, the aspects of Philanthropic responsibility with the highest mean and modes were free samples and product promotions mean of 4.44 (SD=1.138). The aspects with the least mean were religious foundations, sponsoring extra curriculum activities, mean of 3.26 (SD= 1.065), and 3.06 (SD=1.103) respectively. Generally the results imply that large supermarkets practice philanthropic responsibility to enhance sustainable growth.

#### 4.3.5 Descriptive statistics for Sustainable Growth

The descriptive statistics analysis for sustainable growth captures the geographical expansion of the large supermarkets as well as increasing market share

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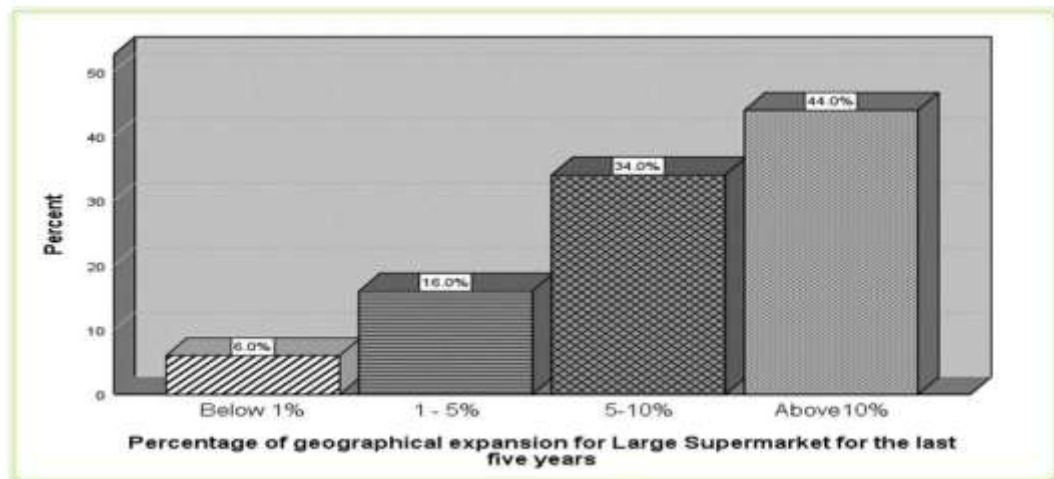


Figure 4.21: Percentage of geographical expansion

Findings in figure 4.20, majority (94%) of respondents stated the large supermarkets had recorded geographical expansion in number of branches for the last five years while 6% of respondents state below 1%.

In response to where the branches have been open in Kenya, the respondents indicated,

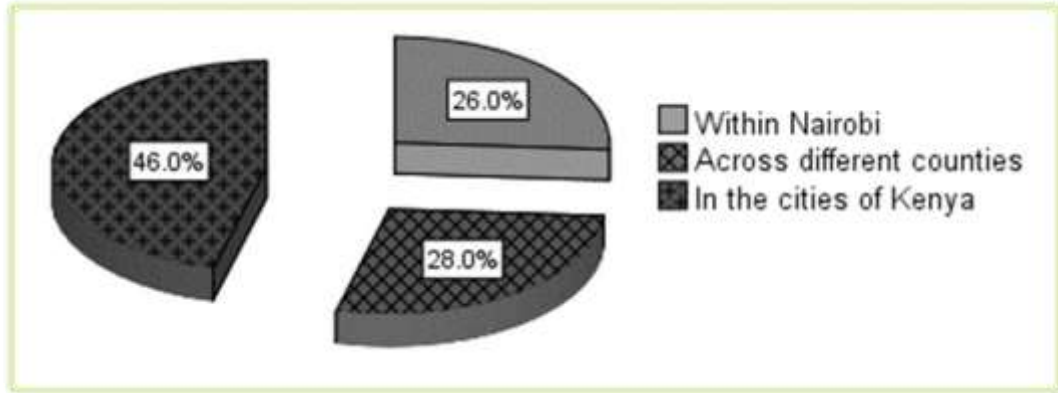
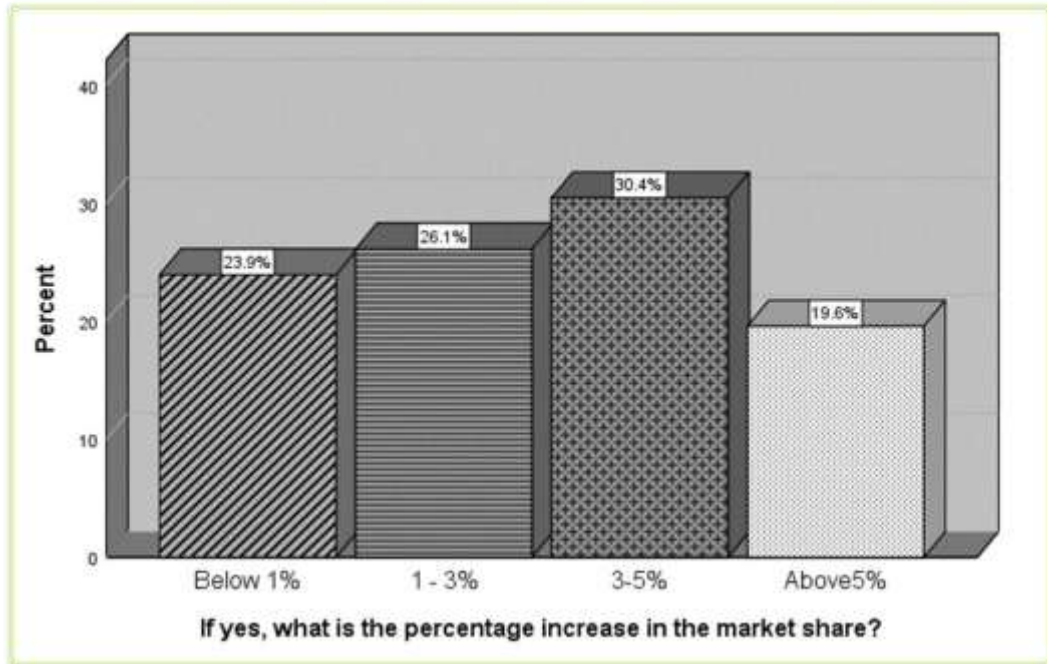


Figure 4.22, Where the branches have been open in Kenya

In figure 4.23 the results indicated 46% and 28% of respondents stated the branches have been open in the cities of Nairobi and across different counties respectively while 26% of respondents indicated within Nairobi.

On the percentage increase in the market share for the last three years.



In figure 4.23, the study found that 30.4% of respondents indicated large supermarkets recorded growth in their market share at the range of 3-5% over the last three years. The

26.1% of respondents indicated the percentage increase of 1- 3% in the market share, while 19.6% and 23.9% of respondents recorded above 5% and below 1% of percentage increase of market share respectively.

#### 4.4: Testing for conditions for regression

Reliability, normality, multicollinearity and homoscedasticity was tested

##### 4.4.1 : Reliability

Reliability of the research instrument was enhanced by writing clear instructions on the questionnaire, pre-testing the questionnaire and calculating cronbach alpha. Cronbach alpha ( $\alpha$ ), is a popular reliability test in social sciences, (Kaliappen & Hillman, 2013) whose value ranges from 0 to 1 with a high coefficient implying that the items correlate highly among themselves and there is consistency among items in measuring the concept of interest or a single latent variable on the questionnaire (Cronbach, 1951; Cooper & Schindler, 2011). A cutoff of 0.7 was met by all the study variables.

Table 4.7: Reliability test

Variable	Number of Items	Cronbach alpha value	Decision
Economic Responsibility	3	.710	Reliable
Legal Responsibility	3	.861	Reliable
Ethical Responsibility	3	.931	Reliable
Philanthropic Responsibility	3	.739	Reliable
Sustainable Growth	2	.901	Reliable

Source, Data (2022)

##### 4.4.2 Normality test

It is important in all research to have a normally distributed data set where all errors are normally distributed. This is important for t-tests to be valid and for the coefficients estimation which requires that the errors be identically and independently distributed. In

this study, normality is shown by the Shapiro-Wilk test so that the significance value should be above .05 hence concluded that data is normally distributed.

Table 4.8: Test for Normality

	Shapiro-Wilk		
	Statistics	Df	Sig
Economic Responsibility	0.969	25	0.054
Legal Responsibility	0.972	25	0.072
Ethical Responsibility	0.889	25	0.148
Philanthropic Responsibility	0.816	25	0.092
Sustainable Growth	0.922	25	0.073

Source, Data (2022)

#### 4.4.3 Test for Multicollinearity

According to Senaviratna and Cooray (2019), multicollinearity in regression analysis occurs when two or more predictor variables are highly correlated to each other, such that they do not provide unique or independent information in the regression model. If the degree of correlation is high enough between variables, it can cause problems when fitting and interpreting the regression model.

One way to detect multicollinearity is by using a metric known as the variance inflation factor (VIF), which measures the correlation and strength of correlation between the predictor variables in a regression model (Daoud, 2017). The findings indicate there was no presence of multicollinearity since from all the variables none has a VIF greater than 10.

Table 4.9: Multicollinearity Check

		Coefficients <sup>a</sup>	
		Collinearity Statistics	
Model		Tolerance	VIF
1	Economic Responsibility Initiatives	.259	3.861
	Legal Responsibility	.337	2.967
	Ethical Responsibility	.235	4.254
	Philanthropic Responsibility	.529	1.892

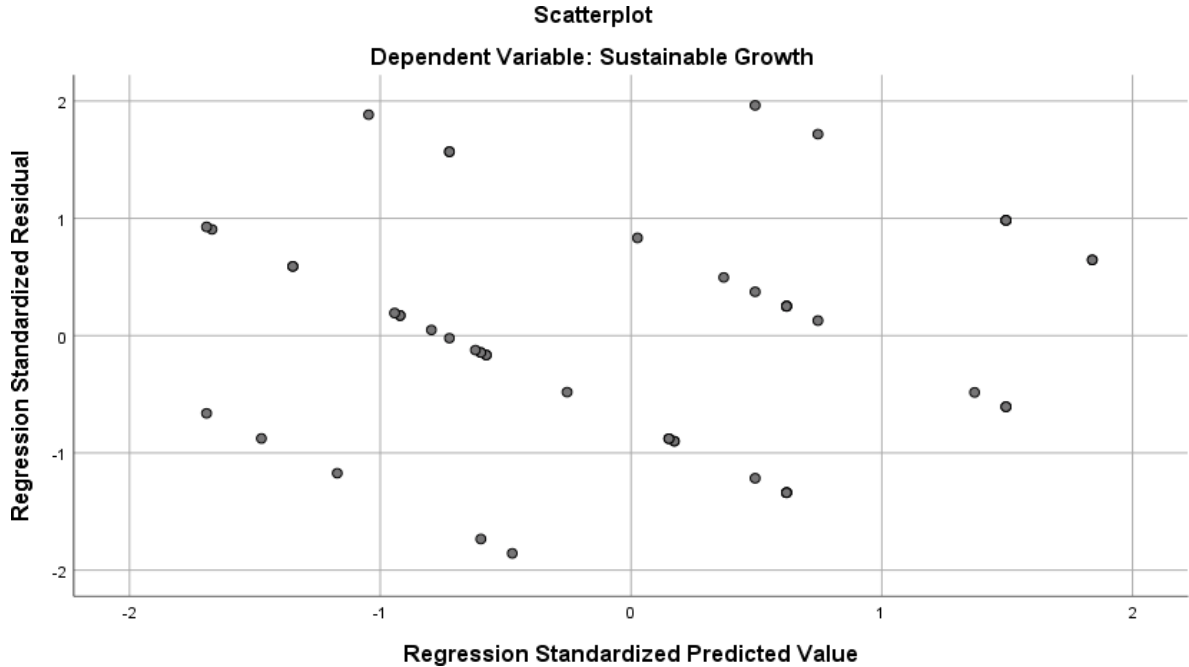
a. Dependent Variable: Sustainable Growth

Source, Data (2022)

#### 4.4.4 Test of Homoscedasticity

According to Yu, Selivimedu, Vogel, and Samawi (2019), homoscedasticity is the assumption where the variance of residuals (the errors) is the same across all levels. The violation of this assumption can lead to inefficient estimation of incorrect inference. Homoscedasticity was tested by use of SPSS version 26 and the generated assumption results were checked by visual examination of a scatterplot of the standardized residuals (the errors) against the regression standardized predicted value as shown by the scatterplot on table 4.9 below.

**Table 4.10 Homoscedasticity test**



#### **4.5 Inferential Statistics**

According to Morgan, Barrett, Leech and Gloeckner (2019), inferential statistics is a way of making inferences about populations based on samples. They inform the researcher whether the alternative hypothesis is likely to be true and help in confirming or rejecting of predictions. Trafimow and MacDonald(2017) avers that, in inferential statistics a statistical model is fit to the data that represents the alternative hypothesis and checked on how well it fits (in terms of the variance it explains). If it fits the data well (i.e., explains a lot of the variation in scores) then the assumption is that the initial prediction is true and this gives the researcher confidence in the alternative hypothesis. One can never be completely sure that either hypothesis is correct, or so the probability that the model would fit is calculated if there were no effect in the population (i.e., the null hypothesis is true). As this probability decreases, greater confidence is gained in that the alternative hypothesis is actually correct and that the null hypothesis can be rejected (Field, 2018). In this study, Pearson's Correlational analysis and Regression analysis were utilized for inferential statistics.

#### 4.5.1 Correlational Analysis

A correlational analysis was analyzed using SPSS software version 26 and the results are presented in Table 4.21.

**Table 4.11: Bivariate Correlational Analysis**

		<b>Correlations</b>				
		Economic Responsibility	Legal Responsibility	Ethical Responsibility	Philanthropic Responsibility	Sustainable Growth
Economic Responsibility	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	50				
Legal Responsibility	Pearson Correlation	.749**	1			
	Sig. (2-tailed)	.000				
	N	50	50			
Ethical Responsibility	Pearson Correlation	.846**	.763**	1		
	Sig. (2-tailed)	.000	.000			
	N	50	50	50		
Philanthropic Responsibility	Pearson Correlation	.571**	.656**	.631**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	50	50	50	50	
Sustainable Growth	Pearson Correlation	.586**	.697**	.625**	.534**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	50	50	50	50	50

\*\* . Correlation is significant at the 0.05 level (2-tailed).

From Table 4.21 indicated that there was a strong positive and significant correlation between Economic responsibility and Sustainable Growth of the large supermarkets in Kenya ( $\rho = .586, p = 0.000 < .05$ ) The results imply that as the economic responsibility increased, the Sustainable growth increased and vice versa. Results further indicated that there was a strong positive and significant correlation between Legal Responsibility and Sustainable growth of the large supermarket in Kenya ( $\rho = .697, p = 0.000 < .05$ ). The results imply that legal responsibility and sustainable growth moved to the same direction that meant the increased in legal responsibility, sustainable growth also increased and vice versa. It was also established there was a strong positive and statistically significant correlation between Ethical Responsibility and Sustainable Growth ( $\rho = .625, p = 0.000 < .05$ ) which also meant the increased in ethical responsibility lead to increase in sustainable growth of large supermarket in Kenya. Finally the results indicated that there was a strong positive and significant correlation between Philanthropic Responsibility and Sustainable Growth of large supermarkets in Kenya ( $\rho = .534, p = 0.000 < .05$ ). The results imply philanthropy responsibility and sustainable growth also moved towards same direction, when philanthropy responsibility improved, sustainable growth of large supermarkets in Kenya increased and vice versa.

#### 4.5.2. Hypothesis Testing

The study hypotheses were tested using a regression analysis. The regression analysis was conducted to establish the degree of influence of corporate social responsibility (CSR) on sustainable growth, The standardized coefficients indicated the magnitude of influence of predictors measured in linear relationship between the independent and dependent variables.

The regression model is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Sustainable growth = Constant +  $\beta_1$  (Economic responsibility) +  $\beta_2$  (Legal responsibility) +  $\beta_3$  (Ethical in responsibility) +  $\beta_4$  (Philanthropic responsibility) + Error term.



Regression analysis produced the coefficient of determination and analysis of variance (ANOVA). Analysis of variance was done to show whether there is a significant mean difference between dependent and independent variables.

Ho<sub>1</sub> Economic Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.586 <sup>a</sup>	.343	.330	.706	2.022

a. Predictors: (Constant), Economic Responsibility

b. Dependent Variable: Sustainable Growth

The model summary for economic responsibility when operationalized, the table indicated a strong positive correlation between economic reasonability and sustainable growth as per the value of R=0.586, the proportion of variable is indicated by R<sup>2</sup>=0.343 as the total variation explained by economic responsibility in sustainable growth of large supermarkets in Kenya.

**ANOVA<sup>a</sup>**

Model		Sum of Square	Df	Mean Square	F	Sig.
1	Regression	12.500	1	12.500	25.084	.000 <sup>b</sup>
	Residual	23.920	23	.498		
	Total	36.420	24			

a. Dependent Variable: Sustainable Growth

b. Predictors: (Constant), Economic Receptibility

The Analysis of Variance (ANOVA) was utilized to test goodness fit of the model and its significance of the association that exists between variables at 0.05 significance level. According to the results indicated p- value was 0.000 which is less than 0.05 and

therefore the model was reliable to analyze the influence of the economic responsibility on sustainable growth, also the F-value 25.084 was more than F-critical 2.46 which implies that the model was fit in analyzing influence of economic responsibility on sustainable growth of large supermarkets in Kenya.

		<b>Coefficients<sup>a</sup></b>				
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	.960	.509		1.886	.045
	Economic Responsibility	.714	.143	.586	5.008	.000

a. Dependent Variable: Sustainable Growth

Economic responsibility being a predictor for sustainable growth of large supermarket on a unstandardized coefficient hence  $Y = .960 + .714 \text{Economic responsibility}$ . Since the coefficient was above 0.3 then economic responsibility was a viable predictor for sustainable growth and p value was 0.000 which was less than the conventional 0.05 level used to charge significance. Then null hypothesis was therefore rejected.

Ho<sub>2</sub> Legal Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya

<b>Model Summary<sup>b</sup></b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.697 <sup>a</sup>	.486	.475	.625	2.278

a. Predictors: (Constant), Legal Responsibility

b. Dependent Variable: Sustainable Growth

The above model summary for legal responsibility, indicate value of  $R=0.697$  which was a strong positive correlation between legal responsibility and sustainable growth, the proportion of variance was indicated by  $R^2 = 0.486$  as the total variation explained by legal responsibility in sustainable growth of large supermarkets in Kenya.

#### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.689	1	17.689	45.331	.000 <sup>b</sup>
	Residual	18.731	23	.390		
	Total	36.420	24			

a. Dependent Variable: Sustainable Growth

b. Predictors: (Constant), Legal Responsibility

The outcome of the analysis of variance show that the general model was statistically significant as indicated by F- statistic of 45.331 and p- value (0.000) which was less than the conventional probability of 0.05 significance level. Therefore the model was reliable to

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.085	.364		2.982	.004
	Legal Responsibility	.764	.099	.697	6.733	.000

a. Dependent Variable: Sustainable Growth

Legal responsibility being a predictor for sustainable growth of large supermarket on an unstandardized coefficient hence  $Y = 1.085 + .764 \text{Legal responsibility}$ . Since the coefficient is above 0.3 then legal responsibility was a viable predictor for sustainable growth and p value was 0.000 which was less than the conventional 0.05 level used to charge significance. The null hypothesis was therefore rejected.

analyze influence of legal responsibility on sustainable growth of large supermarkets in Kenya.

Ho<sub>3</sub> Ethical Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.625 <sup>a</sup>	.391	.378	.680	1.803

a. Predictors: (Constant), Ethical Responsibility

b. Dependent Variable: Sustainable Growth

The model summary for ethical responsibility indicates a strong positive correlation between ethical responsibility and sustainable growth as per the value of R=0.625, the proportion of variance is indicated by  $R^2 = 0.391$  as the total variation explained by ethical responsibility in sustainable growth of large supermarkets in Kenya.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.242	1	14.242	30.825	.000 <sup>b</sup>
	Residual	22.178	23	.462		
	Total	36.420	24			

a. Dependent Variable: Sustainable Growth

Predictors: (Constant), Ethical Responsibility

The ANOVA results indicate p- value was 0.000 which was less than 0.05 and therefore the model was reliable in how the ethical responsibility influence the sustainable growth, also the F-value 30.825 which was more than F-critical 2.46, implies that the model was fit to analyze influence of ethical responsibility on sustainable growth of large supermarkets in Kenya.

		<b>Coefficients<sup>a</sup></b>			
		Unstandardized		Standardized	
		Coefficients		Coefficients	
Model		B	Std. Error	Beta	T
1	(Constant)	1.275	.405		3.147
	Ethical Responsibility	.658	.119	.625	5.552
					.003
					.000

a. Dependent Variable: Sustainable Growth

Ethical responsibility being a predictor for sustainable growth of large supermarket on an unstandardized coefficient hence  $Y = 1.275 + .658 \text{Ethical responsibility}$ . Since the coefficient was above 0.3 then economic responsibility was a viable predictor for sustainable growth and reported p value (0.000) which was less than the conventional probability of 0.05 significant value. The null hypothesis was therefore rejected.

Ho<sub>4</sub> Philanthropic Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya.

<b>Model Summary<sup>b</sup></b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.586 <sup>a</sup>	.343	.330	.706	2.022

a. Predictors: (Constant), Economic Responsibility

The model summary for philanthropic responsibility results indicate a strong positive correlation between philanthropic responsibility and sustainable growth as per the value of  $R = 0.534$ , the proportion of variance is indicated by  $R^2 = 0.285$  as the total variation explained by philanthropic responsibility in sustainable growth of large supermarkets in Kenya.

		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.910	.369		5.175	.000
	Philanthropic Responsibility	.556	.104	.534	4.379	.000

a. Dependent Variable: Sustainable Growth

Philanthropic responsibility being a predictor for sustainable growth of large supermarket on an unstandardized coefficient hence  $Y = 1.910 + .556 \text{Philanthropic responsibility}$ . Since the coefficient is above 0.3 then economic responsibility is a viable predictor for sustainable growth and p value was 0.000 which was less than the conventional 0.05 level used to judge significance. The null hypothesis was therefore rejected.

		ANOVA <sup>a</sup>				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.397	1	10.397	19.177	.000 <sup>b</sup>
	Residual	26.023	23	.542		
	Total	36.420	24			

Dependent Variable: Sustainable Growth

Predictors: (Constant), Philanthropic Responsibility

The results for ANOVA indicate p- value was 0.000 which was less than 0.05 and therefore the model was reliable analyzed how the philanthropic responsibility influence the sustainable growth, also the F-value 19.177 was more than F-critical 2.46 which implies that the model was fit in analyzing influence of philanthropic responsibility on sustainable growth of large supermarkets in Kenya.

Ho<sub>5</sub> The combine effect of economic, legal, ethical and philanthropic responsibility does not have significant influence on sustainable growth of Large Supermarkets in Kenya

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.715 <sup>a</sup>	.511	.468	.629	2.169

a. Predictors: (Constant), Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility

b. Dependent Variable: Sustainable Growth

The above model summary for combined independent variables of CSR (economic responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility) The table indicated a strong positive correlation between all independent variables of CSR and sustainable growth as per the value of R=0.715, the proportion of variance is indicated by  $R^2 = 0.511$  as the total variation explained by economic responsibility in sustainable growth of large supermarkets in Kenya.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.614	4	4.654	11.761	.000 <sup>b</sup>
	Residual	17.806	20	.396		
	Total	36.420	24			

a. Dependent Variable: Sustainable Growth

b. Predictors: (Constant), Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility

The Analysis of Variance (ANOVA) test goodness fit of the model and the association that exists between variables at 0.05 significance level. According to the results of ANOVA, it indicates p- value was 0.000 which was less than 0.05 and therefore the model was reliable also the F-value 11.761 was more than F-critical 2.46 which implies that the model was fit in analyzing influence of combined variables of CSR on sustainable growth of large supermarkets in Kenya.

		<b>Coefficients<sup>a</sup></b>				
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	.837	.460		1.818	.036
	Economic Responsibility	.524	.250	.511	.054	.051
	Legal Responsibility	.762	.171	.685	2.704	.010
	Ethical Responsibility	.699	.226	.689	.878	.035
	Philanthropic Responsibility	.577	.122	.590	.631	.031

a. Dependent Variable: Sustainable Growth

The regression  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Translates to: Sustainable Growth = 0.837 + 0.524 Economic responsibility + 0.762 Legal responsibility + 0.699 Ethical responsibility + 0.577 Philanthropic responsibility.

The combined regression results revealed that economic responsibility and sustainable growth of large supermarkets in Kenya have a positive and insignificant relationship ( $\beta=0.524$ ,  $p=0.051>0.05$ ). The regression of coefficient implies that a unit change in Economic responsibility would lead to 0.524 units change in sustainable growth, the reported p value of (0.051) which was higher than the conventional probability of 0.05 significant value, could be as a result of multicollinearity between variables of economic responsibility and sustainable growth. Also the results indicated that Legal responsibility and sustainable growth have a positive and significant relationship ( $\beta=0.762$ ,



$p=0.010<0.05$ ). The regression of coefficient implies that a unit change in Legal responsibility would lead to 0.762 units change in sustainable growth. The results of combined regression also indicated that Ethical responsibility and sustainable growth have a positive and significant relationship ( $\beta=0.699$ ,  $p=0.035<0.05$ ). The regression of coefficient implies that a unit change in ethical responsibility would lead to 0.699 units change in sustainable growth. Finally the results indicated that Philanthropic responsibility and sustainable growth have a positive and significant relationship ( $\beta=0.577$ ,  $p=0.031<0.05$ ). Therefore, regression of coefficient implies that a unit change in Philanthropic responsibility would lead to 0.577 units change in sustainable growth.

The comparison results on the effect of simple linear regression and multiple linear regression revealed that the coefficient of determination for multiple linear regression ( $R^2 = 0.511$ ) was higher than any of the coefficient of determination for independent variables in simple linear regression. Economic responsibility have a coefficient of determination ( $R^2= 0.343$ ) while legal responsibility have coefficient of determination of ( $R^2 = 0.486$ ). Ethical responsibility have coefficient of determination ( $R^2= 0.391$ ) while Philanthropic responsibility had coefficient of determination ( $R^2= 0.285$ ). This implies that the combined effect was greater than any of their independent effect leading to the conclusion that the four need to be exercised and granted considerable weight so as to contribute to sustainable growth of large supermarkets in Kenya.

## **CHAPTER FIVE**

### **5.0 DISCUSSION**

The chapter covers the introduction, summary of the findings and discussion of all the specific objectives.

#### **5.1 Introduction**

This chapter discusses the findings that were presented in chapter four. It further have an in-depth discussion between current study findings and other empirical studies reviewed earlier with an aim of building consensus and pointing to areas of difference.

#### **5.2 Summary of the Findings**

The section summarizes discussion about the findings of all the specific objectives and comparison with other empirical studies. The general objective of this study was to assess the influence of corporate social responsibility on sustainable growth of large supermarkets. This general objective was further operationalized into four specific objectives.

##### **5.2.1 Influence of economic responsibility on sustainable growth of Large Supermarkets in Kenya**

The findings on the salary scale indicated that number of respondents stated the salary scale were better than others while some of respondents stated the salary scale was same as others, majority of the respondents recorded employees were rarely leaving their employer for greener pastures. This indicates moderate the levels of competitive salaries being offered by large supermarkets. Large supermarkets recorded an increase of sales to a scale of above over the last three years with increased product range and variety.

The Instrumental theory seen the corporation as an instrument for wealth creation and its social activities were only meant to achieve economic results and maximize shareholders value, therefore the findings on descriptive statistics analysis revealed that the economic

responsibility that recorded the highest mean included growth in sales, customer loyalty, attracting new customers and product range increase, that implied value of money to the customers in the product quality variety, the correct appreciation of employee contribution in wages and salaries and the improvement of shareholders wealth in the changing value of investment were achieved. However, corporate image had the lowest mean implying that large supermarkets may be established brands already.

The bivariate correlation analysis, the results revealed that economic responsibility and sustainable growth have a strong, positive and significant correlation. This implies that an increase in economic responsibility, leads to an increase in sustainable growth for large supermarkets and vice versa. The findings for linear regression analysis; ANOVA shows a significant result which indicates that economic responsibility is a good predictor for sustainable growth of large supermarkets. This further meant that the null hypothesis that Economic Responsibility does not have a significant influence on strategy for sustainable growth by Large Supermarkets was rejected and instead the alternative hypothesis was accepted. Farther, the study found that the Economic Responsibility influenced Sustainable Growth for large supermarkets.

This compares to other studies likethe study for Rongoei and Muturi (2018) found out that most respondents strongly agreed that the fundamental requirement of existence, businesses have an economic responsibility to the society that permitted them to be created and sustained. From the descriptive statistics findings, a majority said that there was growth in profits to a great extent, a majority agreed that image building existed to a moderate extent, a majority stated that customer loyalty existed to a great extent, a majority said competitive advantage over retailers existed to a great extent, while a majority said that customer based overtime existed only to a moderate extent, while a majority said that Increase in sales overtime, attracting and retaining good workers and Attracting new customers existed to a moderate extent.

Adeyanju (2012) whose study result revealed a strong and significant relationship between CSR and Societal Progress such that the relationship between CSR and Societal Progress is statistically significant and concluded that CSR plays a significant role in Societal Progressiveness in terms of economic growth. This study finds that the economic responsibility influences sustainable growth of large supermarkets to a moderate extent. This is similar to the study conducted by Miyogoh, Arasa, and Ngui. (2021) whose results indicated that the CSR economic expectations and consumer protection had positive correlation with market share of the telecommunication industry in Kenya.

However, the study disagreed with Chang`Kwony, and Omwono, (2019) on the relationship between CSR activities and firm performances in Baringo County, from their analysis results the economic activities had exhibited a negative and significant effect on firm performance implying economic activities decreased firm performance. Also Garg, Kumar, and Singh, (2021) studied the relevance of Corporate Social Responsibility (CSR) expenditure to the firms in the mandatory regime in India. The CSR expenditure was not found to be relevant to the firms because of an insignificant positive impact of mandatory CSR expenditure on stock returns. Thus, the instrumental aspect was not supported by the findings.

### **5.2.2 Influence of legal responsibility on sustainable growth of Large Supermarkets in Kenya.**

The findings revealed that large supermarkets were equal opportunity employer indicated by high percentage of respondents. This implies that the supermarkets may have a hiring criterion which was considered fair and inclusive for all. The study found out on that the large supermarket had different products in their shelves. The larger number of respondents moderately agreed that large supermarkets gave accurate disclosure of the contents there in the packages while smaller number disagreed on the accurate disclosure of the contents, this may imply that since most of the products sold in the large supermarkets were received when already packaged, then, the honors to label them correctly lies with the manufacturer. From descriptive analysis, the legal responsibility

with high mean was freedom of association and collective bargaining, business registration that is to maintain and renewal of statutory compliance for practicing business, child labor and young workers regulations indicating high level of commitment to the set statutory requirements.

The Instrumental theory, also advocated for a free economy that the core business for an organization in social responsibility was to use its resources and engage in activities designed to increase its profits so long as it operates within the legal frame work in place. From the descriptive statistics analysis, the study found the aspects of legal responsibility which the large supermarkets complied as follows; the rules and regulations on sales practices, child labor and young workers laws were implemented in the operation, business registration, (maintained and renewed). However, the mean for non-discrimination in employment was the lowest which implies that regulations for non-discrimination of large supermarkets were not enforced in full.

The bivariate correlation analysis findings on legal responsibility and sustainable growth indicate a strong, positive and significant relationship, this implies that an increase in legal responsibility initiative leads to increase in sustainable growth for large supermarkets in Kenya. The linear regression analysis, ANOVA had a significant result which was a good fit for the data. Further, the findings rejected the null hypothesis that Legal Responsibility does not have a significant influence on strategy for sustainability by Large Supermarkets and in place the alternative hypothesis was accepted.

In comparison with other empirical studies, the research conducted by Kinyanjui, Juma, Njeru, and Onyango, (2018), found that legal and ethical practices positively contributed to organizational performance of Public Universities. The study concluded that a large percentage of Public Universities had elaborate policies that guided ethical practices and legal processes. The respondents noted that there were adequate legal and ethical controls within their universities but they lacked the goodwill to implement the same. In current

study, the legal responsibilities that are governed by other bodies scored higher than those that are domiciles in the large supermarket.

Osodo (2014) carried out the research on the effect of legal corporate social responsibility on consumer identification among Safaricom Limited Company clients in Kajiado County, Kenya. The researcher concluded that legal CSR has a significant effect on consumer identification. The study carried out by Cha and Jo (2019) found that legal responsibility had significant correlation with corporate image. The question on corporate image had a moderate mean implying that the most of the large supermarkets are possibly already established brands.

The study disagreed with Masa'deh, Alrommad, Alkhalafat, Obeidat and Abualoush (2018) in a study on the role of Corporate Social Responsibility in enhancing firm performance from the perspective of IT employees in the Jordanian banking sector which results indicated that legal responsibility had no remarkable effect on firm performance.

### **5.2.3 Influence of ethical responsibility on sustainable growth of Large Supermarkets in Kenya.**

The study sought to find out that, over the last three years what volumes of new customers have been received by large supermarket and the findings indicate that half of them received new customer while the other half was a mix of very few new customers to none. On the incentives that the large supermarket offers to repeat customers, that incentive after sales service takes the highest portion while loyalty cards and points took the lowest. This indicates that there were many customers who may not have a loyalty card. Farther the study found that most employees retain their jobs for a period 3 to 6 years. On factors attributed to the retention of employees by large supermarkets, the findings show working condition as first, salary scale came second attribute for retention and medical cover came the last in the list.

The ethical theory provides an enterprise with the basis of morally mandatory obligations which go beyond economic and legal responsibilities of business. These responsibilities are not stipulated by law but expected by society from business and also the triple bottom line is based on the assumption that companies do not only have profitability as their only objective but that they also have other objectives such as adding environmental and social value to society. From descriptive statistics findings, ethical responsibility results revealed that large supermarkets practice environmental conservation implying maintaining environment for future generation, provides employee compensation and benefits which enhanced employee retention, also corruption, extortion or bribery mitigation measures were implemented for the purposes of maintaining customers. However, conflict of interest disclosure had attracted the lowest mean, implying that large supermarkets are required to sensitize employees on the risks of conflict of interest towards employer's business.

The highest number of respondents indicates that large supermarkets communicate their policy to employees/stakeholders through internal communication while the lowest percent state that brochures are being used to channel matters of policy to employees/stakeholders. The majority of the respondents rated that large supermarkets were in a good trajectory in complying with ethical policy and lastly the highest number of respondents indicated large supermarkets factored in annual budget to support ethical responsibility.

From bivariate correlation analysis, ethical responsibility and Sustainable Growth have a strong, positive and significant correlation which implies that an increase in Ethical responsibility, leads to an increase to Sustainable Growth for large supermarkets in Kenya. From the study, linear regression analysis, ANOVA has a significant result and considered a good fit for the data. In addition, the null hypothesis that Ethical Responsibility does not have a significant influence on strategy for sustainable growth of Large Supermarkets was rejected and instead the alternative hypothesis was accepted.

Further the analysis for variation was carried out and the findings show that Ethical Responsibility avariation in Sustainable Growth.

This compares with other studies, like Marina and Sentot (2017) carried out the research on Business Ethics for Business Sustainability in Muhammadiyah Hospital in Indonesia, found that applying business ethics to a hospital ensures the sustainability of the hospital, for its own sake, and the sake of the local community, the government and also the hospital's stakeholders. Adda, Bosco, and Aboteyure (2016) found that many of the MBA students and managers perceive business ethics and social responsibility as important association for organizational growth and success. Specifically, they considered business ethics to lead to positive employee, customers and as well community relations. Furthermore, they perceived better corporate image/reputation, greater customer loyalty. The findings are consistent with the observation made by Kungu (2021) revealed that, the correlation tests indicated there was a moderate and positive effect of ethical responsibility and corporate image of state corporations in Kenya.

#### **5.2.4 Influence of philanthropic responsibility on sustainable growth of Large Supermarkets in Kenya.**

The findings on the percentage of large supermarket annual budget that goes into philanthropy in the local community, the highest number of respondents stated there was a skewed annul budget towards philanthropic responsibility. On whether large supermarkets communicate to their customers about these social commitments or initiatives which they want to pursue or have undertaken, majority of respondents indicated agreed and minority disagreed. The majority of respondents indicated the communication mechanisms were sufficient.

The stakeholders theory postulate that the success and sustainable growth of a company depends on its ability to balance the various interests of an array stakeholders. The business has duties, reciprocity and philanthropic responsibilities towards community and society at large for a continued sustainable existence for itself and the society. From



descriptive statistics analysis, the aspect of philanthropic responsibility Large supermarkets focus on giving samples for the various products they have in an effort to introduce customers to them and hopeful make a purchase of the same in future, also large supermarkets donate free product to needy, clean up in the market and surroundings, religious foundations and sponsoring extra curriculum activities.

From bivariate correlation analysis, philanthropic responsibility and sustainable growth have a strong positive and significant correlation this implies that an increase in philanthropic responsibility leads to an increase in sustainable growth strategy. The study found from the ANOVA analysis that model was a good fit for the data. The study rejected the null hypothesis that philanthropic responsibility does not have a significant influence on sustainable growth of Large Supermarkets and accepted the alternative hypothesis.

Through comparison with other studies, Boafo and Kokuma (2016) on the Impact of Corporate Social Responsibility on Organizational Performance using a Case Study of Vodafone Ghana Limited, found that both the community and the company benefitted from CSR, as one receives help and the other wins more customers as the company's CSR projects had influence customers' purchase decision. The study concluded that a socially responsible company enjoys committed employees, enhanced image, improved reputation, brand differentiation, and financial growth. Also, the results were in line with what Shaoyan *et al.* (2018) had noted that there was a significant positive correlation between philanthropic donations and innovation performance that is, the higher the level of philanthropic donation, the stronger the promotion effect on innovation performance.

However the study disagreed with Sokro and Agbola (2016) on the impacts of philanthropic corporate social initiatives on customer loyalty performance in telecommunication firms in Ghana, since the results for philanthropic corporate social revealed that the level of quality of the services and costs of products from the firms

casted doubts on the genuine of the gestures, that negatively affected the level of performance of the customer loyalties.

The combined regression analysis results revealed that economic responsibility and sustainable growth of large supermarkets in Kenya have a positive and insignificant relationship. The regression of coefficient implies that a unit change in Economic responsibility would lead to change in sustainable growth, the reported p value was higher than the conventional probability significant value, could have been as a result of multicollinearity between variables of economic responsibility and sustainable growth, implying that economic responsibility has a limited influence on sustainable growth. Also the results indicated that Legal responsibility and sustainable growth have a positive and significant relationship. The regression of coefficient implies that a unit change in Legal responsibility would lead to change in sustainable growth. The results of combined regression also showed that Ethical responsibility and sustainable growth have a positive and significant relationship. The regression of coefficient implies that a unit change in ethical responsibility would lead to units change in sustainable growth. Finally the results indicated that Philanthropic responsibility and sustainable growth have a positive and significant relationship. Therefore, regression of coefficient implies that a unit change in Philanthropic responsibility would lead to units change in sustainable growth.

## **CHAPTER SIX**

### **6.0 CONCLUSION AND RECOMMENDATIONS**

This chapter gives the conclusion of the study in line with the general and specific objectives. It answers the study hypothesis indicating the contribution to the theories the study tested. It further covers the recommendation to policy practice and academia.

#### **6.1 Introduction**

The aim of this study was to assess the influence of corporate social responsibility on sustainable growth of Large Supermarkets in Kenya. The conclusion and recommendation of this study were presented in this chapter. The conclusion was presented in line with the objectives and hypotheses that were stated in Chapter One of this study. The recommendation was to policy, practice, and academia.

#### **6.2 Conclusion**

The study sought to assess the influence of corporate social responsibility on the sustainable growth of Large Supermarkets in Kenya. It was hypothesized that Economic Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya. (Hypothesis  $H_{01}$ ). The large supermarket having economic responsibility contributes positively to its sustainable growth. The three operational variables for economic responsibility were all significant. The Pearson Correlation analysis results revealed that Economic responsibility and Sustainable Growth had a strong positive correlation and regression analysis indicated a significant relationship. Therefore large supermarkets to embrace economic responsibility in their operations to achieve sustainable growth. Also to consider aligning the salary and wages for the employees since the descriptive statistics indicated the variance in the salary scale across the large supermarkets. Finally, the large supermarkets to strategize on tactics for sales since the results revealed percentage of sales volume over the last three years was low and maintain or improve in their product range categories to increase sales for sustainable growth.

In the second hypothesis, legal responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya (Hypothesis Ho<sub>2</sub>), correlation analysis revealed a strong positive relationship between legal responsibility and sustainable growth. All predictors; product and service regulations, employment regulations and operations compliance for legal responsibility were viable. An increase in legal responsibility leads to an increase on sustainable growth for large supermarkets. Regression analysis indicated a significant relationship. Therefore, large supermarkets to comply with legal responsibility to enhance sustainable growth. From descriptive analysis the large supermarkets to observe rules and regulations on sales practices, to ensure the safety of products and services, finally to implement fully non-discrimination in employment regulations and operations compliance such as business registration to be maintained and renewed regularly.

In the third of hypothesis, Ethical Responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya (Hypothesis Ho<sub>3</sub>). The results after the Pearson Correlation analysis was done revealed that Ethical responsibility and Sustainable Growth had a positive correlation and regression analysis indicated a significant relationship. All predictors; environmental concerns, repeat customers and employee retention for ethical responsibility are viable for sustainable growth and therefore an increase in ethical responsibility initiative would leads to an increase on sustainable growth for large supermarkets and vice versa.. Based on the above the large supermarkets to encourage their employees to implement ethical responsibility program in their operation in order to achieve sustainable growth. From descriptive analysis, after sales service incentives offered had higher percentage therefore the large supermarkets to consider maximizing on it to increase the average of repeat customers, finally large supermarkets to observe environmental concerns by complying with the waste management program and to ensure employee compensation and benefits are achieved fully to enhance employee retention for sustainable growth of large supermarkets and lastly to consider increasing of percentage annual budget skewed into ethical responsibility since the results indicated percentage was minimal.

In the fourth hypothesis, philanthropic responsibility does not have a significant influence on sustainable growth of Large Supermarkets in Kenya (Hypothesis Ho<sub>4</sub>). The results after the Pearson Correlation analysis was done revealed that philanthropic responsibility and Sustainable Growth had a strong positive correlation and regression analysis indicated a significant relationship. All predictors ; cash donations, product donations and skills/volunteer activity for philanthropic responsibility were viable for sustainable growth and therefore an increase in philanthropic responsibility would lead to an increase on sustainable growth for large supermarkets and vice versa. Therefore the large supermarkets to embrace philanthropic responsibility towards the sustainable growth. From descriptive statistics for philanthropic responsibility results, the large supermarkets to consider maintaining communication with their customers about social commitments or initiatives which they want to pursue or have undertaken such as clean up in the market and surroundings, religious foundations, offering free product to needy, free samples and product promotions.

### **6.3 Recommendations**

The section gives recommendations to the field of academia, policy as per as rules and regulation governing the retail industry and practice of corporate social responsibility by large supermarkets in Kenya.

#### **6.3.1 Recommendation to Academia**

The aim of this study was to investigate influence of corporate social responsibility on sustainable growth of Large Supermarkets in Kenya. Therefore, it is recommended for academia that similar studies can be carried out in other corporate, to establish if the findings hold in other contexts and can be generalized. Economic has the least contribution to the overall effect with legal and ethical having the highest. This study was in a retail market. Similar studies in the service industry may be carried out to establish if similar contributions are received from individual aspects of CSR. This will help inform managers and investors on where to lay most emphasis on.

For planning long term vision and strategy for sustainable growth, the study therefore recommends that large supermarkets in Kenya to seek collaboration with academia since the role of academia is primarily responsible for spreading adequate training to all stakeholders in line with corporate social responsibility to enable them to be in a better position to implement CSR. As part of the recommendation, Large Supermarkets in Kenya, should link up with academia to provide a platform for the research orientation in contemporary issues.

### **6.3.2 Recommendation to Practice**

In practice perspective, the study recommends that the practitioner, large supermarkets in Kenya continue practicing CSR in their day-to-day routine activities. This is because all the four economic, legal, ethical and philanthropy have strong positive and significant correlation implying the above four named programs for CSR influence sustainable growth. As one way for averting eminent closure after few years of operations, supermarkets investing time and resources to build CSR will yield fruits in the long run. Practicing CSR, the large supermarkets should continually endeavor to address the needs of all their different stakeholders. The management for large supermarket should practice in totality fair and inclusive business management in order to meet expectation of employees, suppliers, customers and the society at large.

### **6.3.3 Recommendation to Policymakers**

Large Supermarkets as part of retail chains in Kenya provide a large platform for many to get their needs satisfied by goods while others get jobs and others get returns on their investment. In CSR, these firms go beyond the call of duty to provide what was needed in the four fold responsibilities. The regulator, Competition Authority of Kenya may use these findings to strengthen the CSR policies to aid protect consumers from unfair and misleading business practices. Also in regulating, formulation and strengthening of policies for retail industry in the republic of Kenya to enhance their sustainable growth.

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## APPENDICES

### Appendix 1: Introduction Letter To Respondents

**Francis Kiplagat Rop**

**Researcher**

**SEKU, KITUI**

**Dear respondent.**

**RE: REQUEST FOR RESEARCH DATA**

I am a student at South Eastern Kenya University pursuing Master of Business Administration (Strategic Management Option) and currently undertaking research titled ***THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON SUSTAINABLE GROWTH OF LARGE SUPERMARKETS IN KENYA.***

I request you to kindly spare a few minutes of your valuable time to fill up the questionnaire. Your responses would be used only for academic purposes and complete confidentiality would be maintained.

Thank you

Francis KiplagatRop–Researcher

Registration number: D411/KIT/20070/2017

Mobile number: 0721447052

Email address: [ropfrancis06@gmail.com](mailto:ropfrancis06@gmail.com)

## Appendix 2: Questionnaire

I am Francis Kiplagat Rop, a student at South Eastern Kenya University pursuing Master of Business Administration (Strategic Management Option) and currently undertaking research on ***INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON SUSTAINABLE GROWTH OF LARGE SUPERMARKETS IN KENYA.***

The questionnaire has section A to section F. I request you to kindly spare a few minutes of your valuable time to fill up the questionnaire in full. Your responses would be used only for research purposes and complete confidentiality would be maintained.

### **Section A: Profile of Large Supermarket and Respondent**

Please you are requested to tick where appropriate in the boxes given below.

1. Indicate your highest level of education

Primary [     ]

Secondary [     ]

Diploma [     ]

Undergraduate [     ]

Post graduate [     ]

2. Indicate the number of years you have worked in large supermarket.

1-3-years [     ]     3-5-years [     ]     Over 5 years [     ]

3. What types of CSR do Large Supermarket practice? (Tick where applicable)

Economic responsibility (     ) Legal responsibility (     )

Ethical responsibility (     ) Philanthropic responsibility (     )

4. Does the Large Supermarket have a policy of Corporate Social Responsibility?

Yes (     )     No (     )

5. How does the Large Supermarket exercise its Corporate Social Responsibility? (Is it run within or do you have an external arm that supports CSR)

Separate Department (     ) Foundation Trust (     ) Line Department (     )

**Section B: Economic Responsibility and Sustainable Growth**

1. How would you compare the salary scales in your supermarket with other supermarkets?  
Better than other {    }      Lower than others {    }      Same as others {      }
2. How often do you have employees leaving the supermarket for greener pastures?  
Very often {    }      Often {      }      Rarely{      }      Never {      }
3. What is the average Increase in the sales volume for the large supermarket over the last three years?  
Below 1% {    }      5-10% {      }      Above 10% {      }
4. How many product categories do you have at this branch?  
0-100 {      }      101-200 {      }      Above 200 {    }
5. Under each product category, how many product varieties do you have?  
0-10 {    }      11-20 {      }      Above 20 {    }
6. In what ways has economic responsibility been exercised and benefited Large Supermarket? Kindly tick and rank as appropriately

Economic responsibility	Ranking Top three Priority	Extent 1=least extent, 5=greatest extent				
		1	2	3	4	5
Growth in profits						
Image building						
Customer loyalty						
Product range expansion						
Competitive advantage over other retailers						
Customer base over time						
Increased sales						
Attracting and retaining good workers						
Attracting new customers						



**Section C: Legal Responsibility and Sustainable Growth**

1. Would you consider this large supermarket an equal opportunity employer?  
 Yes { } No { }  
 If No, explain further .....
2. For the different products that you have on the supermarket shelves, to what extent would you say they have accurate disclosure of their contents there in  
 Great extent { } Moderate Extent { } Low extent { }
3. On average, how would you rate employee involvement during review of their employment terms?  
 Every time { } Sometimes { } Not at all { }
4. To what extent does the large supermarket exercise and benefit from the following? (1= lowest extent and 5 greatest extent)..... Also rank the first three that are considered most critical by the large supermarket.

Legal responsibility	Ranking Top three Priority	Extent of practice 1=least extent, 5=greatest extent				
		1	2	3	4	5
Rules and regulations on sales practices						
Honoring court litigations when they arise						
Ensuring the safety of products and services offered						
Non-Discrimination in employment						
Following child labor regulations						
Provide accurate information on product composition and safety						
Freedom of association and collective bargaining						
Business registration (maintained and renewed)						
Following minimum wage requirements						

5. From the factors listed in the table for question four which one would you say have contributed to the growth of this large supermarket? List the top three
- a.....
- b.....
- c.....

**Section D: Ethical Responsibility and Sustainable Growth**

1. On average, how many customers would you say visit the supermarket more than once?  
 Below 50% { }      51-99% { }      100% { }
2. Over the last three years, what volumes of new customers have you received?  
 Below 10% { }      11-20% { }      Above 20%
3. What incentives does the supermarket have for repeat customers  
 Loyalty cards and points  
 After sale service  
 Discounted prices  
 Other, specify .....
4. On average, how long do employees work for this large supermarket?  
 Below 3 years { }      3-6 year { }      Above 6years { }
5. What factors would you attribute to the retention of employees by this large supermarket?  
 (Tick appropriate)  
 Medical cover { }      Salary scale { }      Working conditions { }
6. Does Large Supermarket have a formal policy in place regarding business ethics  
 Yes { }      No { }

If yes, which areas or procedures of business ethics are covered by this policy and what extent are they practiced here? Kindly tick and rank as appropriately

Ethical responsibility  <i>Area/Procedure covered</i>	Ranking Top three Priority	Extent 1=least extent, 5=greatest extent				
		1	2	3	4	5
		Corruption, extortion and bribery				
Environment conservation						
Transparency and accountability						
Fair competition and anti-trust						
Conflict of interest disclosure						
Counterfeit and generic goods						
Employee compensation and benefits						
Waste management						
Environment conservation						

7. How does Large Supermarket communicate its policy to employees/stakeholders?

Intranet/Internal Communication {        }

Training {        }

Brochures {        }

8. How does Large Supermarket assess its compliance to the above policies?

Self-Assessment Questionnaires {        }

Internal Audit {        }

3<sup>rd</sup> party audits by certified bodies {        }

Customer/Supplier Meetings {        }

9. How do you rate Large Supermarket compliance to the above policies?

Excellent ( )    Very Good ( )    Good ( )    Poor ( )    Not Sure ( )

10. What percentage of supermarket annual budget goes into ethical responsibility?

Below 1% [ ] 1 - 5% [ ] 5-10% [ ] Above10% [ ] No budget at all [ ]



**Section F: CSR and Sustainable Growth of Large Supermarkets**

1. Has the large supermarket opened new branches over the last three years?

Yes [ ] No [ ]

If yes, what percentage is this expansion relative to the total number of branches?

Below 1% [ ] 1 - 3% [ ] 3-5% [ ] Above 5% [ ]

2. The large supermarket has opened branches in Kenya (Tick where applicable)

Within Nairobi { }

Across different counties { }

In the cities of Kenya { }

3. Over the last three years, has the large supermarket closed any branches or downsized?

Yes [ ] No [ ]

If yes, why was the branch (s) closed?.....

4. Has the Large Supermarket grown in terms of market share over the last three years?

Yes [ ] No [ ]

If yes, what is the percentage increase in the market share?

Below 1% [ ] 1 - 3% [ ] 3-5% [ ] Above 5% [ ]

If No, what factor would you attribute the lack of increase in market share?

.....

5. To what extent has the extent to which large supermarket has exercised corporate social responsibility contributed to sustainable growth as indicated by geographical expansion? (Tick in the table below)

Corporate Social Responsibility	Extent				
	1= Least extent 5= Greatest extent				
	1	2	3	4	5
Economic Responsibility					
Legal Responsibility					
Ethical Responsibility					
Philanthropic Responsibility					

6. To what extent has the extent to which large supermarket has exercised corporate social responsibility contributed to sustainable growth as indicated by increased market share  
(Tick in the table below)

Corporate Social Responsibility	Extent				
	1= Least extent 5= Greatest extent				
	1	2	3	4	5
Economic Responsibility					
Legal Responsibility					
Ethical Responsibility					
Philanthropic Responsibility					

**Thank you**

### Appendix 3: Main Local and International Retail Supermarket Chains

Main Local and International Retail Supermarket Chains										
Name of retailer	Category	Highest number of branches that have existed as at FY' 2018	Highest number of branches that have existed as at FY' 2019	Highest number of branches that have existed as at FY' 2020	Highest number of branches that have existed as at FY' 2021	Number of branches opened in 2022	Closed branches	Current number of branches	Number of branches expected to be opened	Projected number of branches FY'2022
Naivas	Local	46	61	69	79	5	0	84	1	85
QuickMart	Local	10	29	37	48	3	0	51	0	51
Carrefour	International	6	7	9	16	0	0	16	0	16
Cleanshelf	Local	9	10	11	12	0	0	12	0	12
Tuskys	Local	53	64	64	3	0	61	3	0	3
Game Stores	International	2	2	3	3	0	0	3	0	3
Uchumi	Local	37	37	37	2	0	35	2	0	2
Choppies	International	13	15	15	0	0	13	0	0	0
Shoprite	International	2	4	4	0	0	4	0	0	0
Nakumatt	Local	65	65	65	0	0	65	0	0	0
<b>Total</b>		<b>257</b>	<b>313</b>	<b>334</b>	<b>186</b>	<b>9</b>	<b>179</b>	<b>195</b>	<b>5</b>	<b>200</b>

Source: Kenya retail report (2021)


**Appendix 4: List of Kenya Large Super Market Branches with CSR**

Naivas limited	Naivas Ltd Head Quarters Office
	Naivas Ltd Kisumu
	Naivas Ltd Nakuru Westside
	Naivas Ltd Nyali Mombasa
Quick Mart Supermarket	Quick Mart Chania
	Quick Mart Waithaka
	Quick Mart Lavington
	Quick Mart Nakuru Town
	Quick Mart Nakuru Shabab
	Quick Mart Kiambu Road
	Quick Mart Ruaka
	Quick Mart KahawaSukari
	Quick Mart Ruai
	Quick Mart Eastern Bypass
	Quick Mart Ruiru
Carrefour Supermarket	The Village Market Carrefour Branch
	Galleria Shopping Mall Carrefour Branch
	The Sarit Centre Carrefour Branch
	The Junction Mall Carrefour Branch.
	Thika Road Mall Carrefour Branch
	Two Rivers Mall Carrefour Branch
	Carrefour Mega
	Carrefour United Mall Kisumu
	Carrefour City Mall, Nyali
	The Hub Karen Carrefour Branch

Source: Head office of the supermarkets (2022)



## Appendix 5: Letter for Data Collection from SEKU

  
**SOUTH EASTERN KENYA UNIVERSITY**  
**OFFICE OF THE DIRECTOR**  
**BOARD OF POST GRADUATE STUDIES**

P.O. BOX 170-90200  
KITULU, KENYA  
Email: info@seku.ac.ke

TEL: 020-4213839 (KITULU)  
Email: directorbps@seku.ac.ke

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Our Ref: D411/KIT/20070/2017 DATE: 17<sup>th</sup> November, 2021

Francis Kiplagat Rop  
Re g. No. D411/KIT/20070/2017  
Masters of Business Administration  
C/O School of Business and Economics

Dear Rop,

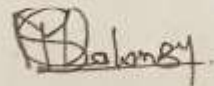
**RE: PERMISSION TO PROCEED FOR DATA COLLECTION**

This is to acknowledge receipt of your Masters of Business Administration Proposal document titled: *"Corporate Social Responsibility as a Sustainability Strategy for Large Supermarkets in Kenya"*.

Following a successful presentation of your Masters Proposal, the School of Business and Economics in conjunction with the Directorate, Board of Postgraduate Studies (BPS) have approved that you proceed on and carry out research data collection in accordance with your approved proposal.

During your research work, you will be closely supervised by Dr. Anne Christine Kabui. You should ensure that you liaise with your supervisors at all times. In addition, you are required to fill in a Progress Report (*SEKU/ARSA/BPS/F-02*) which can be downloaded from the University Website.



The Board of Postgraduate Studies wishes you well and a successful research data collection exercise as a critical stage in your Masters of Business Administration.



**Prof. David M. Malonza**  
**Director, Board of Postgraduate Studies**

Copy to: Deputy Vice Chancellor, Academic, Research and Students Affairs (Note on File)  
Dean, School of Business and Economics  
Chairman, Department of Business and Entrepreneurship  
Dr. Anne Christine Kabui  
BPS Office - To file

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AND TO GREEN  ISO 9001: 2015 CERTIFIED  TRANSFORMING LIVES

## Appendix 6: NACOSTI Research License

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<p><b>This is to Certify that Mr., Francis Kiplagat Rop of South Eastern Kenya University, has been licensed to conduct research on the topic: THE INFLUENCE OF CORPORATE RESPONSIBILITY ON SUSTAINABLE GROWTH OF LARGE SUPERMARKETS IN KENYA. for the period ending : 30/November /2022.</b></p>	
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