



INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES ON COMPETITIVE ADVANTAGE IN PUBLIC UNIVERSITIES IN KENYA

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ABSTRACT

In Kenya, University education has expanded rapidly in the recent years from the initial 7 public universities in the mid 1980's to a total of 79 universities currently. Of these, 31 are fully fledged public universities. Therefore, the Higher Education Industry has become very competitive. Competition is evident for resources like funding, human resource, facilities, student enrollment, research grants and collaborations. Universities therefore need to design strategies to help them survive and remain competitive in the industry. One of the strategies suggested is involvement in Corporate Social Responsibility (CSR) initiatives. Although from literature review it is evident that CSR positively influences competitive advantage in various organizations, it is not clear to what extent public universities benefit from it. This research therefore sought to establish how the three main CSR initiatives (Environmental, Educational

and Societal) influence Competitive Advantage in public universities in Kenya. This research further sought to establish the relationship between CSR and Competitive Advantage in public universities in Kenya. The research adopted descriptive research design. Census survey was carried out in all the public universities in Kenya. Primary and secondary data were collected for this study. Primary data was collected by use of questionnaires while secondary data was gathered from books, newspaper articles, academic journals, internet and other relevant sources. Only one officer was targeted from all the Public Universities in Kenya making a total of 31 respondents. Cronbach's Alpha was used to test the reliability of the research instrument and the reliability coefficient was 0.783 meaning, 78% of the variation of the dependent variable is explained by the explanatory independent variables in the model. Data collected was analyzed both qualitatively and quantitatively. Correlation analysis and Regression analysis were also used. The findings were presented in tables. The study revealed that there exists a strong relationship between engagement in the three major CSR initiatives with competitive advantage in public universities in Kenya, supported with regression coefficients of 0.094, 0.733 and 1.751 for environmental, educational and societal CSR initiatives respectively. The study further revealed that engagement in societal CSR initiatives was statistically significant since it had a p value of 0.02. It is therefore recommended that public universities engage more on societal CSR initiative as they seem to contribute to their competitive advantage. Engagement in environmental and educational CSR initiatives were not statistically significant since they had a p value of 0.700 and 0.060 which is above the recommended p value of 0.05. It can be concluded that environmental CSR initiatives have no bearing in competitive advantage of public universities in Kenya while the educational CSR initiatives have a marginal effect. This study thus recommends that the Ministry of Education organizes for sensitization forums for the universities on the importance of CSR. It also recommends that the Government formulates policies/regulations which will regulate the manner in which universities engage in CSR and lastly that the Government should create relevant legislation and an enabling environment that will encourage public universities to participate in CSR.

Introduction

Introduction Competition is experienced in all organizations across the globe. This is as a result of enhancement in technology, globalization, rapid change in customer needs, choices and preferences (Porter & Kramer, 2006). Organizations are therefore competing against each other for scarce resources, uniqueness and non-imitability. The higher education in Kenya is not an exception in as far as competition is concerned. There has been an intense growth in public universities in Kenya from 7 public universities in the 1980's to 31 in 2017 (CUE, 2017) Corporate social responsibility is one of the strategies adopted by organizations to earn competitive advantage, universities included as it has continued to gain relevance in many organizations as the principle competitive strategy (Moskolai 2016). Alshuwaikhat and Abubakar (2008) in their work stated that Universities just like other companies ought to be socially responsible to their host communities so as to win their good will. Istanbul Bilgi University is one other the Universities in Turkish Higher Education which has engaged in CSR and the results were reported to be positive (Atakan Eker, 2007). Various studies have been conducted on various CSR initiatives and their influence on competitive advantage in Universities. Some have been done on influence of CSR on competitiveness of universities outside Kenya (Brown E. 2009 focusing on UK Universities; Sherif, 2015 focusing on Universities in the Middle East; Melewar & Sibel 2005 focusing on universities in the UK. Other

studies have been done focusing on Kenyan universities however the study focused on both public and private universities in Kenya (Mohamed, 2013). This study was conducted to find out the influence of Environmental, Educational and Societal CSR initiatives in public universities in Kenya. This study specifically wanted:

- i. To establish influence environmental, educational and societal CSR initiatives have on competitive advantage in Kenyan Public Universities.
- ii. To determine the relationship between CSR and competitive advantage in Kenya.

Methodology

Two methods were used to collect required data for the study; use of questionnaires to collect primary data and use of textbooks, journals and the internet to collect secondary data. Since this was a census, all public universities in Kenya were targeted. 31 officers in all the public universities in Kenya were engaged. Those officers were picked from the offices which handled CSR issues in the respective universities since they were assumed to be custodians of the required information.

Study findings

Table 1: Distribution of respondents by level of education

Level of Education	Frequency	Percentage (%)
PhD	5	16.7
Masters	18	60
Bachelors	7	23.3
Diploma	0	0
Total	30	100

Source: Field survey, September – December 2018

From the research findings, it was established that three thirds (60%) of the respondents had Master's degree level of qualifications while more than one tenth had doctorate degree level of qualifications. It was observed that the respondents comprised of staff from relatively high levels of education.

Duration served in the institution

It was vital to establish the length of service of the respondents so as to ascertain whether they were informed of CSR in their respective universities owing to their length of service as depicted in the figure below.

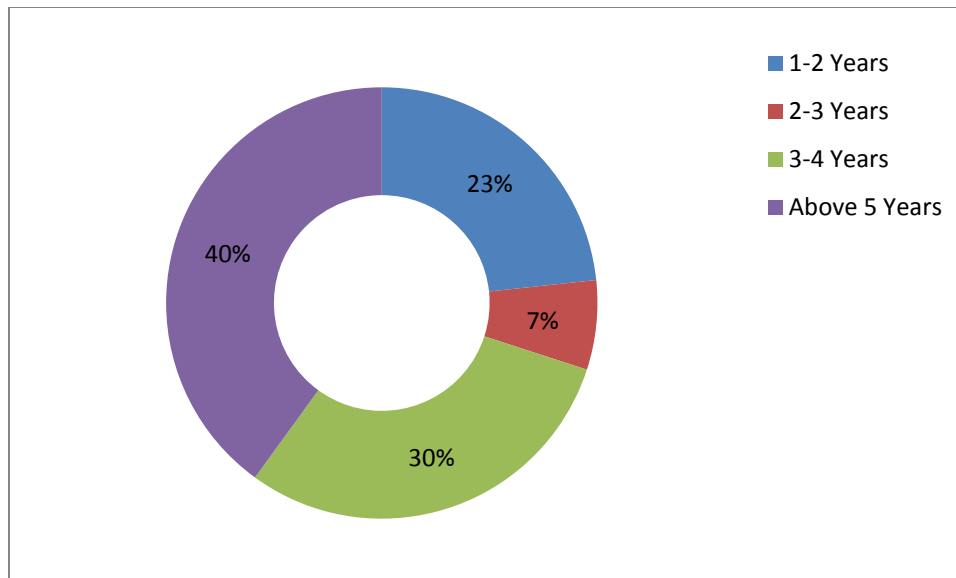


Figure 1: Distribution of respondents by duration served in the institution

From the finding, three thirds (70%) of the respondents had served in the university for more than three (3) years while only one third (30%) had been in the university for less than three years. This was an indication that they were knowledgeable with the operations of the CSR hence the information received was regarded to be accurate.

Environmental CSR initiatives on competitive advantage in public universities

The study sought to establish the influence of environmental CSR initiatives on competitive advantage in public universities in Kenya. Various environmental CSR parameters were outlined and the respondents asked to indicate their level of agreement/disagreement to whether they influence competitive advantage in public universities. The results are presented in the table below:-

Table 2: Environmental CSR initiatives on competitive advantage in public universities

Statements	Score (%)					Mean (Sd)	Significance difference in means (2-tailed)
	Strongly Agree	Agree	No Opinion	Disagree	Strongly disagree		
Sensitizing the community on environmental conservation positively influence competitive advantage of the University	17(56.7)	11 (36.7)	2(6.7)	-	-	4.43(0.722)	0.43
Upholding of the environmental conservation policies positively influence competitive advantage of the University	13(43.3)	15(50)	2(6.7)	-	-	4.63 (0.551)	0.43

Source: Field survey, September – December 2018

Results on table above reveal that 93.4% respondents agreed that sensitizing the community on environmental conservation positively influence competitive advantage in public universities while 6.7% respondents had no opinion on the statement. More than four fifths (93.3%) of the respondents agreed that upholding of the environmental conservation policies positively influence competitive advantage in public universities while 6.7 had no opinion on the statement. this findings were in line with Gimenez Leal *et Al.*, (2003) who claims in his study that there is a direct positive relationship between adoption of environmental practices and an organizations competitive position.

Educational CSR initiatives on competitive advantage in public Universities

The study sought to establish whether engagement in educational CSR initiatives had any influence on competitive advantage in public universities in Kenya, which is the second objective in the study. Various educational CSR parameters were outlined and the respondents were asked to indicate their level of agreement/disagreement to whether they influence competitive advantage in public universities. The results are shown below.

Table 3: Educational CSR initiatives on competitive advantage in public universities

Statement	Score (%)					Mean (Sd)	Significant difference in means (ANOVA)
	Strongly Agree	Agree	No Opinion	Disagree	Strongly disagree		
Offering scholarships to needy deserving students positively influence competitive advantage of the University	16 (53.53)	12(40.0)	1(3.3)	1(3.3)	-	4.43(0.542)	0.014
Holding educational forums positively influence competitive advantage of the University	20(66.7%)	9(30.0)	1(3.3)	-	-	4.63(0.551)	0.000
Offering mentorship programmes positively influence competitive advantage of the University	22(73.3)	8(26.7)	-	-	-	4.73(0.494)	0.000

Source: Field survey, September – December 2018

From the results in the table above, it can be observed that 93.5% of the respondents agreed that offering scholarships to needy deserving students has a positive influence on competitive advantage in public universities while 3.3% disagreed to the statement. more than two thirds (96.7%) agreed that holding of educational forums positively influenced competitive advantage in public universities. All the respondents agreed that offering of mentorship programmes positively influence competitive advantage in public universities. The findings were supported by Chopra & Marriya (2013) who asserted that, organizations engaged in education CSR initiatives for many reasons which include improving financial performance, to build positive reputation and good will, to attract and retain employees, to develop brand recognition or to fulfil the organizations mission or mandate, which are all forms of competitive advantage.

Societal CSR initiatives on competitive advantage in public universities

The study aimed to establish whether engagement in societal CSR initiatives had any influence on competitive advantage in public universities in Kenya. The results are illustrated below. Various societal CSR parameters were outlined and the respondents were asked to indicate their level of agreement/disagreement to whether they influence competitive advantage in public universities.

Table 4: Societal CSR initiatives on competitive advantage in public universities

Statements	Score (%)					Mean (Sd)	Significant difference in means (ANOVA)
	Strongly Agree	Agree	No Opinion	Disagree	Strongly disagree		
Youth empowerment positively influence competitive advantage of the University	11(36.7)	18(60.0)	1(3.3)	-	-	4.33(0.55)	0.011
Creation of job opportunities influence competitive advantage of the University	12(40.00)	17(56.7)	1(3.3)	-	-	4.37(0.56)	0.000
Offering of extension services influence competitive advantage of the University	12(40.0)	18(60.0)	-	-	-	4.40(0.50)	0.055
Sensitizing the community on health issues influence competitive advantage of the University	8(26.7)	12(40.0)	9(30.0)	2(3.3)	-	3.90(0.85)	0.003

Source: Field survey, September – December 2018

Relationship between CSR and Competitive Advantage

The study aimed to establish whether there exists any relationship between engagement in environmental CSR initiatives with competitive advantage in public universities in Kenya, engagement in educational CSR initiatives with competitive advantage in public universities in Kenya and whether there exists any relationship between engagement in societal CSR initiatives and competitive advantage in public universities in Kenya.

Regression was done with the view of establishing fitness of the model in explaining the study phenomena, environmental CSR initiatives, educational CSR initiatives and the societal CSR initiatives and their influence on competitive advantage in public universities. The results are as illustrated in the table below.

Table 5: Model Fitness

Indicator	Coefficient
R	0.884
R Square	0.783
Std. Error of the Estimates	8.87200

a. Predictors: (Constant), Environmental, Societal, Educational

Source: Field survey, September – December 2018

Regression of coefficient

A multivariate linear regression model was fitted to determine whether there existed a relationship between the dependent variable and the response variables. The general model was:

$$Y_0 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Table 4. 1: Regression of coefficient

Model	B	Standard Error	Beta	t	p-value
Constant	-20.149	5.177		-3.892	0.001
Environmental	0.094	0.240	0.072	0.390	0.700
Educational	0.733	0.371	0.429	1.978	0.060
Societal	1.751	0.498	0.479	3.515	0.002

*p-value<0.05

Source: Field survey, September – December 2018

Therefore;

$$Y_0 = -20.149 + 0.094x_1 + 0.733x_2 + 1.751x_3 + e$$

The regression coefficients were used to determine whether there is a positive or negative correlation between the explanatory factors and the dependent factor. Results in the table 6 above indicate that there exists a positive relationship between engagement in environmental, education and societal CSR initiatives and competitive advantage in public universities in Kenya. These were supported by coefficients of 0.094, 0.733 and 1.751 respectively, meaning a unit change in any of the variables will have a positive change in competitive advantage in public universities in Kenya.

This is consistent with the findings of Hillman & Keim (2001) who identified the activities of CSR as a corporate form of differentiation that generates competitive advantage. Derwal *et al.*, (2013) also observed that reputation of an organization created by involvement in CSR contributes to competitive advantage as it has significant positive impact on the value of the shares held.

Conclusion

From the research findings, it can be concluded that participation in educational and societal CSR initiatives greatly contribute to competitive advantage in public universities in Kenya. Therefore, public universities should focus their energies in undertaking educational and societal CSR initiatives.

Areas for further study

1. Since it has been established that there exists a positive relationship between engagement in CSR initiatives and competitive advantage in public universities, further research should be done to explore the challenges encountered while undertaking the CSR initiatives and the possible ways of dealing with the challenges.
2. Due to the dynamics in the higher education industry in Kenya for example placements by KUCCPS and budgetary constraints, it is suggested that, in future research, different factors influencing competitive advantage other than those in this study be explored.

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