

**INFLUENCE OF INNOVATIVE CORPORATE SOCIAL RESPONSIBILITY  
STRATEGIES ON PERFORMANCE OF DEPOSIT-TAKING SAVINGS AND CREDIT  
COOPERATIVE SOCIETIES IN NAIROBI COUNTY, KENYA**

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**A RESEARCH PROJECT PRESENTED IN PARTIAL FULFILLMENT OF THE  
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SCIENCES, UNIVERSITY OF NAIROBI**

**DECEMBER, 2022**

**DECLARATION**

This research project is my original work and has not been presented for any degree in any other University.



Signature .....

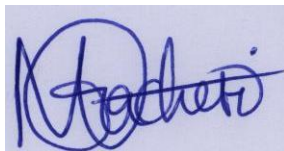
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## **DEDICATION**

The Research Project is dedicated to my parents, spouse and siblings. I wish to convey special thanks to my spouse and children for their immense support.

## **ACKNOWLEDGEMENT**

To almighty God, I am ever grateful for this far he has brought me both in my academic pursuit. I also appreciate my supervisor Dr. Mercy Munjuri for whom I am most indebted for her insightful guidance, advice and counsel throughout my postgraduate research. I am also thankful to the University of Nairobi fraternity for the support and the conducive learning Environment. My family, friends, and course mates also deserve a special mention here. Though it may not be possible to list, by names, all persons who supported me in this journey, I am very thankful for your advice, encouragement and sacrifices.

## ABSTRACT

Corporate Social Responsibility (CSR) has gained prominence in management practice, strategy and research. The practice of CSR has been undertaken differently by various organizations in line with their varied business models, strategic objectives and the need for sustainable interventions. Whereas CSR plays a critical role in integrating social and environmental objectives into a firm's corporate activities, there is an increasing interest of the business community and the society in general on performance and sustainability of the CSR activities and initiatives in the communities within which organizations operate. The question as to whether it pays to invest in CSR initiatives or not is still unresolved in literature which lacks empirical and holistic evidence on sustainability of performance hence the foundation for this study' interest in how to make CSR profitable and sustainable. The objective of the study was to determine the influence of Innovative Corporate Social Responsibility Strategies (Responsibility Related Values, Environmental Responsibility, Philanthropic Social Responsibility and Green Innovation Strategy) on Performance of Deposit-Taking-SACCOs in Nairobi County, Kenya. This study was anchored on Stakeholder Theory and hence supported by the Resource-Based View (RBV). The study adopted a descriptive survey design with a target population consisting of 135 managers from all the 45 SASRA-compliant deposit-taking SACCOs in Nairobi county, Kenya. Primary data was collected using structured questionnaire which was self-administered vis drop-and-pick method. The returned questionnaires were checked for completeness, after which the complete questionnaires was coded, and the data entered into the SPSS Version 25 for analysis which involved the use of frequencies, descriptive, and inferential analysis techniques. The results were presented in form of tables using percentages, frequencies, measures of central tendency as well as some measures of dispersion. Essentially, the study established that: a positive but weak and statistically significant association between responsibility-related values and performance exists; a positive and statistically significant correlation between environmental responsibility and performance of the deposit-taking SACCOs; positive but weak and statistically insignificant association between philanthropic social responsibility and performance; and a weak, positive but statistically significant relationship with performance of the deposit-taking SACCOs. The study recommends that the organizations should emphasize and practice the responsibility-related valued at a higher scale. In addition, the Sacco Societies Regulatory Authority's regulations should entrench ethical values in their regulations and incorporate such values in their governance systems and structures. The deposit-taking SACCOs should prioritize their contributions to environmental sustainability by partnering with like-minded organizations to synergize for mutual benefits and establish direct relations with the communities around to enhance their visibility and impact. The study also recommends the adoption of contemporary green practices that have proven to be efficient and sustainable to minimize unnecessary costs. Further studies should replicate this study with a focus on housing SACCOs. In addition, a comparative study should be conducted to unearth some differences or similarities in innovative CSR strategies and performance of SACCOs in areas with high economic activity and rural SACCOs in Kenya. Future studies should establish global benchmarks and guidelines for efficient and effective execution of the Innovative CSR strategies.

# TABLE OF CONTENTS

## Contents

<b>DECLARATION</b> .....	<b>ii</b>
<b>DEDICATION</b> .....	<b>iii</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>iv</b>
<b>ABSTRACT</b> .....	<b>v</b>
<b>LIST OF TABLES</b> .....	<b>ix</b>
<b>LIST OF FIGURES</b> .....	<b>x</b>
<b>ABBREVIATIONS AND ACCRONYMS</b> .....	<b>xi</b>
<b>OPERATIONAL DEFINITION OF CONCEPTS</b> .....	<b>xii</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1 Background to the Study.....	1
1.1.1 Innovative CSR Strategies.....	2
1.1.2 Performance of Deposit-Taking SACCOs.....	5
1.1.3 Deposit-Taking SACCOs.....	6
1.2 Research Problem.....	7
1.3 Research Objective.....	8
1.4 Value of the Study.....	8
<b>CHAPTER TWO</b> .....	<b>10</b>
<b>LITERATURE REVIEW</b> .....	<b>10</b>
2.1 Introduction.....	10
2.2 Theoretical Review.....	10
2.2.1 Stakeholder Theory.....	10
2.2.2 Resource-based View (RBV).....	11
2.3 Empirical Review.....	12
2.3.1 Responsibility-related Values and Performance.....	12
2.3.2 Environmental Responsibility and Performance.....	14
2.3.3 Philanthropic Social Responsibility and Performance.....	16
2.3.4 Green Innovation and Performance.....	17
2.3.5 Performance of Deposit-taking SACCOs.....	19
2.4 Conceptual Framework.....	21
<b>CHAPTER THREE</b> .....	<b>22</b>
<b>RESEARCH METHODOLOGY</b> .....	<b>22</b>
3.1 Introduction.....	22

3.2 Research Design.....	22
3.3 Target Population.....	22
3.4 Data Collection .....	23
3.5 Data Preparation and analysis.....	23
<b>CHAPTER FOUR.....</b>	<b>24</b>
<b>DATA ANALYSIS, RESULTS, AND DISCUSSION OF FINDINGS.....</b>	<b>24</b>
4.1 Introduction.....	24
4.2 Response Rate.....	24
4.3 Demographic characteristics .....	24
4.3.1 Age of the Organization.....	25
4.3.2 Deposit-Taking period .....	25
4.3.3 SASRA compliance .....	26
4.3.4 SASRA Compliance Period.....	27
4.3.5 Staff Size.....	27
4.4 Descriptive Findings of the Study Variables .....	28
4.4.1 Responsibility Related Values .....	28
4.4.2 Environmental Responsibility.....	29
4.4.3 Philanthropic Social Responsibility .....	30
4.4.4 Green Innovation Strategy .....	32
4.4.5 SACCO Performance.....	32
4.5 Inferential Findings of the Study Variables .....	34
4.5.1 Correlation Analysis .....	34
4.5.2 Regression Analysis.....	36
<b>CHAPTER FIVE .....</b>	<b>39</b>
<b>SUMMARY, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>39</b>
5.1 Introduction.....	39
5.2 Summary of Findings.....	39
5.2.1 Responsibility-related Values .....	39
5.2.2 Environmental Responsibility.....	39
5.2.3 Philanthropic Social Responsibility .....	40
5.2.4 Green Innovation Strategy .....	40
5.2.5 Performance of Deposit-Taking SACCOs .....	40
5.3 Conclusions.....	41
5.3.1 Responsibility related values and performance.....	41
5.3.2 Environmental Responsibility and performance.....	41
5.3.3 Philanthropic Social Responsibility and performance .....	41

5.3.4 Green Innovation Strategy and performance .....	42
5.4 Recommendations.....	42
5.4.1 Responsibility related values .....	42
5.4.2 Environmental Responsibility.....	42
5.4.3 Philanthropic Social Responsibility .....	42
5.4.4 Green Innovation Strategy .....	43
5.5 Limitations of the Study.....	43
5.6 Suggestions for Further Studies .....	43
<b>REFERENCES</b> .....	44
<b>APPENDICES</b> .....	47
Appendix A.....	47
<i>Introduction Letter</i> .....	47
Appendix B .....	48
<i>Research Questionnaire</i> .....	48
Appendix C .....	52
<i>List of Deposit-Taking SACCOs in Nairobi, Kenya</i> .....	52



## LIST OF TABLES

Table 1: Target Population .....	19
Table 2: Response Rate.....	24
Table 3: Age of the SACCO .....	25
Table 4: Deposit-Taking Duration .....	25
Table 5: Compliance to SASRA .....	26
Table 6: Compliance Period.....	27
Table 7: Number of Employees .....	27
Table 8: Responsibility Related Values .....	28
Table 9: Environmental Responsibility.....	29
Table 10: Phillanthropic Social Responsibility.....	30
Table 11: Green Innovation Strategy .....	31
Table 12: Performance of DT-SACCOs .....	32
Table 13: Corellation Analysis .....	35
Table 14: Model Summary .....	37
Table 15: ANOVA .....	37
Table 16: Regression Coefficients .....	38

**LIST OF FIGURES**

Figure 1: Conceptual Framework ..... 18

## **ABBREVIATIONS AND ACCRONYMS**

<b>CSR:</b>	Corporate Social Responsibility
<b>DT-SACCOs:</b>	Deposit-Taking Savings and Credit Co-operative Societies
<b>GPIP:</b>	Green Product Innovation Performance
<b>RBV:</b>	Resource Based View
<b>SACCOs:</b>	Savings and Credit Co-operative Societies
<b>SASRA:</b>	Sacco Societies Regulatory Authority
<b>USA:</b>	United States of America

## OPERATIONAL DEFINITION OF CONCEPTS

**Deposit-Taking SACCOs:** Savings Credit and Cooperative Societies that are SASRA compliant and thus authorized to take deposits from members

**Responsibility-related Values:** Standard of ethics, societal norms and values that are aligned to organizations' responsibility. Specifically, these values include: social justice, equity, fairness, integrity, transparency, honesty, respect, etc.

**Environmental Responsibility:** Shared values and norms that seek to enhance environmental protection, conservation, development and consciousness.

**Philanthropic Social Responsibility:** Voluntary giving in terms of time, financial and other resources towards supporting societal development and a commitment to the present and future society's common good

**Green Innovation:** Forms of innovation that minimize environmental damage by saving energy, elimination of waste, preventing pollution, recycling of waste as well as the design of green products or processes

**Performance of Deposit-taking Saccos:** The measure of how well or how poorly a firm performs over a specified period of time as determined in terms of both financial and non-financial measures of performance

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background to the Study**

Organizational activities that involve giving back to the society in form of Corporate Social Responsibility (CSR) have gained prominence in management practice, strategy and research. Organizations undertake CSR activities with different objectives: as social enterprises, to gain popularity, give back to the society, being responsible to the environment and its inhabitants, to respond to urgent needs of the society among others. Most organizations that invest in CSR activities are driven by the desire to gain competitive edge by supporting societal goals and sustainable development. Such organizations are seen to be socially responsible only to the extent that their contribution to social responsibility is effectively communicated to the society otherwise the exact impact of such initiatives may remain unknown. Generally, CSR has been associated with great potential as research has shown that organizations reap more by doing good to the society in a number of ways. According to Baumgartner (2014) and Misani (2017), the interplay between Corporate Social Responsibility and sustainability is evident in enhanced organizational success, innovation, creation of customer value, raising organizational image, generation of profitability and greater impact to the society in terms of development. Accordingly, development has to be driven by sustainable practices, initiatives and mechanisms which are informed by strategies that are aligned to societal needs, expectations and priorities. The pursuit for development has for long been focused on social, political and economic aspects which have attracted massive investments. While at it, a number of global development interventions have not been spared by global challenges and setbacks that affect the environment, people, plant and animal species. These concerns have necessitated the initiation and adoption of innovative approaches to addressing the contemporary needs of the society. Most of the innovative organizations demonstrate high performance levels associated with the CSR activities which further translates to greater performance (Mishra, 2017).

Among the theories of interest in this study are; the stakeholder theory, resource-based theory, diffusion of innovations theory and freeman's legacy theory. This study takes interest in the stakeholder theory and resource based view both whose theoretical underpinnings and relevance inform the choice of strategies for executing an organization's CSR activities. The stakeholder theory underscores the role of organizational stakeholders and their interests and diverse

expectation in their pursuit of some desired organizational outcomes. The theory is attributed to the scholarly works of Freeman (1984) who advocates for a balance between stakeholders' perceptions and organizational strategic interests. The Resource based view (RBV) is credited to Wernefelt (1982) who avers that in an organization, resources and products are like two sides of a coin that are interdependent. The RBV holds that outcomes are generated by a mix of different resources without which organizations cannot easily realize their desired results. The RBV and stakeholder theories bring important perspectives on the interrelationships between innovative CSR strategies and performance. These theories have been applied to strategic management studies in different contexts both locally and globally.

### **1.1.1 Innovative CSR Strategies**

The practice of CSR has been undertaken differently by various organizations in line with their varied business models, strategic objectives and the need for corporate social interventions. Although the CSR activities and practices may seem related, different organizations take diverse approaches to executing the CSR activities. In this regard, organizations have undertaken innovative CSR activities in their quest to address the current and budding needs of the society as a whole. Before delving into the specific CSR activities that are considered innovative, developing a clear understanding of the meaning of Innovative CSR both as a practice and a strategy is vital. According to Preuss (2011), innovative CSR entails the design of novel approaches to addressing societal concerns and integrating such approaches into the organizational/business strategies and activities with the stakeholders' interests in mind. Mishra (2015) on the other hand explains innovative CSR as a way of incorporating innovation in the CSR activities in terms of design, delivery of the CSR project, or introducing a unique and convenient way of addressing societal concerns. This study combines the two definitions and therefore takes innovative CSR as the integration of innovation with CSR activities and practices and aligning those interventions to the overall organizational strategies and activities.

Some organization pursue growth, prospector or defender strategies by investing in CSR to either grow, prospect or defend their position in the dynamic and competitive business environment (Maury, 2022). There are different innovative CSR strategies that have been adopted in various contexts (Arco-Castro, Lopez-Perez, Rodriquez-Gomez, & Garde-Sanchez, 2020; Jackson, & Nelson, 2004; Soewarno, Tjahjadi, & Fithrianti, 2019; Ananzeh, Alshurafat, & Hussainey, 2020;

Hamisi, & Gichinga, 2020; Moki, Ndung'u, & Kinyua, 2022; Njiiri, 2018; Thuo, & Aduda, 2020). The innovative CSR strategies lead to a diversified portfolio of bottom lines including the environmental, economic, ecological and social benefits to both the society and the organization. It is against this backdrop that this study will focus on: Responsibility-related Values Strategy; Environmental Responsibility Strategy; Philanthropic Responsibility Strategy and Green Innovation Strategy.

The increased global interest in social, community and environmental consciousness calls for organizations to take up social responsibilities that are aligned to business values. These business values are aligned to organizations' responsibility to the society in general. In fact, the responsibility-related values if well executed, make it possible for organizations to not only build public trust, but also remain competitive. According to Jackson and Nelson (2004), the public trust and firm competitiveness can be attained with greater accountability, transparency and integrity. In this study, responsibility related values are taken to refer to ethics and values such as trust, personal choice, freedom, commitment, accountability, integrity, equity, community, humility, transparency and others that are tied to the practice of responsibility to the society and the environment (Baumgartner, 2014; Ndungu, & Koori, 2021; Hsu, Chen, & Chen, 2022). While seeking to understand the interrelationships between responsibility related values and performance of deposit-taking SACCOs, this study will conceptualize the responsibility-related strategy in terms of the values that are considered to be core values to organizations' growth and sustainability.

Of late, organizations and individuals have become more sensitized to environmental consciousness and sustainability and as such they evaluate organizations they partner with in terms of their role and responsiveness to the environment. Whereas the effect of humans and human activity on the environment still continues to be explored both in research and practice, organizations are also continuously realizing the need to participate in environmental responsibility initiatives for mutual sustainability. Consequently, different authors and scholars have advanced different definitions and interpretations of the concept of environmental responsibility (Lobschat, Mueller, Eggers, Brandimarte, Diefenbach, Kroschke, & Wirtz, 2021; Hanson-Rasmussen, & Lauver, 2018). Lobschat *et. al.*, (2021) define environmental responsibility from the perspective of common values and norms that guide entities in undertaking their

activities, processes and strategies. Hanson-Rasmussen, & Lauver (2018) define environmental responsibility in terms of cultural norms and values upon which environmental consciousness is promoted. This definition presumes that environmental responsibility relates to the observance of a defined set of organizational norms and values that make up the organization's culture towards enhancement of environmental consciousness. Both studies also detail various other researched that have defined environmental responsibility in very many different perspectives. However, this study adopts a more unified approach to the definitions by integrating both the organizational and cultural norms and values in the organizational responsibility strategy towards making the environment safe, hence the environmental responsibility strategy in relation to the financial and non-financial performance.

The overall goal of corporate organizations is to maximize financial and other gains and hence the shareholders' wealth. In this regard, various organizations device diverse strategies for generating value and returns to their respective stakeholders. One of the approaches that has been used lately by many organizations is philanthropy owing to the advantages associated with the proverbial "power of giving". According to Ananzeh, Alshurafat, and Hussainey (2020) corporate philanthropic activities have been associated with the strategic benefit of enhancing corporate gains, as well as social and financial benefits. Philanthropic responsibility entails the ways of expressing commitment to the common good, responding to the present and future needs of the community, and creating corporate value from a social standpoint. It is considered a necessary condition for realization of the desired financial performance, market positioning and overall brand competitiveness.

Philanthropic Responsibility Strategy in this case is the practice of charitable giving and donations to charity institutions, engagement in socially responsible actions, good practices not only to the environment but also people within communities in adherence to cultural, religious and societal values. Philanthropic Responsibility Strategy takes a broader perspective as it entails voluntary giving to support the society through education, healthcare, environmental sustainability, research, arts, culture, response to natural and humanitarian crisis among other responsibility areas (Arco-Castro, Lopez-Perez, Rodriquez-Gomez, & Garde-Sanchez, 2020). In this study, the concern is to unearth how philanthropic responsibility influences performance of DT-SACCOs in Nairobi



County, Kenya and therefore the definition of philanthropy by Arco-Castro *et. al*, (2020) is adopted based on its relevance.

Organizational managers in the contemporary business and service space have realized the incredible role of green innovation in competitiveness and sustainability of organizations. As a result, many corporates find it necessary to adopt Green Innovation Strategies to help them increase the performance of their entities. According to Soewarno, Tjahjadi, and Fithrianti (2019), Green Innovation Strategy is a one of the strategies that emphasizes on the need to reduce waste, prevent pollution of the environment, and provide for eco-friendly management of the environment by integrating organizational resources and influencing employee behavior towards focusing on environmental issues while undertaking their day-to-day activities and tasks at the workplace. Involvement in green innovation enables organizations to develop a strong green organizational identity which can easily raise its positioning and profile in the competitive corporate environment. Considering the global challenge of environmental degradation, organizations now adopt various environmental management and green innovation strategies in order to overcome environmental issues, remain relevant and maintain a socially-responsible image.

### **1.1.2 Performance of Deposit-Taking SACCOs**

The term performance is explained, discussed and defined in different ways depending on whether an organization of interest is profit-seeking or otherwise (Aboramadan & Borgonovi, 2016; Appiah-Kubi, 2020; Odhiambo, & Njuguna, 2021) and the measurement of performance varies thus. Aboramadan and Borgonovi (2016) explain organizational performance using both financial and non-financial measures which include: financial outcomes, market outcomes, the efficiency of raising financial resources, utilization of the resources, profitability, liquidity, the amount of returns generated from business, transparency and consistency in accounting practices, service equality, general organizational outcomes and impact of interventions that are executed by an entity. According to Appia-Kubi (2020), performance can be understood in terms of the productivity of an entity, the real yields or aftereffects of its interventions. This study combines both definitions by incorporating aspects of the real yields, organizational impact, financial and non-financial results without compromising the required level of accountability.

performance is a broad concept whose definition depends on a number of factors including business orientation, nature of business activities, interests and expectations. Performance has been

broadly researched and classified in terms of financial and non-financial indicators. In fact, various authors advance different explanations of the concept of performance yet their conceptualization, approaches and arguments vary. The variations in frames of measurement arise from the fact that some organizations are profit-driven while others are non-profit seeking entities. According to Aboramadan and Borgonovi (2016) performance is understood considering financial and non-financial measures such as: operational efficiency, efficient utilization of resources, transparency in accounting and disclosure, employee productivity, quality of services, organizational outcomes and impact. Performance is also measured in terms of productivity, and the quantifiable resultant effects of organizational interventions. In this study, both financial and non-financial metrics are considered in explaining how organizational performance is measured in relation to other determinants of performance. The financial measures of performance will include liquidity, profitability, financial position, return on investment (ROI), and dividend yield/pay out. On the other hand, non-financial performance is measured in terms of competitiveness, operating efficiency, social impact, and perceived brand value.

### **1.1.3 Deposit-Taking SACCOs**

Savings Credit and Cooperatives (SACCOs) are independent associations of persons who pursue common interests and needs through voluntary and jointly-owned and controlled enterprises. The SACCOs mobilize financial resources from members to provide financial services including credit, bancassurance, social benefits among others. The SACCOs are classified into Deposit-taking (DT) and Non-DT-SACCOs and are regulated by the SACCO Societies Regulatory Authority (SASRA). The DT-SACCOs are mandated to take deposits from their registered members. Upon being licensed by SASRA, the DT-SACCOs operate within the confines of SACCO Societies Act and Regulation 8 of the SACCO societies. In Kenya, there are many DT-SACCOs but only 45 of the SACCOs are licensed to operate within Nairobi County. This Study will focus on the 45 DT-SACCOs that have been listed in SASRA public notice (SASRA, 2022).

Out of all the 175 licensed DT-SACCOs in Kenya, 45 of the SACCOs operate within Nairobi County and have their membership drawn from a cross section of sectors of the Kenyan economy. There are those that bring together teachers, employees of various corporate organizations, informal sector, public service officers, public transport operators among others. Whereas all the SACCOs are formed to benefit the members by improving their welfare and providing financial

and other services at relatively low cost, they are essentially involved in business and are therefore driven by the need to generate adequate returns to maximize the members' wealth and benefits. As the SACCO movement continues to grow, the competition amongst layers in the financial sector also increases and therefore these organizations have to innovate, continuously improve their market offerings and build stable relationships with the society for competitiveness hence the relevance of innovative CSR strategies

## **1.2 Research Problem**

Whereas CSR plays a critical role in integrating social and environmental objectives into a firm's corporate activities, there is an increasing interest of the business community and the society in general on performance and sustainability of the CSR activities and initiatives in the communities within which organizations operate. As corporate organizations continue to invest and engage in socially responsible activities, it becomes a managerial concern as to whether the investments in CSR are worthwhile. The contribution of such activities to the overall organizational goals and aim is also a concern since the bottom line for business organizations is to maximize the shareholders' wealth. As observed by Hsu, *et. al* (2022), there have been protracted debates on the performance effects of implementing various CSR activities yet gaps in literature still persist. It is indeed critical to assess whether the contributions to CSR activities works towards the realization of organizational goals or whether CSR should remain a social enterprise with no returns. The question as to whether it pays to invest in CSR initiatives or not is still unresolved in literature. In addition, studies (Hsu, *et. al*, 2022; Viererbl, & Koch, 2022; Ndungu, & Koori, 2021; Thuo, & Aduda, 2020; Njuguna, 2019; Baariu, & Opollo, 2017) have also indicated diverse opinions on the association between disclosure of CSR activities and firm performance with Hsu *et. al* (2022) showing positive growth in performance due to effective communication of CSR activities while Viererbl and Koch (2022) recommend some regulated level of disclosure of CSR activities in order to contain negative effects.

Njiiri (2018) examined the role of CSR in growth of SACCOs in Kasarani Sub-county in Nairobi, Kenya and found out vast impact of CSR on education, environment, and economic development. However, with a limited scope, the findings of which may not be generalized to all SACCOs. As a result, this study proposes a wider scope that would involve a survey of DT-SACCOs in Nairobi County with an intention to establish the relationship between innovative CSR and performance

of DT-SACCOs in the County. In addition, Hamisi and Gichinga (2020) studied the effect of CSR on performance of DT-SACCOs in Mombasa County and suggested CSR activities, investment in CSR and ethical practices for SACCOs as strategies towards sustainability hence the basis for this study. Njuguna (2019) demonstrates the growing concern on sustainability of CSR activities by manufacturing companies in Kenya. On the same note, there is a growing interest in research on how to make CSR profitable and sustainable (Hsu, *et. al*, 2022; Viererbl, & Koch, 2022; Ditlev-Simonsen, 2021; Baumgartner, 2014; Njuguna, 2019; Njiiri, 2018; Karnani, 2022; Hamisi, & Gichinga, 2020; Kolling, Ribeiro, & Medeiros, 2022). Thus the question; How do Innovative CSR Strategies Influence Performance of DT-SACCOs in Nairobi County, Kenya?

### **1.3 Research Objective**

To determine the influence of Innovative Corporate Social Responsibility Strategies on Performance of Deposit-Taking-Savings and Credit Cooperatives in Nairobi County, Kenya.

### **1.4 Value of the Study**

The study contributes new knowledge on CSR and strategic management building on the recent studies, past literature and first-hand data with an intention to benefit scholars, theorists, researchers, policy makers and practitioners in a number of ways.

#### **1.4.1 Contribution to Knowledge**

This study contributed to literature and theory on the innovative CSR strategies that are adopted by the deposit-taking SACCOs and how such strategies relate with the performance. The study availed more current and up-to-date strategic management literature on innovative approaches to the practice of CSR and performance to the benefit of students, scholars and other researchers in the field of CSR. The said literature informed further studies and future academic directions in CSR

#### **1.4.2 Contribution to Policy**

The study informed institution-based policies on design, execution and sustainability of CSR interventions that support innovative CSR initiatives towards attainment of better performance and organizational sustainability of DT-SACCOs in Nairobi County. In addition, the study gives policy actors insights from based on the research evidences to enable them device and execute policy measures that are necessary for driving performance through CSR activities sustainably.

### **1.4.3 Contribution to Research**

The study benefits strategic managers, scholars, students and CSR enthusiasts with current insights into benchmarks for enhanced performance as well as sustainability over short and long time horizons. For those intending to conduct studies on strategic management issues in philanthropic, environmental and green CSR, this study also provides them with up-to-date literature and statistics based on evidences from both theory and practice that can as well inform other studies in different contexts.

### **1.4.4 Practice**

In addition, strategic management practitioners especially those whose engagements are inclined to CSR benefit from the evidences that this research unearthed from the CSR practices in the SACCO movement. This study detailed some of the practices that have worked well in the SACCO movement which can be replicated even in other financial institutions. The study also provides evidence on appropriate and proven innovative environmental and philanthropic practices for purposes of benchmarking and scaling operations for common good of both the business and the community.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This second chapter entails a review of literature in relation to the nexus between the independent and dependent variables under study. In particular, the theoretical literature review section touches on the theories that guide the study highlighting the relevance and application of each theory to the study. In addition, a review of the extant empirical literature on the interrelation between the variables and a conceptual framework are also detailed herein.

#### **2.2 Theoretical Review**

This section details the theories that guided this study. Specifically, the Stakeholder Theory was used as the anchor theory supported by the Resource-Based View (RBV).

##### **2.2.1 Stakeholder Theory**

Freeman (1984) has been recognized for the efforts that birthed and saw the development of the Stakeholder theory which has been in use in management practice and literature since its inception. While recognizing the association between an organization and its stakeholders who include clients, suppliers, employees, investors, managers, shareholders, community and other parties having interest in the organization, the theory demonstrates the value which accrues to these stakeholders. The theory promotes inclusivity of all relevant organization's stakeholders for purposes ensuring efficient and effective decision making and action towards realizing the specified organizational goals.

In addition, the theory recognizes the interests that are characteristic in relationships that subsist between principals and agent and how to address the diverse interests in the principal-agent relationships. Whereas the stakeholders' views, expectations and interests may vary and often time be divergent, there is a chance of conflicts from time to time. For this reason, the stakeholder theory emphasizes the need for alignment of the stakeholders' interests with the organizations interests and objectives for seamless execution of strategies and activities. Although the stakeholder theory is criticized considering its shortcomings (Bruiji, 2022), the theory places managers at the center of addressing the diverse interests and expectations of all other stakeholders. The theory is relevant to the process of developing innovative approaches to efficient and effective implementation of business activities, building market confidence and enhancing visibility and

image of the organization through effective communication, building trust with the market and mutually beneficial relationships with the stakeholders.

Accordingly, the theory appreciates diverse stakeholder interests in all efforts aimed at realizing desired performance by recognizing the stakeholders' diversities in pursuit of the organization's strategies, goals and objectives. By considering the stakeholders' views and interests, organizations can align these perspectives with the overall institutional objectives in order to achieve the desired results. It is against this backdrop that innovative CSR strategies are informed by the unified stakeholders' needs, interests and further aligned to the strategic interests and priorities of the organizations. The stakeholder theory, provides a basis for efficiently and effectively designing and executing the Innovative CSR strategies with the aim of enhancing DT-SACCO performance. In particular, the stakeholder theory helps in harmonizing the stakeholders' divergent interests and expectations in designing responsibility-related values, becoming environmentally responsible, investing in environmental philanthropy and green innovation with an aim of improving the organization performance.

### **2.2.2 Resource-based View (RBV)**

Barney (1991) developed the Resource Based View (RBV) considering that every organization has unique capabilities and resources which are considered as the key drivers of competitiveness (Madhani, 2010). The theory assumes that firms' can realize superior performance by optimizing the efficient use of their internal resources that are valuable yet scarce and imperfectly imitable. Accordingly, this theory outlines the need for organizations to optimally utilize the available resources and their distinct capabilities to drive competitive advantage despite the fact that such resources are limited but have diverse needs, are unique and need to be used sustainably. According to Almarri and Gardiner (2014) businesses have varying resource capacities, exercise control over the resources and execute their strategies under different dynamics hence the perceivable variances in organizational outcomes.

Generally, organizations that invest in CSR activities are driven by the desire to gain competitive edge by addressing socio-economic problems and making impact to the society using the available resources. The adoption and implementation of the Innovative CSR strategies build on the RBV in pursuit of greater competitiveness and performance while responding to the needs of the society.

The theory has found application in diverse areas of management including strategic management practice, project management, business strategy, human resource management, financial management and international business (Madhani, 2010; Barney, Wright, & Ketchen, 2001). The theory has been used to drive performance through continuous enhancement of the unique resources and capabilities of an organization. In regards to this study, the theory informs the practices that generate value by leveraging the unique capabilities to effectively utilize the organization's resources to realize the pre-determined goals and objectives. The theory demonstrates how unique competences and resources can be applied to responsibility-related values, environmental responsibility, environmental philanthropy and green innovation towards improving the performance.

### **2.3 Empirical Review**

This section presents a detailed review of literature on the relationship between Innovative CSR strategies and organizational performance from global, regional and local perspectives. The review of literature in this study relies largely on current and recently published journal articles and other scholarly resources. It focusses on the existing theoretical and empirical literature on the responsibility-related values, environmental responsibility, environmental philanthropy and green innovation in relation to performance.

#### **2.3.1 Responsibility-related Values and Performance**

Responsibility is about the duty that persons have to the society, the contemporary business community has witnessed a growing need for Corporate Social Responsibility (CSR) which makes it a necessity for organizations across different sectors of the economy to adopt social elements in their corporate strategies and culture. In this view, CSR has therefore emerged as an inevitable priority for organizations of all forms and therefore managers of organizations that seek to gain competitiveness and maintain positive image have to look beyond their inward looking expectations but as well revise their strategies and activities to meet the present and future needs of the society. Besides their pursuit of profit and wealth maximization objectives, organizations also take environmental, ethical, legal, social and philanthropic factors into account when planning for their businesses (Lotta, Aleksy, & Martinus, 2018). Whereas the organizational interventions that focus on the aforementioned societal considerations are driven by values that instill a sense of responsibility within the organizations, various studies have been conducted on how



responsibility-related values correlate with performance (Hamisi, & Gichinga, 2020; Gheraia, Saadaoui, & Hanane, 2019; Jin, & Drozdenko, 2010).

Jin and Drozdenko (2010) studied organizational core values, CSR, ethics and performance focusing on direct marketing and information technology professionals in USA. The study analyzed the responses obtained from the ICT professionals in USA and the results indicated that managers from organizations that implemented organic core values reported an increase in social responsibility unlike the managers from organizations that had mechanistic values. In addition, the study also revealed that both organizations with organic and mechanistic core values were perceived to be more ethical in their conduct and operations. The study further revealed that these managers were more socially responsible and that the perception of the ethical and social responsibility of the organizations greatly impacted on the organizations' performance outcomes.

While exploring the concepts in Business ethics and CSR, Gheraia, Saadaoui and Hanane (2019) studied the association between business ethics and CSR. The study was majorly qualitative in nature and involved a comparative analysis of content obtained from extant literature sources. The study was premised on the significant benefits that are perceived to accrue to organizations that are socially responsible within their operating environments as well as the growing research interests in CSR and business ethics. The review found out about four components that essentially define strategic CSR: incorporating CSR within the organizational strategic planning process; aligning organizational actions to the core operations; focus on the stakeholder perspective and a shift from short-term expectation of returns from CSR to managing organizational resources and relationships with the stakeholders in the medium-to-long term. Whereas the study revealed important aspect in the interrelation between ethics, CSR and organizational performance, the analysis underscored critical findings that inform both policy and action towards making both variables key building blocks in the organizational strategy development and implementation.

Hamisi and Gichinga (2020) studied the effect of CSR on performance of DT-SACCOs in Mombasa County, Kenya focusing on the relationship between economic social responsibility, ethical social responsibility, discretionary social responsibility and performance of the SACCOs. Guided by the stakeholder theory of management, slack resources theory agency theory and fiduciary capitalism theory, the researcher targeted a population of 90 SACCOs in Mombasa county against which a sample of 74 SACCOs was selected. In addition, the study relied on

primary data which was collected with the aid of a structured questionnaire and the data was analyzed both descriptively and inferentially using SPSS version 25. From the analysis of the data, it emerged that the economic social responsibility, ethical social responsibility and philanthropic social responsibility exhibited positive association with performance of the SACCOs in Mombasa County. However, whereas the study data was obtained using structured questionnaire, it is arguable that the performance data was merely based on perceptions as the study did not involve an analysis of any quantitative data. In retrospect, this study will incorporate qualitative primary data which will be validated with quantitative secondary data on the performance of the DT-SACCOs.

### **2.3.2 Environmental Responsibility and Performance**

The growing global population presents vast opportunities for business and development across various sectors of the economy. However, with the rise in population, there are also a number of environmental concerns that arise from human and industrial activities. Indeed, businesses have huge impact on the environment within which they exist and operate. Business organizations consume available natural resources and emit hazardous substances to the environment thereby contributing to the degradation of the existing ecosystems threatening the biological diversity of the planet. These concerns have necessitated the call to action towards reduction of the adverse effects of businesses and households to the environment. It is for this reason that organizations invest their resources towards improving the environment. Whereas literature exists on the relationship between environmental social responsibility and organizational performance, there is still a discourse in literature that needs to be addressed through research that informs policy and action not only for the benefit of businesses, but also the advancement of environmental health (Alam, & Islam, 2021; Zelanza, Bojar, & Bojar, 2020; Hanson-Rasmussen, & Lauver, 2018; Kinyua, Amuhaya, & Namusonge, 2015).

Zelana, Bojar and Bojar (2020) did a comparative study on CSR and environment in Lublin Region in Poland focusing on the findings for the year 2009 and 2019. The study majorly sought to understand and analyze the most frequent environmental activities that were undertaken by organization in Lublin, Poland. From the results of the analysis, it emerged that the economic instruments that were used to advance the environmental agenda in Poland were never altered and that most of environmental interventions were largely financed by the enterprises. Moreover, it

emerged that the cost of most of the pro-ecological and pro-environmental interventions that were executed in Poland took the investments from enterprises operating on the country and that those enterprises had registered considerable returns on their investments in environmental philanthropy. Although the study presents important findings and recommendations, it is noted that the analysis was only skewed to a region in Poland that is considered environmentally clean. The findings therefore are biased and may not reflect the actual state of affairs in all the regions. This proposed study seeks to take a different approach, by involving respondents from organizations that operate in the city with the highest level of industrial activity in the country which contributes to environmental degradation unlike other areas.

Alam and Islam (2021) examined the role of environmental CSR in building green corporate image and competitive edge with a view to understanding the interplay between the stated variables. Methodologically, the study used structural equation modelling approach in evaluating five hypotheses based on data that was obtained from a total of 53 apparel enterprises listed with Dhaka Stock Exchange. Accordingly, the study indicates impactful environmental CSR dimensions towards improving green corporate image as well as the green competitive advantage. The study also demonstrates that environmental CSR considers, people, planet and profits and therefore pursues competitive advantage through initiatives that respond to environmental needs and concerns for betterment of the society.

Kinyua, Amuhaya and Namusonge (2015) analyzed the relationship between CSR strategy and financial performance of DT-SACCOs in Kenya. Using a descriptive research design, the study sampled 54 DT-SACCOs from a population of 180 licensed DT-SACCOs and collected data using structured research questionnaires. The study was hinged on stakeholder management and CSR theories. The study data was analyzed using SPSS version 20 and the findings indicated a positive correlation between environmental CSR strategy and performance of the DT-SACCOs. It was also observed that environmentally responsible organizations encourage support for the institution's shared value, satisfaction to customers as well as enhanced organizational performance in general. This study yielded important literature and insights, but lacked detail on the various dimensions of environmental responsibility which the current study seeks to unravel.

### **2.3.3 Philanthropic Social Responsibility and Performance**

Of late businesses have been witnessed to be making concerted efforts to make the world and the society a better place since this is where they obtain resources from and target to sell their goods and services. Besides acting as environmentally, socially and ethically friendly, organizations are also driven by the need to take philanthropic responsibility towards advancement of the society as a whole (Stobierki, 2021). In this regard, a number of approaches to philanthropic activities are undertaken by organizations including those that pursue profit motive. The advent and developments in the exercise of philanthropic responsibilities have thus attracted attention for business research, policy and development. As such, scholars and researchers have conducted studies on the relationship between philanthropic responsibility and performance of organizations that invest their resources in philanthropic CSR activities and the findings of which have been diverse (Hamidu, Haron, & Azlan, 2018; Iwannanda, Sudarmiati, & Adiputra, 2017).

Iwannanda, Sudarmiati, and Adiputra (2017) conducted an in-depth and holistic investigation into the practice of philanthropic CSR using a case study design. The study used Mayangkara Group Limited as a case in Indonesia and established that some organizations have their CSR practices deeply enshrined in traditional and religious values. They undertake philanthropic activities to address societal problems and challenges and by extension with a motive to boost their corporate image and overall performance. Since the study only involved one case, it is not reasonably viable to generalize the findings and apply them to all organizations in other contexts. With this limitation in mind, this study entailed a survey of several DT-SACCOs in Nairobi and the findings and observations can easily be generalized to all other SACCOs in various parts of the country.

In their examination of factors that lead to philanthropic CSR in Nigerian Financial Sector noting the financial influence of cultural influence, Hamidu, Haron, & Azlan (2018) explored some of the positive predictive factors that determine the need to prioritize philanthropic dimension by the managers in the financial sector in Nigeria. Guided by both legitimacy and stakeholder theories, the study involved a total of 173 managers who provided the required study data. The said data was analyzed using partial least square structural equation model. Accordingly, the findings showed that philanthropic CSR is driven by corporate image and stakeholder pressure and further mediated by the role of cultural influence in the Nigerian context. The mediating role of cultural

values is in tandem with the legitimacy theory and stakeholder theory which implies that the interest of all the stakeholders are taken care of as managers seek to gain and build more legitimacy by aligning their activities and interventions with the societal values and norms.

Navickas and Kontautiene (2011) examined the impact of philanthropic activities on the economic performance of corporate entities focusing on corporate philanthropic activities and performance. The review established that corporate philanthropic activities positively impact on both the financial indicators related to financial revenue growth and economic indicators as well as in the building of relationships with all the organizations' stakeholders. Although the study presents critical literature on philanthropic activities, the methodology adopted which was a review of existing literature can be argued to have conglomerated information secondary data and hardly generated any new information. The current study will take a different approach by collecting primary data from organizations to help in analysis and generation of more up-to-date information on philanthropic responsibility and how it contributes to performance.

#### **2.3.4 Green Innovation and Performance**

Innovation plays a critical role in enhancing organizational competitiveness and sustainability. Whereas there are various approaches to innovation, the global greening initiatives have seen many enterprises adopt Green Innovation as part of their strategies towards better performance. Green Innovation strategy involves activities that are designed to reduce waste, prevent pollution of the environment, and provide for eco-friendly management of the environment by integrating organizational resources and influencing employee behavior towards focusing on environmental issues while undertaking their day-to-day activities and tasks at the workplace. Considering the rationale and implications of adopting green innovation, various studies have been conducted in the past to assess the influence of Green Innovation strategies and activities as well as the sustainability of green innovations activities and initiatives yet the discourse on the relationship between green innovation and performance still builds up in literature (Wang, Khan, Anwar, Shahzad, Adu, & Murad, 2021; Tariq, Badir, & Chonglertham, 2019; Huang, & Li, 2015).

While conducting a moderation analysis on the relationship between green innovation and performance, Tariq, Badir, and Chonglertham (2019) investigated the influence of green product innovation performance (GPIP) on firm financial performance. The study adopted a contingency-based theory supported by a resource based view to explore the relationship between GPIP and

firm performance in Thailand considering the moderating role of market forces associated with resource intensity, environmental factors and market turbulence. To achieve the study objectives, data from 202 publicly listed Thailand's manufacturing firms was used to test the hypotheses through hierarchical regression analysis. From the results of the study, it emerged that GPIIP significantly influences firm's financial performance. These findings were concurred with the theoretical assumptions that resource intensity which further revealed that the moderating factors strengthened the GPIIP and firm performance.

Wang, Khan, Anwar, Shahzad, Adu, and Murad (2021) investigate the stakeholders' perceptions on the relationship between green innovation practices and its impact on environment and organizations in Punjab Province of Pakistan. The study adopted a quantitative survey method with a sample of 515 respondents from manufacturing firms which were randomly selected. Primary research data was collected using questionnaires and analysis predominantly involved the use of structural equation model of the partial least square method of analysis. Accordingly, the findings of the study revealed that a statistical significant association exists between green innovation practices and environmental and organizational performance. In addition, the study also revealed a negative and statistically significant moderating effect of innovation orientation on employee conduct with regards to execution of GPIIP.

Huang and Li (2015) studied the relationship between green innovation and performance from the perspectives of organizational capability and social reciprocity. The study entailed a synthesis of factors influencing green innovation and performance guided by the social network theory dynamic capability perspective. Methodologically, the study used a structural equation modelling to test the research hypotheses and the results revealed that green innovation is driven by dynamic capability, coordination capability and social reciprocity. In their analysis, the authors emphasized green product and process innovation as important correlates of environmental performance and overall organizational performance. This study is very important as it brings out the aspects of green innovation and how they each relate to organizational performance as well as the environmental performance. The current study will build up on the former in an attempt to unearth more dimensions of green innovation and how they influence the organizational performance by entities that invest in CSR activities in Kenya.

### **2.3.5 Performance of Deposit-taking SACCOs**

Performance is a broad concept that is often used in both practice and literature as various scholars have explained it differently (Aboramadan & Borgonovi, 2016; Appiah-Kubi, 2020; Odhiambo, & Njuguna, 2021) yet their perspectives on measurement of organizational performance varies owing to whether an organization is profit-seeking or otherwise. As a result, various approaches are applied to the process of performance measurements within organizations and the key factors in measurement of performance. Both financial and non-financial measures of performance have been studied by various scholars in different contexts (Lee, & Yang, 2021; Silas, & Maringa, 2021; Odero, 2021).

While investigating whether the impact of a firm's corporate financial performance vary with the level of CSR performance and the amount of the firm's annual operating expenditure, Lee and Yang (2021) used a case study based in Taiwan to compare corporate social responsibility with financial performance. The study relied on corporate annual financial performance data for five-year period from 2013 to 2017 and used panel smooth transition regression model for purposes of analysis. As a result, the findings of the study revealed non-linear relationship between a firm's operating expenditure and its profitability levels. Besides, the study also demonstrated that to some extent, the operating expenditure related to CSR activities were inversely related to profitability implying that organizations that undertake more CSR activities were more prone to losses which is contrary to the ordinary expectation that investment in CSR could potentially enhance profitability of the firm. The current study will seek to unearth whether CSR actually enhance performance of deposit-taking SACCOs in Kenya or otherwise.

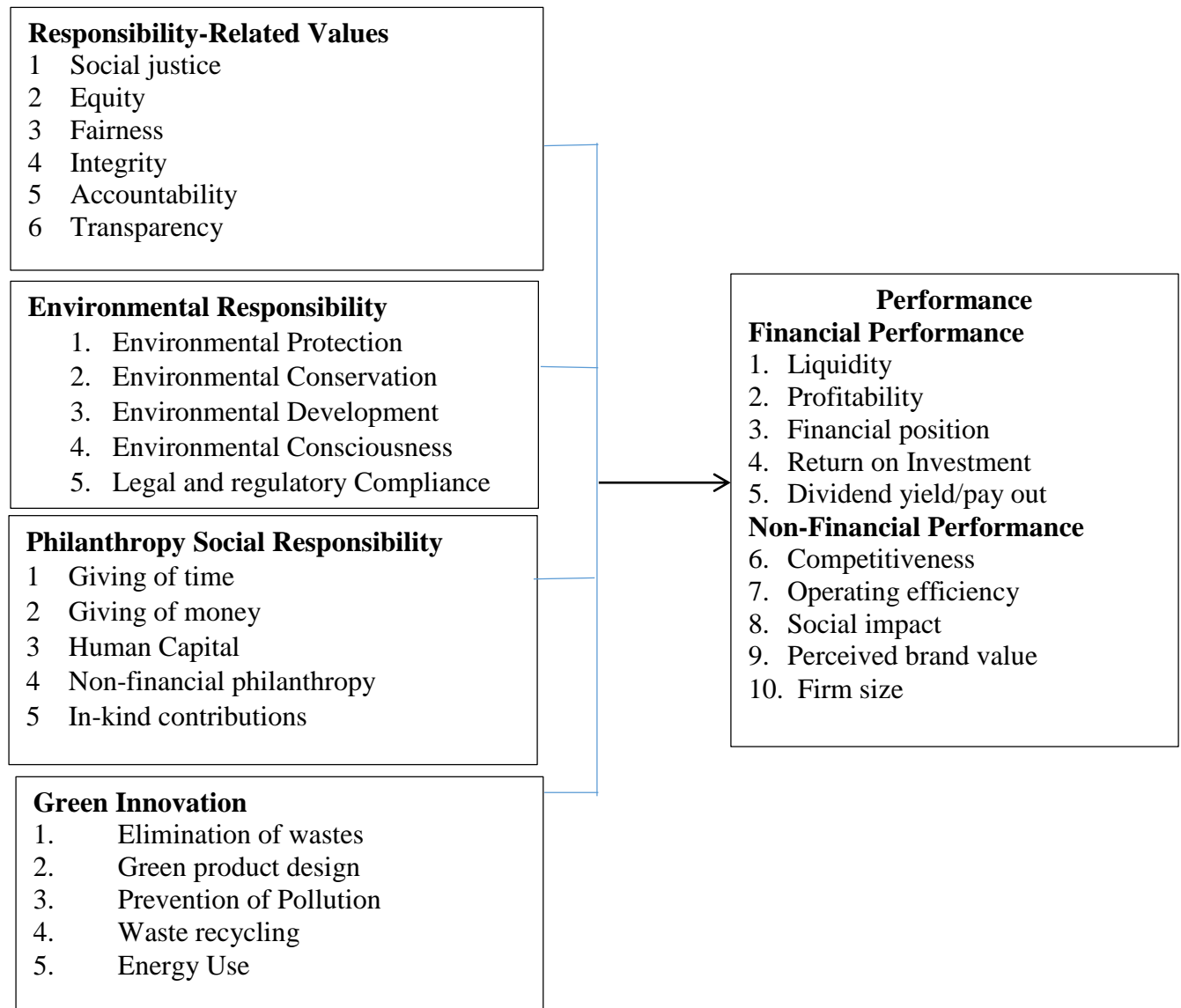
Silas and Maringa (2021) conducted a study which sought to examine different determinants of financial performance of SACCOs in Gekenke district in Rwanda. The study tested the hypothesis that different determinants affect the financial performance of SACCOs using a sample of 63 employees drawn from among the 76 accountants, managers, loan officers, and chairmen of boards of the identified SACCOs. The required data was collected using structured questionnaires, interview guides and observations and were analyzed descriptively and inferentially. As such, the results of the analysis indicated that financial performance of the savings and credit cooperative societies' was informed by a host of factors. However, it was observed that the SACCOs rarely use their reserves and other internal resources in times of dire financial need and instead resort to

debt financing and sometimes customer deposits to offset their financial and other obligations. The study recommended government intervention to facilitate loan restructuring and therefore boost the liquidity of the SACCOs as the depositors make efforts to increase savings to enhance financial stability. Although the study purported to have adopted a case study design, it is clear that many SACCOs formed the unit of analysis upon which survey sampling was conducted hence contradicting the notion of a case study. However, it is understood that the study was only limited to the SACCOs found in Gekenke district only. The current study, however, will take a broader scope of an entire county that consists of about 17 districts and will involve a survey whose findings can easily be generalized to other SACCOs even outside the geographical confines of Nairobi County.

Odero (2021) conducted a study with an aim of establishing the influence of ethical practices on performance of deposit-taking SACCOs in Kenya. In particular, the study sought to unearth the understanding of the role of linkages from the deposit-taking SACCOs on their organizational performance using a positivism philosophy and a correlational research design. In addition, the study focused on 42 deposit-taking SACCOs operating in Nairobi County and used structured research questionnaire to collect the requisite study data from a total of 126 respondents who were senior managers of the SACCOs. Using both regression and correlation analysis techniques for analysis, the study results showed that ethical practices positively influenced financial performance of the SACCOs. The study argued that financial performance of the SACCOs can be improved by instilling ethical conduct, practices and a prescribed code of conduct that all employees should adhere to. However, the study did not detail various dimensions of financial performance for interrogation and development of more current and up-to-date literature on performance of deposit-taking SACCOs.



## 2.4 Conceptual Framework



**Independent Variable**

**Dependent Variable**

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter presents the details of the research methods and approaches that were adopted to enable the researcher to carry out the study. Specifically, it presents details about the research design, population of the study, sample and sampling technique, the data collection tool, actual data collection procedure, analysis, interpretation and presentation of the findings.

#### 3.2 Research Design

A research design can be understood in terms of the structure, methods and approaches that guide a study through the stages of conducting research (Saunders, Lewis and Thornhill, 2016). It indicates how a researcher outlines the roadmap for conducting a study using various techniques, methods and approaches to be able to achieve the stated research objectives. This study adopted a descriptive survey design to help describe the relationship between innovative CSR Strategies and performance of DT-SACCOs in Nairobi County, Kenya. The descriptive research design was preferred as it enabled the researcher to describe phenomena in clear and precise terms.

#### 3.3 Target Population

Population refers to the total enumeration of all units, objects, subjects or individuals with particular characteristics in common. The target population is explained as the sum total of all objects, elements, items, persons which a researcher is interested to study, make generalizations and draw conclusions. The target population for this particular study was made up of a total of 45 licensed and SASRA-compliant DT-SACCOs in Nairobi county, Kenya. From each of the 45 DT-SACCOs, 3 managers were selected to fill in the questionnaires

Table 1

*Target Population*

	<b>Category</b>	<b>Population</b>
1.	Chief Executive Officer	45
2.	Finance Managers	45
3.	Strategy/ Business Development Managers	45
4.	TOTAL	135

### 3.4 Data Collection

The researcher collected primary data from the managers of the DT-SACCOs using structured research questionnaire. The questionnaire had a total of six distinct sections which sought information on: the demographic characteristics of the organization; and the other five sections focusing on specific variables of the study. Apart from the first section which focused on organizational characteristics, all other sections consisted of structured closed ended statements which the respondents rated on a scale of 1-5 where 1- represents “strongly disagree” while 5- represents “strongly agree”. The first section detailed the organizational characteristics the second section captured indicators on responsibility-related values, the third section focused on environmental responsibility while the fourth section dwelt on Philanthropic social responsibility the fifth section touched on Green innovation while the last section of the questionnaire collected data on organizational performance.

### 3.5 Data Preparation and analysis

The research data which was collected using the structured questionnaires was checked for completeness, the complete questionnaires were coded, and the data entered into the SPSS Version 25 for analysis. The analysis of data involved the use of frequencies, descriptive, and inferential analysis techniques to establish the association between the innovative CSR activities and performance. The inferential analysis also entailed both regression and correlation analyses to establish the interrelation between the study variables. The results were presented in tables using percentages, frequencies,  $\mu$  values as well as standard deviations to indicate dispersion from the average. The regression analysis followed the model:  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \hat{\epsilon}$ ,

Where:

Y = Dependent variable (SACCO Performance),

$\beta_i$  = Regression Coefficients (predicted),

$\beta_0$  = Constant,

$X_1$  = Responsibility-related Values,  $X_2$  = Environmental Responsibility,  $X_3$  = Philanthropic Social Responsibility,  $X_4$  = Green Innovation,  $\hat{\epsilon}$  = error term

**CHAPTER FOUR**  
**DATA ANALYSIS, RESULTS, AND DISCUSSION OF FINDINGS**

**4.1 Introduction**

This chapter presents the results of the analysis of the study data in terms of the response rate, pilot study results, demographic results, the descriptive results and inferential findings per variable.

**4.2 Response Rate**

From a total of 135 respondents to whom the research questionnaire was administered, a total of 130 filled copies of the questionnaire were returned. This represents a response rate of 96.3%. Baruch (1999) opines that a good response rate in an academic study should be within the range of 60% (with a standard deviation of 20%). Table 2 presents the response rate

**Table 2**

***Response Rate***

Category	Number of all issued Questionnaires	Number of all returned Questionnaires	Response Rate
Respondents	135	130	96.3%

Accordingly, table 2 shows that the response rate of 96.3% is considered to be very good guided by Morton *et. al* (2012) study. In addition, it is important to note that seven (7) out of all the returned questionnaires were omitted from the analysis since they did not meet the completeness and inclusion criteria. As a result, a total of one hundred and twenty-three (123) of all the returned questionnaires were effectively used for purposes of analysis and reporting in this study.

**4.3 Demographic characteristics**

While pursuing the general and specific research objectives, interest was taken in the demographic characteristics of the unit of analysis and therefore information sought regarding the age of the SACCO, the duration for which the organization has been operating as a deposit-taking SACCO, its status of compliance with Sacco Societies Regulatory Authority (SASRA) and the size of the organization in terms of the number of employees on board. Tables 3, 4, 5, 6 and 7 present the findings relating to the demographic characteristics of the SACCOs.

### 4.3.1 Age of the Organization

The respondents were asked to indicate the duration for which their respective deposit taking SACCOs had been in existence. Table 3 presents the findings on the age of the organizations.

**Table 3**

*Age of the SACCO*

How Old is the SACCO?	Frequency	Percent
0-10 years	2	1.6
11-20 years	16	13.0
21-30 years	17	13.8
31-40 years	19	15.4
41-50 years	32	26.0
51-60 years	22	17.9
60 years and above	15	12.2
Total	123	100.0

According to the results of the analysis shown in table 3, slightly more than a quarter (26%) of the licensed deposit-taking SACCOs in Nairobi county have existed for 41-50 years, followed by 17.9% which have been there for 51-60 years and 15.4% of the SACCOs that have been operating since the last 31-40 years while 12.2% of the SACCOs were established about 60 years ago. In addition, the findings show a consistent establishment and growth of the SACCOs over the last three decades with 13.8% of the SACCOs having existed for between 21-30 years, 13.0% have been there for 11-20 years and only 1.6% of the contacted DT-SACCOs have existed for 10 or less years. Whereas the industry reports acknowledge a number of SACCOs that were started and never passed the test of time, these statistics indicate that most of the deposit-taking SACCOs in Nairobi county have existed for several years and have developed good track record in the SACCO movement hence the market confidence in such organizations.

### 4.3.2 Deposit-Taking period

This study sought to establish the duration for which these SACCOs had been taking deposits from their respective members. Table 4 shows a summary of how long these SACCOs have been operating as deposit-taking SACCOs.

**Table 4*****Deposit-Taking Duration***

For how long has the organization been deposit-taking?	Frequency	Percent
0-10 years	13	10.6
11-20 years	36	29.3
21-30 years	23	18.7
31-40 years	25	20.3
41-50 years	20	16.3
51-60 years	6	4.9
Total	123	100.0

From the findings presented in table 4, it is evident that all the SACCOs that participated in this study have been taking deposits from their members, but in varying durations of time. Specifically, while the data shows that only 4.9% of the SACCOs have been taking deposits for about 51-60 years, most of the SACCOs have been taking deposits since the last 50 years with 16.3% of them having taken deposits from 41-50 years ago, 20.3% of the SACCOs operated as deposit-taking entities for the period ranging from 31-40 years, followed by 18.7% of the SACCOs which have been deposit-taking for about 21-30 years. Importantly, the study further shows that majority (29.3%) of these SACCOs in Nairobi County have been operating as deposit-taking SACCOs for the last 11-20 years while about 10.6% of them have been operating as deposit-taking SACCOs over the last 10 years.

**4.3.3 SASRA compliance**

The respondents were asked to indicate whether their SACCOs were compliant to the regulations of SASRA. Table 5 shows the results obtained from the analysis.

**Table 5*****Compliance to SASRA Regulations***

Is the SACCO compliant to SASRA regulations?	Frequency	Percent
Yes	123	100.0

According to the results shown in table 5, it emerges that all (100%) of the 123 respondents indicated that their respective deposit-taking SACCOs are compliant to the Sacco Societies Regulatory Authority's regulations. This implies that all the DT-SACCOs in Nairobi county are

authorized and licensed to take deposits from their members and that they tend to be compliant to the requirements of the regulator.

#### **4.3.4 SASRA Compliance Period**

Besides checking the compliance status of the SACCOs, this study also intended to unearth the duration in years during which the deposit-taking SACCOs have been compliant to SASRA. Table 6 shows the time periods for which the SACCOs have been SASRA compliant.

**Table 6**

##### *SASRA Compliance Period*

If yes, for how long has the organization been SASRA-compliant	Frequency	Percent
5 years and below	10	8.1
6-10 years	66	53.7
11-15 years	26	21.1
15-20 years	21	17.1
Total	123	100.0

From the results shown in table 6, most (53.7%) of the respondents indicated that their deposit-taking SACCOs have complied to the requirements of SASRA for a period of about 6-10 years, 8.1% had the perception that their SACCOs have been compliant for 5 years and below while 21.1% of them specified that their SACCOs have been compliant for a period of about 11-15 years as 17.1% of the respondents opine that their SACCOs have been compliant to SASRA regulations for about 15-20 years. From these findings, it comes out clearly that most of the deposit-taking SACCOs are compliant and that the SACCO societies' compliance increased over the last 15 years. With the increase in compliance to the regulator, investor confidence in the SACCO movement is enhanced as the safety of member deposits is guaranteed unlike in the past where members lost huge sums of money to unregulated SACCOs.

#### **4.3.5 Staff Size**

This study sought to understand the demographic characteristics of the deposit-taking SACCOs in terms of their staff size. Accordingly, the respondents were asked to indicate the numbers of employees in their respective SACCOs. Table 7 presents the results of the analysis showing the number of employees each of the SACCOs has.

**Table 7*****Number of Employees***

How many employees does the SACCO have?	Frequency	Percent
1-10 employees	2	1.6
11-20 employees	12	9.8
21-50 employees	55	44.7
51-100 employees	39	31.7
Over 100 employees	15	12.2
Total	123	100.0

Table 7 shows that most of the deposit-taking SACCOs are well established small and medium-sized enterprises with a staff size ranging from 21-100 employees. Specifically, majority (44.7%) of the deposit-taking SACCOs have 21-50 employees while 31.7% of the SACCOs have a staff size of about 51-100 employees. It is also important to note that about 1.6% of the SACCOs have 10 or less employees, and 9.8% of the SACCOs have between 11-20 employees, there are 12.2% of the SACCOs that employ over 100 staff members and are therefore considered to be large enterprises.

**4.4 Descriptive Findings of the Study Variables**

This section presents the descriptive findings of the study in order of the specific research objectives. The results are interpreted from the tables and the findings discussed per variable in details.

**4.4.1 Responsibility Related Values**

The respondents were asked to rank six constructs of responsibility-related Values on a scale of 1 (strongly disagree) to 5 (Strongly Agree). Their responses are presented in table 8.



**Table 8*****Responsibility Related Values***

	$\mu$	Std. Deviation
Our business strategies and engagements are socially just	4.66	.509
We are guided by equity as one of the core values of the organization	4.66	.584
The organization promotes fairness to employees, customers and the environment	4.57	.654
The organization emphasizes on Integrity in all activities and engagements with stakeholders	4.53	.591
Accountability is practiced at all levels of strategy, management and operations	4.46	.604
The managers and leaders encourage transparency in all activities and engagements of the organization	4.52	.670

From the results shown in table 8, the respondents concurred (Mean ( $\mu$ ) = 4.66; Standard deviation. ( $\delta$ ) = 0.509) that the business strategies and engagements of the deposit-taking SACCOs are socially just in their CSR strategies and activities. In addition, the respondents strongly averred ( $\mu$  = 4.66;  $\delta$  = 0.584) that the deposit-taking SACCOs are guided by equity as one of the core values of their organizations. Majority of the respondents also indicated ( $\mu$  = 4.57;  $\delta$  = 0.654) the SACCOs promote fairness to employees, customers and the environment. In addition, most of the respondents strongly agreed ( $\mu$  = 4.53;  $\delta$  = 0.591) that the SACCOs emphasize on integrity in all activities and engagements with stakeholders. Majority of the respondents also concurred ( $\mu$  = 4.46;  $\delta$  = 0.604) that the SACCOs practice accountability at all levels of strategy, management and operations. Whereas very few respondents expressed concerns regarding transparency, many of them agreed ( $\mu$  = 4.52;  $\delta$  = 0.670) that the managers and leaders of the SACCOs encourage transparency in all activities and engagements of the organization.

**4.4.2 Environmental Responsibility**

The respondents were asked to rank five constructs of environmental responsibility on a scale of 1 (strongly disagree) to 5 (Strongly Agree). Their responses are presented in table 9.

**Table 9*****Environmental Responsibility***

	$\mu$	Std. Deviation
The SACCO strategy seeks to contribute to Protection of the Environment	4.48	.548
The organization participates in and supports Environmental Conservation initiatives	4.54	.562
We contribute towards projects that focus on Development of the Environment	4.59	.525
Our responsibility strategies and activities are designed to promote Environmental Consciousness	4.53	.591
Our organization complies to the Legal and regulatory requirements regarding the protection and development of the environment	4.50	.578

Table 9 shows that the respondents generally provided their responses in favour of all the five constructs of environmental responsibility. In particular, the results presented in table 9 indicate a consensus ( $\mu = 4.48$ ;  $\delta = 0.548$ ) by the respondents that the strategies adopted by their respective SACCOs seek to contribute to Protection of the Environment. In addition, most of the respondents strongly agreed ( $\mu = 4.54$ ;  $\delta = 0.562$ ) that the deposit-taking SACCOs participate in and support environmental conservation initiatives. Moreover, most of the respondents strongly agreed ( $\mu = 4.59$ ;  $\delta = 0.525$ ) that their organizations contribute towards projects that focus on development of the environment. Whereas a majority of the respondents indicated ( $\mu = 4.53$ ;  $\delta = 0.591$ ) that their responsibility strategies and activities are designed to promote environmental consciousness a few of them held a neutral view as they neither took a favourable opinion nor an adverse response. On the same note, several respondents stated ( $\mu = 4.50$ ;  $\delta = 0.578$ ) that their SACCOs comply to the legal and regulatory requirements regarding the protection and development of the environment.

**4.4.3 Philanthropic Social Responsibility**

The respondents ranked the five constructs of philanthropic social responsibility on a scale of 1 (strongly disagree) to 5 (Strongly Agree). Their responses are presented in table 10.

**Table 10*****Philanthropic Social Responsibility***

	$\mu$	Std. Deviation
The organization gives employees time to participate in corporate responsibility activities in the society	4.47	.631
The organization has a provision for societal responsibility from where it supports implementing partners financially	4.50	.606
There are employees who are directly engaged in Partnerships, and community relations	4.50	.534
The organization also does Non-financial philanthropy where it provides non-financial support to CSR activities	4.41	.612
Our SACCO makes In-kind contributions to societal projects and programs by providing the required materials and resources	4.50	.592

Table 10 shows the descriptive results indicating that most of the respondents strongly agreed ( $\mu = 4.47$ ;  $\delta = 0.631$ ) that the SACCOs give employees ample time to participate in corporate responsibility activities in the society. The study also indicates ( $\mu = 4.50$ ;  $\delta = 0.606$ ) that the SACCOs often make provisions for social responsibility initiatives whereupon they provide financial support to other organizations that implement social responsibility and philanthropic activities. The respondents also indicated ( $\mu = 4.50$ ;  $\delta = 0.533$ ) that in their various organizations, there are specific employees who are entrusted with the duty to engage with development partners and the community in furthering the CSR roles. In addition, the study established ( $\mu = 4.41$ ;  $\delta = 0.612$ ) that the deposit taking SACCOs also provide non-financial support to CSR activities in the community as evidenced numerous respondents who strongly agreed that the organizations also engage in non-financial philanthropy hence providing non-financial support to CSR activities. Majority of the respondents also averred ( $\mu = 4.50$ ;  $\delta = 0.592$ ) that the SACCOs also make in-kind contributions to societal projects and programs in form of materials and resources that are required to implement corporate social responsibility initiatives.

#### 4.4.4 Green Innovation Strategy

The respondents were asked to rank six constructs of green innovation strategy on a scale of 1 (strongly disagree) to 5 (Strongly Agree). Their responses are presented in table 11.

**Table 11**

##### *Green Innovation Strategy*

	$\mu$	Std. Deviation
We strive to eliminate wastes at all levels of production and service delivery	4.42	.587
The organization supports green product design	4.55	.531
There are measures put in place to prevent of pollution of the environment	4.54	.591
Our organization promotes re-use and recycling of wastes as a way of managing costs	4.57	.529
The organization emphasizes on optimal use of energy in all operations and turning off when not in use	4.61	.490

The results shown in table 11 indicate a near unanimous concurrence ( $\mu = 4.42$ ;  $\delta = 0.587$ ) by the respondents that their organizations strive to eliminate wastes at all levels of their production and service delivery points. The results further show that the respondents strongly agreed ( $\mu = 4.55$ ;  $\delta = 0.531$ ) that their organization supports green product design. Whereas only a handful respondents had objections, several respondents affirmed ( $\mu = 4.54$ ;  $\delta = 0.591$ ) that their organizations have put a raft of measures in place to prevent pollution of the environment. Save for few respondents whose responses were neutral, most of the respondents strongly agreed ( $\mu = 4.57$ ;  $\delta = 0.529$ ) that their organizations promote re-use and recycling of wastes as a way of managing costs while emphasizing the need for optimal use of energy resources.

#### 4.4.5 SACCO Performance

The respondents were asked to rank 14 constructs of performance of DT- SACCOs on a scale of 1 (strongly disagree) to 5 (Strongly Agree). Their responses are presented in table 12.

**Table 12*****Performance of DT-SACCOs***

	$\mu$	Std. Deviation
The SACCO is able to meet its short-term financial obligations	4.72	.501
The organization makes both gross and net profits	4.61	.522
Our SACCO is financially stable	4.61	.522
We are able to generate good Returns on members' Investment	4.57	.529
The SACCO generates higher dividend yield and makes payouts	4.58	.495
We contribute to advancement of socio-economic welfare of the society	4.49	.518
The organization is operating efficiently	4.50	.502
The strategic engagements make great social impact	4.45	.531
Customers are satisfied with the products and services	4.54	.501
The market perceives our organization as a strong brand with high value	4.54	.516
The organization staff capacities are enhanced continuously	4.47	.705
Customers prefer our financial products to those offered by the bank	4.71	.457
Members borrow more from the SACCO compared to banks	4.69	.464
Membership to the SACCO increases every year	4.64	.589

According to the results shown in table 12, the respondents strongly agreed ( $\mu = 4.72$ ;  $\delta = 0.501$ ) that the SACCOs meet their short-term financial obligations. The findings also indicate ( $\mu = 4.61$ ;  $\delta = 0.522$ ) that majority of the deposit-taking SACCOs are financially stable as they generate both gross and net profits annually thereby generating good returns ( $\mu = 4.57$ ;  $\delta = 0.529$ ) on investments made by the members. This is evident from all the respondents who concur ( $\mu = 4.58$ ;  $\delta = 0.495$ ) that the SACCOs generate higher amounts of dividend yields and therefore pay the members their dividends in proportion of their respective shareholding in the SACCO. Moreover, the study established ( $\mu = 4.47$ ;  $\delta = 0.705$ ) that the SACCOs support their staff to advance their careers and hence improve their productivity through continuous employee capacity enhancement activities. The responses obtained also demonstrate ( $\mu = 4.50$ ;  $\delta = 0.502$ ) that the DT-SACCOs in Nairobi operate more efficiently and therefore concurred ( $\mu = 4.49$ ;  $\delta = 0.518$ ) contribute to the advancement of socio-economic welfare of the society. In addition, the results also indicate ( $\mu = 4.45$ ;  $\delta = 0.531$ ) that the strategic engagements of the SACCOs in CSR activities are socially impactful and also agreed ( $\mu = 4.54$ ;  $\delta = 0.501$ ) that the market is satisfied with the SACCO products and services. The respondents unanimously agreed ( $\mu = 4.54$ ;  $\delta = 0.516$ ) that there is a

favourable market perception about the SACCOs which they strongly perceived ( $\mu = 4.71$ ;  $\delta = 0.457$ ) to make the customer to prefer the SACCO products to the bank products. This justifies ( $\mu = 4.69$ ;  $\delta = 0.464$ ) the reason as to why customers borrow more from SACCOs than the banks. Although very few respondents held a contrary opinion, majority of the respondents indicated solidly ( $\mu = 4.64$ ;  $\delta = 0.589$ ) that the membership to the SACCOs increases consistently every year.

#### **4.5 Inferential Findings of the Study Variables**

Inferential analysis was conducted to establish the relationships between the variables and to further answer the research questions. In this regard, both Pearson correlation and Linear regression analyses were conducted and inferences drawn from the results of the analysis. Those inferences were further relied upon to draw conclusions on the relationships between each independent variable and the dependent variable.

##### **4.5.1 Correlation Analysis**

This study investigated the association between the independent and the dependent variables of the study. The analysis was done using correlation coefficient and the results are presented in table 13.

**Table 13**  
**Correlations**

		Responsibility Related Values	Environmental Responsibility	Philanthropic Social Responsibility	Green Innovation Strategy	Performance
Responsibility- Related Values	Pearson Correlation	1	.042	.068	.237**	.254**
	Sig. (2-tailed)		.642	.458	.008	.005
	N	123	123	123	123	123
Environmental Responsibility	Pearson Correlation	.042	1	.189*	.168	.332**
	Sig. (2-tailed)	.642		.036	.064	.000
	N	123	123	123	123	123
Philanthropic Social Responsibility	Pearson Correlation	.068	.189*	1	.188*	.187*
	Sig. (2-tailed)	.458	.036		.037	.038
	N	123	123	123	123	123
Green Innovation Strategy	Pearson Correlation	.237**	.168	.188*	1	.327**
	Sig. (2-tailed)	.008	.064	.037		.000
	N	123	123	123	123	123
Performance	Pearson Correlation	.254**	.332**	.187*	.327**	1
	Sig. (2-tailed)	.005	.000	.038	.000	
	N	123	123	123	123	123

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

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

Table 13 shows the results of the analysis of the correlations between the independent and the dependent variables. From the results, it emerges that responsibility-related values have a positive and statistically significant ( $r = 0.254$  and  $P < 0.05$ ) association with performance of the deposit-taking SACCOs. These findings imply the need for the organizations to emphasize and practice the responsibility-related valued at a higher scale. The findings of this study confirm the results of Hamisi and Gichinga (2020) which revealed that the economic social responsibility, ethical social responsibility and philanthropic social responsibility were positively correlated with performance of the deposit taking SACCOs in Mombasa County, Kenya.

In addition, the analysis results demonstrate a positive and statistically significant ( $r = 0.332$  and  $P < 0.05$ ) correlation between environmental responsibility and performance of the deposit-taking SACCOs implying that there is still more to do insofar as implementing environmental CSR is concerned. In concurrence with the results of Alam and Islam (2020) this study indicates that

environmental corporate social responsibility dimensions are impactful towards improving green corporate image as well as the green competitive advantage.

The results also show an infirm, positive and statistically insignificant ( $r = 0.123$  and  $P > 0.05$ ) association between philanthropic social responsibility and performance of the deposit taking SACCOs. These findings are in concurrence with Navickas and Kontautiene (2011) study which examined the impact of corporate philanthropic activities on their economic performance and established that corporate philanthropic activities positively impact on both the financial indicators related to financial revenue growth and economic indicators as well as in the building of relationships with all the organizations' stakeholders. These findings further imply the need to refocus and re-strategize the philanthropic activities and initiatives that the SACCOs engage in to boost their overall performance.

According to the results of the analysis, green innovation strategy is observed to have a weak, positive but statistically significant relationship with performance of the deposit-taking Savings and Credit Cooperatives in Nairobi county, Kenya. These results show that performance can be enhanced by improving and increasing green interventions, minimizing or eliminating wastes and continuously improving systems and processes within the organization. These initiatives can also be accentuated in the society through innovation and awareness creation on sustainable green practices. The findings of this study confirm the results of Wang, Khan, Anwar, Shahzad, Adu, and Murad (2021) which revealed a statistically significant association between green innovation practices and SACCO performance.

#### **4.5.2 Regression Analysis**

This study also sought to establish the nature and magnitude of the association between each of the four independent variables and the dependent variable. In this instance, simple linear regression models were used in respect of each of the specific objectives of the study and the results are presented in tables 14, table 15, and table 16.



**Table 14****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.474 <sup>a</sup>	.225	.199	.14706

a. Predictors: (Constant), Green Innovation Strategy, Environmental Responsibility, Responsibility Related Values, Philanthropic Social Responsibility

Table 14 show that there is a fairly strong positive correlation ( $R = 0.474$ ) between innovative corporate social responsibility strategies and performance of deposit-taking SACCOs in Nairobi, Kenya. In addition, the coefficient of determination ( $R$  square = 0.225) indicates that the model explains 22.5% of the observed data implying that the model explains 22.5% variability in performance of the deposit-taking SACCOs.

**Table 15****ANOVA**

Model	Sum of Squares	df	$\mu$ Square	F	Sig.
Regression	.741	4	.185	8.564	.000 <sup>b</sup>
Residual	2.552	118	.022		
Total	3.293	122			

a. Dependent Variable: SACCO Performance

b. Predictors: (Constant), Green Innovation Strategy, Environmental Responsibility, Responsibility Related Values, Philanthropic Social Responsibility

From the analysis of Variance, it emerges that the model is statistically significant ( $F = 8.564$ ;  $P$ -value  $< 0.05$ ). This further implies that the model fits the study data well and that innovative CSR strategies adopted statistically and significantly influence the performance of the DTSACCOs.

**Table 16*****Regression Coefficients***

	Unstandardized		Standardized		Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	
(Constant)	2.882	.303		9.510	.000
Responsibility Related Values	.096	.043	.185	2.212	.029
Environmental Responsibility	.130	.040	.271	3.253	.001
Philanthropic Social Responsibility	.039	.040	.081	.972	.333
Green Innovation Strategy	.109	.042	.223	2.606	.010

a. Dependent Variable: Performance

The regression coefficients also indicate a positive association between innovative each of the CSR strategies (Responsibility Related Values, Environmental Responsibility, Philanthropic Social Responsibility and Green Innovation Strategy) and performance of DT-SACCOs since each of the predicted beta coefficients of the independent variables take positive values. given a constant of 2.882  $\mu$ ing that if other factors are held constant, the SACCO performance improves by a unit when responsibility related values increase by 0.096 units, environmental responsibility strategy is enhanced by 0.130 units, Philanthropic Social responsibility increases by 0.039 as green innovation strategy increases by 0.109 units. This relationship is presented in a linear regression model as follows; SACCO Performance = 2.882 + 0.096 (responsibility related values) + 0.130 (environmental responsibility) + 0.039 (philanthropic social responsibility) + 0.109 (Green Innovation Strategy) ..... (i). It is important to note that while philanthropic social responsibility positively influences SACCO performance, the contribution of this strategy is statistically insignificant and therefore needs to be relooked at appropriate managerial decision made to increase its overall impact. Except for philanthropic social responsibility which has a statistically insignificant association with SACCO performance, the rest of the independent variables in the regression model significantly improve the SACCO performance as a result of the organizations. However, the results further show that the predicted coefficients across all the variables tend closer to zero implying that the positive contributions to SACCO performance are infinitesimal and therefore it is necessary to consider making necessary improvements in the CSR strategies and adopting best practices to increase the CSR impact on performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents a summary of the findings which were discussed in the previous chapter in respect of each of the specific objectives and hypotheses. It also presents some recommendations arising from the results of the study and conclusions drawn from the inferences and outcomes of the analysis. The discussion of the study findings, recommendation and conclusions are presented in order of the research objectives. In addition, the chapter also presents the limitations of the study and some suggestions for further studies.

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

The purpose of this study was to examine the relationship between Innovative CSR strategies and performance of the deposit-taking SACCOs in Nairobi county, Kenya. This objective was further broken down into specific elements of innovative CSR strategies which informed the four specific research objectives against which data was collected, analyzed and discussed and those findings are summarized accordingly in this section.

##### **5.2.1 Responsibility-related Values**

The respondents concurred that the business strategies and engagements of the deposit-taking SACCOs are socially just. Also, it emerged that the deposit-taking SACCOs are guided by equity as one of the core values of their organizations, the SACCOs promote fairness to employees, customers and the environment and that the SACCOs emphasize on integrity in all activities and engagements with stakeholders. Most of the respondents also concurred that the SACCOs practice accountability at all levels of strategy, management and operations. It also emerged that the managers and leaders of the SACCOs encourage transparency in all activities and engagements of the organization

##### **5.2.2 Environmental Responsibility**

The results of the study show a consensus by the respondents that the strategies adopted by their respective SACCOs seek to contribute to Protection of the Environment and that the deposit-taking SACCOs participate in and support environmental conservation initiatives. Moreover, the study established that the organizations contribute towards projects that focus on development of the

environment as the respondents indicated that their responsibility strategies and activities are designed to promote environmental consciousness. On the same note, a majority of the respondents stated that their SACCOs comply to the legal and regulatory requirements regarding the protection and development of the environment.

### **5.2.3 Philanthropic Social Responsibility**

Most of the respondents strongly agreed that the SACCOs give employees ample time to participate in corporate responsibility activities in the society. The study also indicates that the SACCOs often make provisions for social responsibility initiatives whereupon they provide financial support to other organizations that implement social responsibility and philanthropic activities. The respondents also indicated that there are specific employees who are entrusted with the duty to engage with development partners and the community in furthering the CSR roles in their various organizations. In addition, the study established that the deposit taking SACCOs also provide non-financial support to CSR activities in the community. The organizations also engage in non-financial philanthropy hence providing non-financial support to CSR activities. Majority of the respondents also state that the SACCOs also make in-kind contributions to societal projects and programs in form of materials and resources that are required to implement corporate social responsibility initiatives.

### **5.2.4 Green Innovation Strategy**

There was a unanimous concurrence by the respondents that their organizations strive to eliminate wastes at all levels of their production and service delivery points. The results further show that the respondents agreed that their organization supports green product design. The study also found out that the organizations have put a raft of measures in place to prevent pollution of the environment. Moreover, it came out of the study that most of the organizations promote re-use and recycling of wastes as a way of managing costs while emphasizing the need for optimal use of energy resources.

### **5.2.5 Performance of Deposit-Taking SACCOs**

The results show that the SACCOs meet their short-term financial obligations. The findings also indicate that majority of the deposit-taking SACCOs are financially stable as they generate both

gross and net profits annually thereby generating good returns on investments made by the members. The responses obtained also demonstrate that the DT-SACCOs in Nairobi operate more efficiently and therefore contribute to the advancement of socio-economic welfare of the society. In addition, the strategic engagements of the SACCOs in CSR activities are socially impactful and that the market is satisfied with the SACCO products and services. The respondents unanimously agreed that there is a favourable market perception about the SACCOs which makes the customer to prefer the SACCO products to the bank products. This justifies the reason as to why customers borrow more from SACCOs than the banks hence the increasing number of members to the SACCOs every year.

### **5.3 Conclusions**

This section presents the conclusions that were drawn from the analysis of the study findings and the inferential results. The conclusions are presented in this section in line with each of the specific research objectives.

#### **5.3.1 Responsibility related values and performance**

From the results, it emerges that responsibility-related values have a positive but weak and statistically significant association with performance of the deposit-taking SACCOs. These findings imply the need for the organizations to emphasize and practice the responsibility-related values at a higher scale.

#### **5.3.2 Environmental Responsibility and performance**

The analysis results demonstrate that as positive and statistically significant correlation between environmental responsibility and performance of the deposit-taking SACCOs implying that there is still more to do in so far as implementing environmental CSR is concerned.

#### **5.3.3 Philanthropic Social Responsibility and performance**

The results also show positive but weak and statistically insignificant association between philanthropic social responsibility and performance of the deposit taking SACCOs. These findings further imply the need to refocus and re-strategize the philanthropic activities and initiatives that the SACCOs engage in to boost their overall performance.

### **5.3.4 Green Innovation Strategy and performance**

According to the results of the analysis, green innovation strategy is observed to have a weak, positive but statistically significant relationship with performance of the deposit-taking SACCOs. These results show that performance can be enhanced by improving and increasing green interventions both within the organization and in the society within which the organizations operate.

## **5.4 Recommendations**

This section presents the recommendations based on the observations made from the study. These recommendations are presented per study variable in order of the specific research objectives.

### **5.4.1 Responsibility related values**

Whereas the results show that responsibility-related values have a positive but weak and statistically significant association with performance of the deposit-taking SACCOs, this study recommends that the organizations should emphasize and practice the responsibility-related values at a higher scale. In addition, the Sacco Societies Regulatory Authority's regulations should entrench ethical values in their regulations and incorporate such values in their governance systems and structures.

### **5.4.2 Environmental Responsibility**

Although the analysis results demonstrate that as positive and statistically significant correlation between environmental responsibility and performance of the deposit-taking SACCOs implying that there is still more to do insofar as implementing environmental CSR is concerned. It is on this basis that this study recommends that the deposit-taking SACCOs should prioritize their contributions to environmental sustainability by partnering with like-minded organizations to synergize for mutual benefits.

### **5.4.3 Philanthropic Social Responsibility**

Considering that this study showed positive but weak and statistically insignificant association between philanthropic social responsibility and performance of the deposit taking SACCOs, it is recommended that the deposit-taking SACCOs refocus their philanthropic interventions and re-strategize to boost their overall performance. Where it may not be viable to support the society

through sponsorships, it is recommended that the SACCOs should establish direct relations with the communities around to enhance their visibility and impact.

#### **5.4.4 Green Innovation Strategy**

Although the results of the analysis, green innovation strategy is observed to have a weak, positive but statistically significant relationship with performance of the deposit-taking SACCOs, this study recommends the adoption of contemporary green practices that have proven to be efficient and sustainable to minimize unnecessary costs.

#### **5.5 Limitations of the Study**

This study was also hindered by contextual constraints that required respondents from deposit-taking SACCOs only. Although many non-deposit taking SACCOs exist and operate in Nairobi, the researcher mapped out only the licensed deposit-taking SACCOs from which respondents were selected. In some cases, reaching all the high level managers with the questionnaires given the strict timelines. This posed a challenge in field data collection and as a result, the researcher used both hard copies of the research questionnaire and further administered the questionnaire via email. The researcher also liaised with the administrators and human resources managers to assist in administering the questionnaires to the intended participants.

#### **5.6 Suggestions for Further Studies**

Further studies should replicate this study with a focus on housing SACCOs. In addition, a comparative study should be conducted to unearth some differences or similarities in innovative CSR strategies and performance of SACCOs in areas with high economic activity and rural SACCOs. Moreover, future research should replicate this study in other counties in Kenya and possibly consider a nation-wide survey of all the formally operating SACCOs in the country to inform progressive reforms in policy and practice in the SACCO movement. Future studies should establish global benchmarks and guidelines for efficient and effective execution of the Innovative CSR strategies.

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## APPENDICES

### Appendix A

#### *Introduction Letter*

Dear

#### **RE: DATA COLLECTION FOR ACADEMIC RESEARCH**

I am a post graduate student at the University of Nairobi, pursuing a Master of Business Administration degree with a specialization in Strategic Management. In partial fulfilment of the requirement for award of the said degree, I am conducting research titled “Influence of Innovative CSR Strategies on Organizational Performance of deposit-taking SACCOs in Nairobi County, Kenya.

The purpose of this letter is to request you to participate in the study by providing responses to all the sections of the attached research questionnaire. Kindly note that the data will be used for academic purposes only and that any information you provide will not be divulged to any other use. Kindly feel free to fill in the attached questionnaire.

Thank you

Yours sincerely,

Grace Awinyo

Appendix B

Research Questionnaire

**SECTION A: Organizational Characteristics**

1. How old is the Organization?

- 0-10 years
- 11-20 years
- 21-30 years
- 31-40 Years
- 41-50 Years
- 51-60 Years
- 60 Years and above

2. For how long has the organization been operating as a deposit-taking SACCO?

- 0-10 years
- 11-20 years
- 21-30 years
- 31-40 Years
- 41-50 Years
- 51-60 Years

3. Is the SACCO compliant to SASRA regulations?

- Yes
- No
- Not sure

4. If yes, for how long has the organization been SASRA-compliant

- 5 years and below
- 6-10 Years
- 11-15 Years
- 16-20 Years

5. How many employees does the SACCO have?

- 1-10
- 11-20
- 21-50
- 51-100
- Over 100

## SECTION B: Responsibility-related Values

S/No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
RRV1	Our business strategies and engagements are socially just					
RRV2	We are guided by equity as one of the core values of the organization					
RRV3	The organization promotes fairness to employees, customers and the environment					
RRV4	The organization emphasized on Integrity in all activities and engagements with stakeholders					
RRV5	Accountability is practiced at all levels of strategy, management and operations					
RRV 6	The managers and leaders encourage transparency in all activities and engagements of the organization					

## SECTION C: Environmental Responsibility

S/No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
ER1	The SACCO strategy seeks contributes to Protection of the Environment					
ER2	The organization participates in and supports Environmental Conservation initiatives					
ER3	We contribute towards projects that focus on Development of the Environment					
ER4	Our responsibility strategies and activities are designed to promote Environmental Consciousness					
ER5	Our organization complies to the Legal and regulatory requirements regarding the protection and development of the environment					

### SECTION D: Philanthropic Social Responsibility

S/No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
PSR1	The organization gives employees time to participate in corporate responsibility activities in the society					
PSR2	The organization has a provision for societal responsibility from where it supports implementing partners financially					
PSR3	There are employees who are directly engaged in Partnerships, and community relations					
PSR4	The organization also does Non-financial philanthropy where it provides non-financial support to CSR activities					
PSR5	Our SACCO makes In-kind contributions to societal projects and programs by providing the required materials and resources					

### SECTION E: Green Innovation Strategy

S/No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
GIS1	We strive to eliminate wastes at all levels of production and service delivery					
GIS2	The organization supports green product design					
GIS3	There are measures put in place to prevent of pollution of the environment					
GIS4	Our organization promotes re-use and recycling of wastes as a way of managing costs					
GIS5	The organization emphasizes on optimal use of energy in all operations and turning off when not in use					

## SECTION F: Organizational Performance

S/No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
OP1	<b>Financial Performance</b> The SACCO is able to meets its short-term financial obligations					
OP2	The organization makes both gross and net profits					
OP3	Our SACCO is financially stable					
OP4	We are able to generate good Returns on members' Investment					
OP5	The SACCO generates higher dividend yield and makes payouts					
OP6	<b>Non-Financial Performance</b> We contribute to advancement of socio-economic welfare of the society					
OP7	The organization is operating efficiently					
OP8	The strategic engagements make great social impact					
OP9	Customers are satisfied with the products and services					
OP10	The market perceives our organization as a strong brand with high value					
OP11	The organization staff capacities are enhanced continuously					
OP12	Customers prefer our financial products to those offered by the bank					
OP13	Members borrow more from the SACCO compared to banks					
OP14	Membership to the SACCO increases every year					

Appendix C

*List of Deposit-Taking SACCOs in Nairobi, Kenya*

	<b>Name of SACCO</b>	<b>Location/Address</b>	<b>Type of CSR Activity</b>
1.	Afya Sacco Society Ltd	Afya Centre, Tom Mboya Street, Nairobi CBD	
2.	Airports Sacco Society Ltd	Airports SACCO Building, KAA HQs, J.K.I.A	
3.	Elimu Sacco Society Ltd	Elimu Hse, Mubiru Road, South B, Nairobi City	
4.	Kenya National Police DT Sacco Society Ltd	Kenya Police Sacco Plaza, Ngara Rd, Ngara, Nairobi	
5.	Ardhi Sacco Society Ltd	Survey of Kenya Field Hqs, Off Thika Rd, Nairobi	
6.	Asili Sacco Society Ltd	Asili Co-op Centre, Ngara Road, Ngara, Nairobi	
7.	Fundilima Sacco Society Ltd	Fedha House, JKUAT, Thika Road, Juja Town	
8.	Kimisitu Sacco Society Ltd	AEA Plaza, Valley Road. Nairobi City	
9.	Chai Sacco Society Ltd	KTDA Plaza, Moi Avenue, Nairobi CBD	
10.	Chuna Sacco Society Ltd	Engineering Dept. UON, Harry Thuku Rd, Nairobi City	
11.	Harambee Sacco Society Ltd	Harambee Sacco Plaza, Nairobi City Centre	
12.	Hazina Sacco Society Ltd	Hazina SACCO Bldg. Kibera Rd, Off Ngong Rd. Nairobi	
13.	Jamii Sacco Society Ltd	Jamii Sacco Court, Mukenia Rd, South B, Nairobi	
14.	Magereza Sacco Society Ltd	Mageso Chambers, Moi Avenue, Nairobi City Centre	
15.	Maisha Bora Sacco Society Ltd	Unilever Kenya Office, Commercial Street, Industrial Area, Nairobi	
16.	Metropolitan National Sacco Society Ltd	Chai House, Koinange Street, Nairobi City Centre	
17.	Defence Sacco Society Ltd	DOD HQS, Nairobi	
18.	Kencream Sacco Society Ltd	Creamery House, Dakar Road, Nairobi	
19.	Kenpipe Sacco Society Ltd	Kenpipe Plaza, Off Nanyuki Rd, Industrial Area, Nairobi	
20.	Kenversity Sacco Society Ltd	Kenversity Plaza, Kahawa Sukari Area, Nairobi	
21.	Kenya Bankers Sacco Society Ltd	Kenya Bankers Sacco Centre, 3rd Ngong Avenue, Nairobi City	
22.	Mwalimu National Sacco Society Ltd	Mwalimu Towers, Upper Hill, Nairobi	
23.	Mwito Sacco Society Ltd	Mwito House, Desai Road, Nairobi City	



24.	Nacico Sacco Society Ltd	NACICO Plaza, Landhies Road, Nairobi City	
25.	Nafaka DT Sacco Society Ltd	Nairobi Silos Complex, Outer-Ring Road, Nairobi	
26.	Nation DT Sacco Society Ltd	Cambrian House, Moi Avenue, Nairobi CBD	
27.	Ballot Regulated NonWDT-Sacco	Anniversary Towers 21st Floor, Nairobi CBD	
28.	Balozi Regulated NonWDT-Sacco	Golf View Suites Muthaiga Off Wambui Road, Nairobi	
29.	Bands Regulated NonWDT-Sacco	Britam Centre, Upper Hill	
30.	Banki Kuu Regulated Non-WDT-Sacco	Central Bank Of Kenya Headquarters, Nairobi CBD	
31.	Barabara Regulated Non-WDT-Sacco	Barabara Plaza, Mombasa Road, Nairobi	
32.	Baraka Yetu Regulated Non-WDT-Sacco	Nacico Plaza, Ladhies Road, Nairobi	
33.	BAT Regulated NonWDT-Sacco	BAT Premises, Industrial Area	
34.	Bibilia Regulated NonWDT-Sacco	Kamirembe Place Ring Road Kilimani, Nairobi	
35.	NSSF Sacco Society Ltd	Social Security House, Bishops Road, Nairobi	
36.	Nyati Sacco Society Ltd	Odyssey Plaza - Mukoma Rd, Nairobi	
37.	Ufanisi DT Sacco Society Ltd	Development House, Moi Avenue, Nairobi City Centre	
38.	Ukristo Na Ufanisi Wa Anglicana Sacco Society Ltd	ACK Emmanuel Church Riruta, Riruta Area, Nairobi	
39.	Ukulima Saco Society Ltd	Ukulima Co-operative House, Haile Selassie Avenue, Nairobi City Centre	
40.	Unaitas Sacco Society Ltd	Cardinal Otunga Plaza, Kaunda street, Nairobi	
41.	United Nations Sacco Society Ltd	UN-Complex Bldg, Gigiri Area, Nairobi	
42.	Ushuru Sacco Society Ltd	Ushuru SACCO Centre, Wood Avenue, Kilimani, Nairobi City	
43.	Wana-anga Sacco Society Ltd	Meteorological Hqs, Ngong Road, Nairobi City	
44.	Wanandegge Sacco Society Ltd	Wanandegge Plaza, Old North Airport Road, Embakasi, Nairobi	
45.	Waumini Sacco Society Ltd	Applewood Adams Bldg, 2nd Floor, Ngong Rd, Adams Arcade, Nairobi	

Source: *Sacco Societies Regulatory Authority (2022)*