

Factors that Affect Stakeholders' Participation in Corporate Social Responsibility Activities in Kenya Roads Board, Nairobi County

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Abstract

This article examines factors that affect stakeholder's participation in Corporate Social Responsibility activities in Kenya Roads Board, Nairobi County. The study adopted a cross-sectional survey research design and applied a mixed method of quantitative and qualitative approaches. The study was based on a sample of 137 stakeholders. Stratified and simple random sampling was used to select the units of observation. Quantitative and qualitative methods were used to analyze data with both inferential and descriptive analysis employed. The findings of the Pearson correlation coefficient indicated a strong correlation of 0.980 between the type and frequency of activities. In general these statistics confirmed that the two attributes are major factors that affect Stakeholder participation in Corporate Social Responsibility activities in Kenya Roads Board.

Key Words: Stakeholder's participation, Corporate Social Responsibility activities, Kenya Roads Board operations.

Introduction

The fundamental idea of Corporate Social Responsibility (CSR) is that business corporations have an obligation to work towards meeting the needs of a wider array of stakeholders. More generally, CSR is a set of management practices that ensures the company maximizes the positive impacts of its operations on society or "operating in a manner that meets and even exceeds the legal, ethical, commercial and public expectations that stakeholders have of business (Clarkson, 1995; Waddock & Graves, 1997).

Stakeholder participation is key in the development and maintenance of roads which is the core business of Kenya Roads Board. The study focused on Kenya Roads Board (KRB), which is a statutory body which was established under the KRB Act of 1999 as a statutory body to fill a need for efficient utilization of the Road Maintenance Levy Fund (RMLF) in the provision of roads in Kenya (KRB, 2008). The stakeholders in KRB include; motorized and non-motorized road users, National and County Government, development partners and regional economic blocks, manufacturers, levy collecting agents and oil marketers, suppliers of goods and services, affiliated sectors including professional bodies, tourism and security sectors, KRB staff and directors (KRB, 2008). Corporate Social Responsibility is one of the activities carried out in Kenya Roads Board operations. The Kenya Roads Board Social Responsibility Policy is dynamic.

According to the Kenya Roads Board social responsibility policy, the Board concentrates its social responsibility by adding economic value to society and reaffirming the capacity to impact on the future; by adding environmental value through sustainable development and evaluating the sustainability of KRB's operations; by adding ethical value, KRB conducts its business in an honest manner, not for self gain, not to practice unfettered power, to acknowledge its stakeholders and to operate with integrity (KRB, 2011). Since KRB is greatly involved in road fund management, its CSR activities involve among others, road safety, environmental conservation and health and safety sensitization programs which are a concern of the public who are KRB stakeholders since these are vital ingredients of sustainable development (KRB, 2011). Sustainable development is a mutual concern for KRB and its stakeholders since individuals at present want to preserve what is available at the moment for future generation and for continuity purposes.

Whilst the private sector approach to CSR is linked to outperforming competitors and maximizing profits, the public sector approach to CSR is unique because it is pegged on delivery of performance targets to help deliver more efficiently and effectively for instance to develop by-pass roads in order to facilitate ease of traffic and to reduce time and cost consumption. In order to surpass performance targets, there is need for a higher level of engagement of stakeholders. In this regard, CSR can be used as a means of increasing stakeholders' participation and hence creating a symbiotic relationship between the organization and its stakeholders who both benefit from the cause.

In all organizations, stakeholders hold the key to the success of an entity. Without the support of stakeholders, an organization ceases to exist (Nuguti, 2009). In this retrospect, many organizations, both public and private, source for ways and means to involve stakeholders in their operations. In order to involve stakeholders, KRB commits to working with local communities and the government at national and local levels to address the concerns of the community in a constructive way. KRB endeavors to make positive contributions to the communities through financial support for community projects and through the Board's involvement. The areas of concern include health - supporting HIV/AIDS programmes; supporting road safety activities and educating communities on road safety; carrying out an Environmental Impact Assessment for each major road project financed by KRB under the Road Maintenance Levy Fund in order to provide environmentally friendly roads; by designing public ways for developing the Annual Public Roads Programme and ensuring that the stakeholders' needs drive its establishment and implementation; by provisioning an equal opportunities policy for all aspects of employment, the KRB employees policy attempts to ensure that the issues of health, safety and welfare of employees are paramount and by promoting ethical behavior, KRB strives to maintain good corporate citizenship (KRB, 2008).

Samuel and Sarir (1997) assert that CSR focuses on sustainable development, attending to stakeholder priorities and appreciating the debt that the corporation owes to the community in which it operates. This perspective focuses on responsibility towards stakeholders, mainly the community, consumers, shareholders, employees and management rather than profit maximization. There is also more emphasis on long term sustainability of business and environment. The CSR activities in Kenya Roads Board which include road safety and environmental conservation contribute to sustainable development. To retain the support of stakeholders, the company must take those social consequences into account when formulating strategies (Hill and Jones, 2001). In this retrospect, the Kenya Roads Board's strategic plan incorporates annual CSR activities which in essence are expected to enhance stakeholder's participation in the operations of Kenya Roads Board.

Stakeholder's interest determines the success or failure of projects. Some will have the power to influence the project, while others will be able only to voice opinions. All stakeholders might be ranked (primary, secondary, tertiary and so on) according to the power that they can wield and the impact that the project will have on them. (Lock, 2008). Stakeholder involvement benefits both the organization and the stakeholders of the organization. The involvement of stakeholders is a mutually benefiting scheme that marks a person or group as a stakeholder and merits them additional consideration over and above the consideration due to any human being. (Phillips, 1997). In essence, Kenya Roads Board benefits from stakeholders' feedback on the condition of roads and the stakeholders benefit when the roads are upgraded accordingly. According to Steiner (1988), society can and must hold business responsible for social conditions in society because the collective actions of businesses determine to a great extent the prevailing social and environmental state of society.

In essence, the stakeholders can hold the organization responsible for example by providing feedback on the state of roads in Kenya, stakeholders expect Kenya Roads Board to upgrade roads to a maintainable condition from the fuel levy fund which stakeholders contribute to.

Methodology

This was a cross-sectional survey design study. Information from different categories of stakeholders including motorized and non-motorized and KRB staff in Nairobi County was collected. The design was used because the target population consisted of various categories of individuals who were instrumental in providing vital information. In this study, stratified random sampling was used where important subgroups (strata) identified as KRB management, staff, motorized and non-motorized individuals were the respondents. Simple random sampling was carried out for motorized and non-motorized respondents. In this case, each member of the population had an equal chance of being selected. This increased the chance of collecting objective information. The sample size was purposively selected from the population based on their familiarity with the research topic. The total sample size was 137 taken from a population of 306 chosen from a mix of stratified and simple random sampling techniques.

Results and Discussion

The study revealed that the choice and number of CSR activities carried out in a year enhance the level of stakeholders' participation in Corporate Social Responsibility activities in KRB. The findings show that 33.9% of stakeholders would like to be involved in road safety programmes for example road safety sensitization workshops for motorcycle operators, 15.7% would like to be involved in environmental conservation programmes for instance tree planting in soil erosion prone areas. Further, 15% of stakeholders would like to be involved in HIV/AIDS awareness programmes while 1.6% indicated that they would like to be involved in other programmes for example rescue and ambulance services.

According to the study, 47.3% believed that participation in road safety activities was beneficial to them. 63.7% believed that donations were beneficial, 45.6% believed in environmental activities while 40.9% believed in HIV/AIDS awareness activities as beneficial. This is in tandem with the observation of the staff and management of KRB who were of the view that road safety activities as part of CSR of KRB should be prioritized and scaled-up as it was much related to the mandate of the organization. These findings are relevant to the observations by Waddock and Graves (1997) that socially responsible behavior can lead to better overall performance. CSR strategies can be used to address the same and maximize positive impact of their operations on the society. In this case the role of KRB in financing road maintenance brings about the need to educate the public on safest ways of utilizing the improved infrastructure in order to minimize road accidents.

The correlation between the performance of activity in years 2009 and 2010 was tested and a Pearson's Correlation coefficient of 0.980 was obtained indicating that there was a very strong correlation between the choice of activity in 2009 and 2010; signifying that stakeholders inclined to participate in a certain CSR activity in a given year are likely to participate in the same activity in the following year. The results are shown in table 4.10.

Table 4.10: Correlation between the performance of activity in 2009 and 2010

		ACTIVITY 2009	ACTIVITY 2010
ACTIVITY2009	Pearson Correlation	1	0.980**
	Sig. (1-tailed)		0.010
	N	4	4
ACTIVITY2010	Pearson Correlation	0.980**	1
	Sig. (1-tailed)	0.010	
	N	4	4

** Correlation is significant at the 0.01 level (1-tailed).

Conclusion

In conclusion, the study revealed that the type and frequency of CSR activities affect stakeholder's participation in Kenya Roads Board operations. The number of CSR activities carried out in a year enhances the level of stakeholders' participation in KRB operations. Furthermore, road safety and environmental conservation were the most regarded CSR functions of KRB by the staff, management and all the stakeholders. This is due to the fact that the activities are more related to the core function of KRB and therefore the stakeholders easily note the relevance. Inadequate awareness among the stakeholder on the role of KRB is a major hindrance to their conscious participation in the operations of KRB. Staff and management of KRB appreciated the need and importance of CSR activities, although there are challenges in their involvement and implementation of the activities.

In order to enhance stakeholders' participation in KRB operations, the number of CSR activities carried out in a year should be increased and there is need for the organization to actively sensitize stakeholders on its operations. CSR activities that are relevant and core to the business of the organization including road safety and environmental conservation can be used to increase stakeholders' awareness on KRB's operations. Further, motorists, non-motorists and KRB staff should be encouraged to actively participate in CSR activities and provide feedback through the various means of communication.

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