

## THE USE OF CORPORATE SOCIAL RESPONSIBILITY AS A TOOL OF DOING BUSINESS AMONGST KENYA'S CONSTRUCTION FIRMS

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### ABSTRACT

The construction industry in Kenya is very important since it contributes greatly to the growth of the economy. It accounts for 5% of the country's GDP and employs about 1 million people with an estimated annual wage bill of 3.2 billion. Due to this reason, construction companies are required to go beyond the basic requirements of meeting projects' objectives of time, cost and quality, by considering socio- economic, as well as sustainable environment issues. One of the ways in which this can be achieved is through the practice of Corporate Social Responsibility (CSR) in a firm's operations. Corporate Social Responsibility is a concept that advocates for a balance between the firm's internal interests such as profit maximization and external interests emanating from its stakeholders such as sustainable environment.

This paper is based on a study that was carried out by the authors with the aim of investigating the practice and prevalence of CSR by Kenyan construction companies. Other objectives included to investigate the challenges faced by these companies in embracing CSR as a business

A survey approach was adopted for the study and data was collected from the chosen sample group of 83 'Class A' construction firms. Questionnaires and unstructured interviews were employed in the survey.

The results of the survey indicate that most of the construction firms are aware of the concept of CSR; but out of all the respondents reached, only 31 (67%) attested to the fact that they had formally or informally practiced the concept, while the other 15 (33%) said that they had never in any form embraced the idea in the running of their businesses. All of the 31 (67%) who were practicing CSR had encountered various positive impacts in their business such as improved number of jobs, motivated employees, completion of work in good time, amongst many others outlined in the chapter four of this study. This was despite some of the challenges they had faced in implementation of the concept such as; inadequate resources to carry out CSR activities and lack of a clear legislative and institutional framework to guide the CSR activities.

**KEYWORDS:** Corporate Social Responsibility