

**THE EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY CSR ON
ORGANIZATIONAL PERFORMANCE**

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**UGANDA CHRISTIAN
UNIVERSITY**


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DECLARATION

I MUHUMUZA NOAH.M, declare that this research report is of my own investigation and has never been carried out or submitted by anyone else.

MUHUMUZA NOAH.M

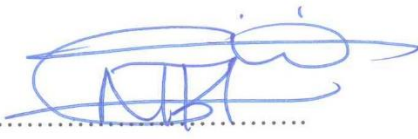
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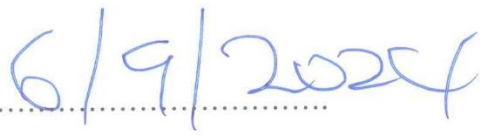
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APPROVAL

This is to confirm that this report by Muhumuza Noah. M was made with my help and university supervisor, and it is now ready to be submitted with my approval.

Signature.....

Date:

Mr. Katisme Nicson

(UNIVERSITY SUPERVISOR)

DEDICATION

I dedicate this report to my parents. My father, Mr. Cuthbert Baguma Balinda, and my mother, Mrs. Lillian Kabasesera Balinda, for the support during my academic struggles, and my supervisor, Mr. Katisme Nicson for guiding me during this research journey

ACKNOWLEDGEMENT

I start by thanking the almighty God for blessing me with the wisdom and power that I have relied on in the completion of this research endeavor. I want to thank the respondents at different departments at Coca-cola company for the cooperation they gave me which enabled me to accomplish my research work.

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I also thank my family, especially my parents, Mr. Cuthbert Baguma Balinda and Mrs. Lillian Baguma for paying for my studies and motivating me to finish this research.

May God bless you.

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ABSTRACT

This study examined the effects of corporate social responsibility on organizational performance, with a focus on Coca-Cola company in Namanve. The study focused on how the practiced corporate social responsibility affected its performance. The target population was comprised of 50 workers, whereas a sample of 44 respondents was selected using Tora Yamane's method.

Data was collected via questionnaires, and the results were analyzed using SPSS software. The analysis reveals that CSR is perceived as having a substantial positive impact on organizational performance, particularly in areas related to public image, employee engagement, and profitability. However, the variability in responses for certain items highlights areas where the impact of CSR may be less uniformly experienced or understood.

Furthermore, there is need to engage employees at all levels. Implementing corporate social responsibility requires the active engagement of employees at all levels within the organization. This can be done through encouraging employees to participate in CSR activities by providing them with opportunities to volunteer or contribute their skills towards relevant causes. There is also need for improving public image. People typically have a positive perception of collaborating with and for philanthropic businesses. Companies that implement corporate social responsibility (CSR) initiatives often enjoy favourable public images which can provide them with a competitive edge in the marketplace. Additionally, ensuring customer satisfaction and loyalty is essential. Customer satisfaction emerges from how customers perceive, assess, and emotionally respond to their experiences with a product or service. High levels of customer satisfaction can lead to behavioural outcomes, mutually beneficial relationship between the consumer and the provider.

CHAPTER ONE

1.0 Introduction.

This chapter examined the context of the research, outlined the problem statement, and detailed the overall aim of the study. It also specified the particular objectives, formulated the research questions, delineated the study's scope, highlighted its significance, and provided definitions of key terms.

1.1 Background of the study

Recently, there has been an increasing focus on corporate social responsibility (CSR) from society, investors, and businesses alike. CSR generally referred to the voluntary efforts made by companies to enhance societal welfare and protect the environment. This increased focus on CSR can be traced back to various disasters in the 20th century that highlighted the consequences of inadequate corporate responsibility, as noted by Carroll (2015). Although recent reports indicated that businesses are increasingly prioritizing CSR, Khovaev and Kozhevnikov (2016) pointed out that the business sector remained the least socially responsible compared to other industries. This trend was supported by CSR rating for the business sector, which consistently showed lower values than those of other economic sectors. Numerous corporate entities in developed nations have recognized the advantages of acting responsibly towards society. In the United States, Business for Social Responsibility, established in San Francisco in 1992, assisted organizations in achieving commercial success while adhering to ethical standards, valuing people, communities, and the environment. This organization boasted 1400 members, which included notable companies such as American express, AT&T, Ford, Johnson & Johnson, and Levi Strauss. In response to this trend, even Wall street has taken notice, highlighted by the Dow Jones' introduction of a sustainability group index in October 1999. This index evaluated businesses based on their performance concerning economic, environmental, and social governance factors (Rajni Bakshi, Corporate Angels, the Hindu). A recent survey indicated that 86% of approximately 4,000 individuals aged 15 and older in Europe preferred to purchase products from companies engaged in socially beneficial activities (Fleishman Hillard, London). In the UK, a report from the cooperative bank on ethical consumerism revealed that customers have growing expectations of business corporations as citizens.

According to Nolan, Norton and Co (2009), corporate social responsibility (CSR) was currently leveraged in African countries to foster positive relationships with the public. Organizations also utilized CSR as a pre-emptive strategy to mitigate potential risks, avoid scandals, navigate environmental issues, comply with governmental regulations, safeguard

profits, and differentiate their brands, and enhanced relationships with employees through volunteer initiatives. Companies are increasingly mindful of displaying their CSR efforts on their websites in sustainability reports, and within advertising campaigns to gain consumer approval.

In Uganda, the corporate social responsibility (CSR) programs enabled businesses to maintain a positive public image by demonstrating their dedication to addressing societal and environmental issues. Similarly, adopting CSR practices had the potential to alleviate specific risks, such as reputational risks stemming from unethical conduct or environmental obligations. According to Michael Porter (2005), the implementation of accountable organization practices has the ability to bolster the durability of financial institutions. In addition, CSR initiatives played a significant role in fostering a favourable organizational environment, bolstering employee morale and higher employee engagement levels. Employees are actively involved and committed to their work and tend to exhibit higher productivity levels, contributing to enhanced organizational performance on a broader scale.

1.2 Problem statement

In today's competitive business landscape, organizations are increasingly focused on establishing strong and enduring relationships with customers and the broader community to support long-term sustainability. Some companies in Uganda have recognized and embraced CSR as a way to enhance their performance. Conversely, there are others who remained skeptical about the benefits of CSR, viewing it as potentially detrimental to organizational performance, as noted by Singh (2021). Although there is existing literature discussing CSR's impact on environmental and community aspects, there was a notable gap in understanding how CSR contributed to organizational performance that was affected by insufficient documented evidence. Thus, the researcher aimed to investigate the connection between corporate social responsibility (CSR) and organizational performance.

1.3 General objective of the study.

The overall aim of the research was to evaluate the effects of corporate social responsibility (CSR) on the performance of organizations within the specific context of the study.

1.4 Specific objectives of the study.

- i. To examine the different CSR techniques utilized in the study context.
- ii. To assess the contributions of CSR to performance of the organization in the study context.
- iii. To find out the relationship between CSR and organizational performance in the study context.

1.5 Research questions

- i. What are the different CSR techniques utilized in the study context?
- ii. What are the contributions of CSR to performance of the organization in the study context?
- iii. Is there a relationship between CSR and organizational performance in the study context?

1.6 Scope of the Study

1.6.1 Content Scope

The study assessed the effects of CSR on organizational performance. The study then examined the different CSR techniques in the study context branch, assessed the contributions of CSR to performance of the organization in the study context branch and found out the relationship between CSR and organizational performance in the study context.

1.6.2 Time Scope

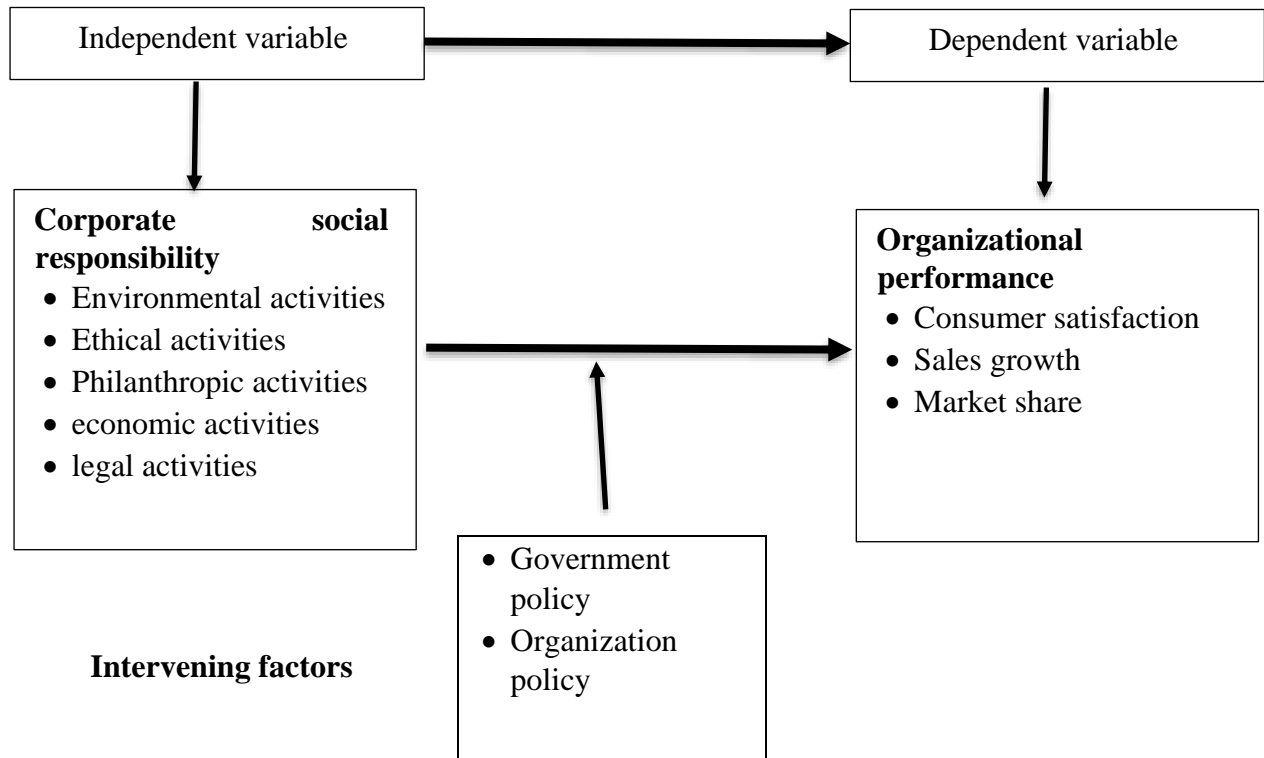
This research focused on a decade, specifically from 2013 to 2023, chosen due to the availability of high-quality and dependable data.

1.6.3 Geographical Scope

Geographically, the study was limited to the premises of Coca-Cola Company branch that is located in Namanve along Jinja-Kampala highway.

1.7 Conceptual framework

In this research, corporate social responsibility (CSR) served as the independent variable, assessed across five dimensions: philanthropic, economic, environmental, ethical, and legal responsibilities. The dependent variable was organizational performance, assessed by means of sales growth, market share, and consumer satisfaction. Government policy and organizational policy acted as intervening factors in the study.



Source: Researcher’s personal conceptualisation through review of literature

Previous research demonstrated that effective management practices, including employee training and development, involvement in decision-making, fair compensation policies, and grievance mechanisms, led to lower employee turnover, enhanced productivity, and ultimately improved financial performance (FP) (Galbreath, 2008). An instrumental perspective on corporate social responsibility (CSR) emphasized the importance of aligning a company’s economic goals with its social objectives, perceiving CSR as a strategic tool for achieving this balance. Managers believed that better engagement with stakeholders significantly enhanced the company’s overall performance. This, in turn, led to increased market share and greater customer satisfaction.

Management theorists think that increased CSR toward stakeholders boosts the performance of the company. Positive consumer perceptions of the safety and quality of a product can also

result into higher sales or lower stakeholder relationship expenses. The bottom line benefits from improved product safety and quality (Waddock & Graves, 1997).

Marketing responses to socially irresponsible are proven detrimental in the product retailing industry. Investors understand that unfavourable consumer reactions, such as lower patronage or lawsuits, or both, can directly damage the bottom line when consumers are unhappy by a good or its related benefits (Berman, 1999). Companies benefit from having a socially responsible image among their employees and the local community by focusing their social initiatives on the areas where they operate (Maldonado-Guzman, 2018).

Research also shows that being environmentally conscious increases profitability, especially in rapidly expanding businesses. Furthermore, data indicates that proactive environment management improves a company's financial performance (FP), reputations, and market value. Proactive environmental initiatives have a more significant impact on market share, profitability, and return on investment for environmentally concerned businesses for less conscious ones. A productive workplace was also produced by working circumstances that uphold equality, human dignity, and social protection (Giannarakis et al., 2016).

A company's social responsibility affects its reputation and draws in both present and new personnel. Positive responses from the relatives and friends of employees are a result of having an ethical reputation, which raises job satisfaction and decreases employee turnover. Because contented workers are more motivated and have higher morale at work, they will perform more productively and effectively, which will increase organizational performance (Galbreath 2008).

1.8 Significance of the study

The results of the research were intended to benefit key stakeholders in the soft drinks industry, including investors, non-governmental organizations, and educational institutions (such as colleges and universities), and the government. The goal was to support the development of capacity enhancement policies for all types of business operators, as well as for those engaged in the oversight and monitoring of soft drink agencies.

Policy makers and political leaders could gain valuable insights from the study, as its findings helped them determine how to prioritize resource distribution. The study's conclusions and recommendations served as a useful reference in pinpointing potential gaps, aiding in this process.

The results of the research further acted as referral information for other scholars. To the researcher, the study would lead the researcher in obtaining bachelor's degree at Uganda Christian University since it is one of the prerequisites for the award. The results provided the

researcher with a comprehensive understanding of the core principles of field research, encompassing data collection, information organization, and analysis techniques. With these skills, the researcher was equipped to effectively conduct business research activities in both professional settings and personal consultancy work.

CHAPTER TWO

LITERATURE REVIEW:

2.0 INTRODUCTION:

This chapter provided a review of the relevant literature concerning the study of variables, with a particular focus on evaluating the impact of corporate social responsibility (CSR) on organizational performance. The review was guided by the objectives of the study, which included; examining the different CSR techniques in the study context, assessing the contributions of CSR to performance of in the study context and finding out the relationship between CSR and organizational performance in the study context.

2.1 Definition of key terms

2.1.1 Corporate social responsibility. As stated by the European Commission (2006), Corporate Social Responsibility (CSR) referred to the voluntary integration of social and environmental considerations into the business operations and stakeholder engagements of companies. However, as noted by Weber (2008), there was a shortage of acceptance on a universally accepted meaning of CSR, leading to a limited understanding of the concept. Amaeshi and Adi (2005) further pointed out that the number of definitions of CSR is as varied as the number of individuals writing about it, describing it as ambiguous, vague, subjective, unclear, amorphous, and fuzzy. Khanifar (2012) suggested that CSR encompassed the responsibilities of stakeholders and communities that affect corporate policies and practices. Additionally, Gilbert (2008) argued that the institutional environment surrounding a company can pressure it to adopt more responsible practices in response to current environmental challenges. For instance, in the banking sector, institutions may feel the need to attract and retain customers to remain competitive against other banks. Consequently, CSR has emerged as a prominent topic in contemporary business literature.

2.1.2 Organization performance. The effectiveness was reflected in its ability to accomplish its daily tasks and meet its established goals. Research by Klassen and McLaughlin (1996) indicated that environmental management positively influenced the performance of corporate organizations. In a similar vein, Cheruiyot (2010) examined the connection between corporate social responsibility (CSR) and financial performance (FP), and found that a notable relationship existed between CSR and the overall performance of organizations. Li (2009) evaluated various corporations in China using an assessment index system and discovered that those with greater scores also tended to be with better financial outcomes. In a study on CSR and portfolio performance, Obusubiri (2006) found a positive correlation, linking strong CSR practices to an enhanced corporate image that attracted investors. This favorable behavior in CSR contributes to the company's reputation.

2.2 The different CSR techniques used by companies

Fostering a healthy and inclusive workplace culture was essential for social responsibility, beginning with the internal community of the organization. Companies that prioritized this aspect cultivated environments where employees flourished and succeeded (Armstrong 2000). To support social responsibility, managers effectively applied lessons from diversity and inclusion training in both small group and one-on-one interactions. Additionally, meaningful discussions about workplace culture addressed physical health and mental well-being.

According to Nwaeke (2019), a strong company culture that acknowledges and values employees created a positive feedback loop that strengthened the organization's commitment to social responsibility. This, in turn, motivated employees to perform at their best and contributed to the company's success. A thriving and content organization attracted high-calibre talent who resonated with its culture and actively enhanced it, as pointed out by Seng (2000). Employees who embodied such values were more prone to carry these inclusive principles into their families, social networks, and communities, and engaged with the corporate social responsibility strategies and initiatives endorsed by their company.

Aligned community impact goals with business practices. Businesses that prioritized social responsibility effectively linked their community impact objectives with their corporate mission, workforce, and local areas. They promoted these causes through genuine and meaningful actions. According to Gossling (2008), a company showed commitment when it is willing to make significant sacrifices or changes. To enhance their community impact, organizations assessed their goals in relation to their business practices. It is essential for executives to strive for coherence between these aims and their operational strategies.

Soliciting feedback and engagement to maximize stakeholder value. To create long-term value for all stakeholders, socially responsible companies engaged in two-way communication, actively listening to and valuing the input of both internal and external stakeholders, including employees, customers, suppliers, and communities. Effective community initiatives are those that gathered input from employees, consumers, and the individuals affected by these efforts (Rayton, 2007). As noted by Arendt (2010), a significant 75% of employees and job seekers believed that their employers should support local community initiatives through donations or volunteer activities. Engaging employees fostered a stronger link between a company's social responsibility efforts and its workplace culture. Corporate social responsibility (CSR) and human resource (HR) leaders informed employees about these initiatives and encouraged their participation. Furthermore, the strategies, objectives, and metrics related to corporate social responsibility can be pivotal in facilitating these discussions.

Engaging employees at all Levels. Implementing corporate social responsibility requires the active engagement of employees at all levels within the organization. Encourage employees to participate in CSR activities by providing them with opportunities to volunteer or contribute their skills towards relevant causes, Turban, (2000). Consider establishing a dedicated CSR team or committee that can spearhead these initiatives throughout the company. This team can develop strategies, organize events, and communicate progress internally and externally. According to Ergenzinger, (2005) by involving employees in CSR efforts creates a sense of purpose among them while fostering a positive work culture.

Collaborating with Non-profit organizations. Partnering with non-profit organizations is an effective way for businesses to make a meaningful impact on society while leveraging existing expertise in specific areas of concern. Research local non-profits working on causes related to the business interests, Hasouneh, (2012). When selecting a non-profit partner, ensure alignment with the company's values and goals. Establish a mutually beneficial relationship where both parties contribute to the success of the initiative. Collaborating with non-profit organizations enhances company credibility and allows you to reach a wider audience with company CSR message.

Transparent communication and reporting. Transparency is key when it comes to corporate social responsibility. Communicating organization CSR efforts openly and honestly with both internal and external stakeholders. This could be through use of various communication channels, such as social media, newsletters, and annual reports, to share updates on their initiatives, Reijnders, (2012). In addition to regular communication, establishing a system for measuring and reporting the impact of CSR activities is crucial. This can include tracking metrics such as funds raised, hours volunteered, or environmental impact reduced. By providing concrete evidence of CSR efforts, a company can build trust among stakeholders and demonstrate accountability.

Humanitarianism and supporting ethical labour. Companies that promote human welfare can donate their time or money to causes such as fighting poverty, delivering medical aid or helping people affected by natural disasters, such as hurricanes and flooding, Mukherjee, (2004). Organizations that prioritized social responsibility chose to purchase or produce their goods only in nations that complied with international labour standards and ensured fair treatment of workers. Additionally, they obtained supplies from local farmers or artisans to bolster small-scale producers within the community.

Philanthropy. Major corporations often provided financial support, services, or products to charitable organizations, non-profits, or community initiatives. Such contributions not only

enhanced the company's reputation but also demonstrated to prospective investors that the business prioritized more than just profit (McDonald, 2008). Additionally, companies involved their employees by committing to donate a specified amount each year to a non-profit selected by employees.

Environmental efforts. As the emphasis on sustainable and environmentally friendly business practices grows, numerous companies prioritized corporate social responsibility (CSR) initiatives aimed at benefiting the environment. This is especially crucial for industries with significant carbon footprints, such as agriculture, transportation, and energy production (Pollack, 2008). Examples of environmental corporate responsibility involved recycling, minimizing waste, lowering carbon emissions, utilizing or manufacturing sustainable products, reducing energy consumption, and supporting initiatives that protect or benefit the environment. .

Volunteerism. Small businesses demonstrated their commitment to corporate social responsibility (CSR) even without a large budget. One way to do this was by establishing an employee volunteer program, where employees participated in company-wide events or volunteer their time to community causes. In return, they may receive incentives such as paid time off. Examples of CSR activities that small businesses can participate in included building home for non-profit organizations, helping at animal shelter, and serving at local soup kitchens.

Matching gift programs and social media marketing efforts. Companies demonstrated their corporate social responsibility (CSR) by offering gift match programs that double the amount employees donated to charity, fostering a sense of personal social responsibility among employees. Online companies also donated a portion of their profits to a designated charity, allowing customers to choose which charity they support. Additionally, companies used various marketing channels such as blogging, social media, and free ads to promote humanitarian or social causes.

2.3 The contributions of CSR to performance of the organization

Customer satisfaction and retention. Customer satisfaction was defined as a collective outcome based on how customers perceived, assessed, and emotionally reacted to their experiences with a product or service. Research conducted by Abdel and Megeid (2013) indicated that customer satisfaction is a post-purchase attitude shaped by a mental comparison between the expected quality of an exchange and the actual quality perceived by the customer. High customer satisfaction led to various behavioural outcomes, including customer loyalty, commitment, the establishment of a mutually beneficial relationship between the and the service provider, there is a greater acceptance of service and product shortcoming, favourable word-of-mouth recommendations for the company, greater future customer expenditures, enhanced sales, the ability to draw in new clients, lowered expenses, and greater returns.

Luo and Bhattacharya (2006) examined a sample of 500 companies and found a direct positive correlation between corporate social responsibility (CSR) and customer satisfaction. Marketing research, as noted by Khalifa and Liu (2002), primarily focused on customer satisfaction concerning tangible products and services provided through various channels. According to Eugene et al (2003), customer satisfaction accelerated market entry, enhanced cash flows, and served as a crucial mechanism through which customer contentment influenced shareholder value across different industries. Effective communication was essential for any organization; strong communication fostered a closer relationship between the company and the public, led to a positive image and improved customer retention. Numerous studies indicated that customer satisfaction could drive loyalty and encourage repeat purchases. Wang et al (2004) found a positive link between customer satisfaction and brand loyalty, a finding that Kim et al (2008) also supported by demonstrating how customer satisfaction influences brand loyalty positively. Satisfaction arose when the performance of products or services met consumers' expectations. Ganesan (1994) suggested that satisfaction reflected a positive emotional response to the outcomes of experiences.

Corporate philanthropy encompassed a variety of activities within an organization, including sales donations, unrestricted cash contributions, product donations, employee volunteering, customer donation, collection, fundraising events, and the promotion of public service announcements, among others. According to Noam Noked (2011), corporate philanthropy provided both other-oriented and extrinsic value, as it involves the ethical commitment to help those in need, while also enhancing social status and offering self-oriented benefits. Ricks (2005) defined it as a discretionary responsibility of a company that involved deciding how to allocate resources to charitable or social initiatives in ways that align with marketing and other

business objectives, even in the absence of clear social expectations regarding the firm's conduct.

Improved public image. People typically had positive feeling towards philanthropic businesses, and companies with corporate social responsibility (CSR) initiatives often enjoyed strong public images, which provided a competitive edge in the marketplace. When researching a company, it's beneficial to look for prominent showcases of their CSR efforts and accomplishments on their website, social media, and marketing materials. Existing studies indicated that corporate reputation served as a vital intangible asset that enhanced a firm's competitive advantage (Roberts and Dowling, 2002), as building a positive reputation requires significant time and consistent, stable investments. A firm's choice to engage in or refrain from CSR activities can either improve or damage its reputation. Bhattacharya and Sen (2003) emphasized that CSR helped accumulate goodwill that companies can rely on during crises. Likewise, McWilliams and Siegel (2001) noted that CSR fostered a reputation for reliability and honesty in a firm.

Better employee attraction and retention. Companies that practiced effective corporate social responsibility (CSR) often drew in talented candidates and have high levels of employee satisfaction and retention. When employees take pride in their organization, they are generally more productive, creative, and engaged. This trend was pronounced among millennials, who frequently preferred to work for companies that demonstrated a commitment to social and environmental issues. Numerous studies have investigated the relationship between CSR and employee commitment (2000; Backhaus et al, 2002), indicating that a company's social responsibility efforts were important to its workforce (Albinger and Freeman, 2000), and typically led to greater employee loyalty. Branco and Rodrigues (2006) found that organizations with a solid social responsibility reputation tend to attract more qualified job candidates, retain employees more effectively, and sustain high employee morale. Likewise, Maignan (1999) proposed that companies involved in CSR initiatives are likely to experience higher levels of employee dedication for two primary reasons; they focused on enhancing workplace quality and they addressed societal issues, such as environmental protection and community welfare, which resonated with employees.

Brand differentiation. In crowded marketplaces, companies work hard to establish a unique selling proposition that sets them apart from their competitors in consumers' eyes. Corporate social responsibility (CSR) significantly contributed to building customer loyalty based on distinct ethical values (Partalidou, 2016). Major brands like The Co-operative Group, The Body Shop, and American Apparel are examples of companies founded on ethical principles.

Even business service organizations gained from cultivating a reputation for integrity and adherence to best practices (Wikipedia, 2009). While some critics argued that companies may not gain from the CSR efforts, the researcher firmly believed that stakeholders are not apathetic or unresponsive to a company's initiatives. Instead of reacting negatively, people tend to form a connection or attachment with businesses that engaged in CSR activities that resonate with them. This emotional bond often led consumers to choose products from socially responsible companies as a way to support their values.

Positive media coverage. CSR initiatives that positively influence a community frequently attracted favourable media coverage at both local and national levels. Conversely, companies involved in practices that harm their communities received negative media scrutiny (Cerovic, 2018). Look online to find instances where a company has garnered news coverage related to its social responsibility efforts or the absence of such efforts.

Increased investment and donor dollars. Numerous investors preferred to ensure that their funds are backing companies with robust and effective business models, as well as a dedication to social good (Buterin, 2018). Likewise, donors interested in making a positive impact in their communities were more inclined to support reputable non-profits, which typically depended on contributions and fundraising efforts to achieve their objectives.

2.4 The relationship between CSR and organizational performance

Shehu (2013) explored the impact of corporate social responsibility (CSR) on the profit after tax of certain commercial banks in Nigeria, concluded that CSR positively influenced profitability. Similarly, Richard and Okoye (2013) examined the influence of CSR on Nigerian banks and found that social responsibility contributed to societal development, particularly in enhancing infrastructure. Babalola (2013), who studied the effect of social audits on corporate performance among manufacturing firms in Nigeria, reported results that aligned with those of Shehu (2013), Richard and Okoye (2013), as well as other researchers (Lee, 2008; Abefe-Balogun, 2011), all of whom affirmed a positive and significant relationship between CSR and organizational performance.

Customer satisfaction was a shared outcome of how customers viewed assessed, and emotionally responded to their experiences with a product or service. A study by McDonald and Rundle (2013) suggested that customer satisfaction was an attitude formed after purchase, based on a mental comparison between the quality customers expected and the quality they actually perceived. Elevated customer satisfaction resulted in a range of behavioural effects, such as increased customer loyalty and commitment, the development of a favourable relationship between customer loyalty and commitment, the development of a favourable relationship between customers and service providers, greater tolerance for service or product shortcomings, positive word-of-mouth marketing for the business, higher future expenditures by customers, increased sales, the attraction of new clients, lower costs, and improved profitability.

The researcher utilized cross-sectional data from non-financial companies in Egypt, sourced from the Kompas Egypt database. A regression analysis was conducted to assess the relationship and impact of corporate social responsibility (CSR) on financial performance within organizations. The findings indicated a significant and positive correlation between CSR and firm performance, with all dimensions of CSR showing a noteworthy relationship with financial outcomes. Furthermore, Osioma (2015) conducted a study examining corporate social responsibility and the performance of select firms in Nigeria. The primary aim of their research was to investigate whether there was a significant connection between the costs associated with social responsibility and the profitability of the chosen firms, grounding their work in stakeholder theory. They employed an exploratory research design and utilized time-series data for their analysis. The results highlighted a strong positive link between investments in social responsibility and corporate profitability.

Chatterjee and Lefcovitch (2009) emphasized the significance of ethical standards in financial markets due to the nature of these markets dealing with the funds belonging to various owners. While these markets presented opportunities for profit, they also carried the potential for losses. Therefore, it was essential to mitigate excessive risk for two main reasons. Firstly, maintaining investor confidence was crucial for sustained participation in investments. Secondly, taking on risk should not equate to engaging in hazardous investments.

Researchers Giannarakis (2016) examined how corporate social responsibility (CSR) influenced the financial performance of companies in the United States. Their study particularly focused on the engagement in socially responsible activities rather than their outcomes. To evaluate corporate involvement in these activities, researchers utilized the environmental, social, and governance (ESG) disclosure score from Bloomberg as a metric. They performed fixed effects regression to examine the connection between corporate social disclosure (CSD) levels and financial performance, drawing on data from S&P 500 companies between 2009 and 2013. The results revealed that engagement in socially responsible initiatives has a positive impact on financial performance.

Klassen and McLaughlin (1996) concluded from their study indicated environmental management had a positive impact on the performance of corporate entities. Likewise, Cheruiyot (2010) explored the link between corporate social responsibility (CSR) and the financial success of companies, uncovering a statistically significant correlation between the two. Li X (2009) evaluated numerous companies in China using a particular indexing system and found that those with higher scores generally exhibited stronger financial performance. Additionally, Obusubiri (2006) conducted a study on CSR and portfolio performance, revealing a positive correlation between the two. He suggested that this relationship was due to the favourable corporate image associated with CSR, which in turn made investors favour such companies.

Recently, Selvarajah (2018) conducted a study on the effects of corporate social responsibility on financial performance in Malaysian firms. They suggested that four independent variables, business risk, company reputation, employee engagement, and stakeholder concern, would significantly influence the dependent variable, which was the company's financial performance. The study employed a quantitative approach, involving 153 participants chosen using stratified random sampling. Data analysis was conducted using multiple linear regression analysis.

The research conducted by Kipruto (2014) discovered that corporate social responsibility (CSR) positively and significantly influenced financial performance. The researcher

concluded that CSR was beneficial for the success of commercial banks, as it contributed to enhanced financial outcomes. The study advocated that banks allocated funds each year for social initiatives and incorporate CSR into their everyday operations. Ultimately, for a company to thrive and achieve its aspirations, it must act ethically and dedicate itself to enhancing the social and living conditions of the community.

The relationship between Corporate Social Responsibility (CSR) and financial performance was unclear, with different studies producing conflicting results. One reason for this inconsistency may be the varying ways CSR is measured across studies. For example, some studies used reputation ratings, while others used social audits, managerial principles, or disclosures to assess CSR performance. Another factor contributing to the mixed results may be the different samples used in each study, as well as the statistical analyses employed and the control variables included in the models.

It was proposed that companies excelling in corporate social responsibility (CSR) tended to experience better financial outcomes. This research indicated that media organizations dedicated to CSR enjoyed enhanced organizational performance. Consequently, the findings align with stakeholder theory, which suggested that engaging in socially responsible practices results in improved financial performance (Donaldson & Preston, 1995).

2.5 Research gap

While numerous studies had examined how CSR practices affected organizational performance, research investigating how organizational performance influenced CSR practices has yielded mixed results. The available resource hypothesis suggested a positive correlation between the two, as CSR initiatives imposed costs on companies, and strong performance ensured that sufficient resources are available to support these CSR activities.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter examined the research design, study population, sampling methods, sample size, types of data to be utilized, data collection techniques, and outlined the process for data processing.

3.1 Research Design

As noted by Amin (2005), a research design functions as a conceptual framework guiding the research process and serves as a blueprint for data collection, measurement, and analysis. This study employed a cross-sectional design, which was appropriate for exploring the impact of corporate social responsibility (CSR) on organizational performance across branches at a specific point in time (Amin, 2005). Additionally, the research employed a quantitative approach, as quantitative methods supplied the necessary data to fulfill the research objectives and evaluate the hypothesis (Mugenda, 1999).

3.2 The Study Population

Mugenda (2003) described a population as a complete set of individuals or items that share a common observable trait. The study population will comprise of management staff and employees from the accounting and finance departments in addition to the relevant departments responsible for CSR of In the study context branch that is located in Namanve along Jinja-Kampala highway and 50 respondents will help to get the required information.

3.3 Sampling technique

The researcher utilized both purposive sampling and simple random sampling techniques to select participants. Single parent respondents were chosen randomly due to the large size of that population, while local leaders were selected purposefully as key informants possessing relevant insights pertinent to the research topic.

3.4 Sample Size and Selection Technique

As noted by Sekaran (2003), a sample was defined as a smaller portion of a larger population, consisting of specific individuals referred to as elements. The sampling process involved choosing an adequate number of these elements from the population to facilitate a study that can reveal insights about the overall population based on the characteristics observed in the sample. For this study, a sample of up to 44 individuals were selected in accordance with the Krejcie and Morgan sampling guidelines (refer to appendix III), as illustrated in table 1 below.

Table 1: Population Category and Sample Size of the Respondents

Population category	Total population	Sample size	Sampling Techniques
Senior staff members	10	9	Purposive
Employees	40	35	Simple random sampling
Total	50	44	

Source: researcher's primary data 2018

According to Table 1, 44 respondents were chosen from a pool of 50, following the sampling guidelines established by Krejcie and Morgan (1980). This research utilized purposive sampling for senior staff members, while simple random sampling was employed for the larger group of employees.

3.5 Sampling techniques

Sampling was a methodical approach for choosing a set number of individual cases or units to gather the necessary information for a study (Kombo and Tromp 2006). Therefore, sampling played a critical role in research, as it addressed the constraints of examining an entire population and helped minimize both costs and the time required, given that only a smaller subset of units needed to be analysed (Easwaran and Singh, 2010).

Sampling methods can generally be divided into two categories: probability and non-probability approaches. Probability sampling guaranteed that every individual in the population has an opportunity to be chosen (Amin, 2005). This research utilized simple random sampling, which involved selecting a sample from the population where each subset of the same size had an equal likelihood of being chosen (Amin, 2005). As detailed in table 1 above, simple random sampling was applied to employees. In implementing this method, the study adopted a cluster approach, where names in each category will be written on slips of paper and drawn one at a time until the desired sample size was achieved. To determine the sample size, the study employed a proportionate sampling, calculated as 50/44 multiplied by the number of individuals in the chosen population category.

The non-probability method was being employed, in which the individuals in the population lack a specified likelihood of being chosen. In this study, purposive sampling would be employed, which involved the researcher selecting participants based on their own judgement and experience. The researcher chose senior staff members who were likely to possess the required information, using their own expertise and understanding of the respondents' tenure and information.

3.6 Data Collection Methods

The research employed a survey approach to gather quantitative data. The researcher employed questionnaire approach.

3.6.1 The questionnaire method.

The researcher distributed a questionnaire to 44 individuals at the study location. The questions were designed with clear and limited answer options to gather a wide range of opinions from the respondents. A 5-point like scale was used to measure the extent to which certain variables were present in the study group. Additionally, open-ended questions allowed respondents to express their thoughts freely and provide any additional information they deemed relevant.

3.6.2 Interview Method

The researcher interviewed senior staff members at the branch as key informants, who were knowledgeable about management practices. The interviews used a guide that respondents were given one week to fill out, and 9 out of the intended respondents returned the completed guides.

3.7 Data Collection Instruments

3.7.1 Self-Administered Questionnaire

44 questionnaires in all were given out to the intended audience. Respondents to the study were surveyed using a closed-ended questionnaire. Quantifiable primary data on a five-point like scale was obtained from each respondent using a standard questionnaire. The responses ranged from 5-strongly agree, 4-agree, 3-not sure, 2- disagree, and 1-strongly disagree.

3.7.2 Interview Guide

Determining the significance of the respondents' statements was the primary goal of the interview process. Kvale (1996), in order to obtain comprehensive information about the subject, the interviewer used a qualitative research approach that aimed to cover both a factual and a meaning level of information. A prepared interview guide was used to guide the conduct of the interviews, ensuring that all topics pertaining to the research objectives were covered. The researcher made sure to address the research questions in the interview guide and to give respondents flexibility while also encouraging them to reveal significant topics pertaining to the research topic. Senior employees at the Namanve branch were interviewed in a sample.

3.8 Validity and reliability of research instruments

3.8.1 Validity of Instruments

Validity pertained to how suitable an instrument was for a specific purpose. It reflected the instrument's capability to yield findings that aligned with the theoretical and conceptual

frameworks of the study. Essentially, it indicated the instrument's proficiency in generating precise results and measured the intended variables. To guarantee the validity of the research instruments, drafts were tested in a pilot study involving non-participating organizations within Mukono district. Additionally, the content validity index was utilized to evaluate the relevance of the components within the instruments, employing the following formula:

$$CVI = K/N$$

Where by' CVI= Content Validity Index

K =Number of items declared valid

N =Total Number of items considered in the instruments

The researcher first enumerated the number of items to be considered relevant for the study and will divide them based on the quantity of items in the instruments.

3.8.2 Reliability of Research Instruments

Amin (2005) described reliability as the degree of dependability or trustworthiness of a measurement tool. It referred to how consistently the instrument measured what it is intended to measure. To evaluate reliability, the instruments will undergo a pilot test in Mukono district during July 2024. The outcomes of this pilot test were utilized to assess the reliability of the study instruments. The CRONBACH formula was employed for this purpose. It is as follows;

$$\alpha = \frac{K}{K-1} \left(1 - \frac{\sum SD^2 i}{SD^2 t} \right)$$

Where: α =Alpha Reliability co-efficient. K=Number of items included.

$\sum SD^2 i$ =Sum of variance of individual items. $SD^2 t$ =variance of all items.

When the reliability co-efficient is equal to 0.83 which is greater than the standard minimum of 0.7, then the researcher will go on to use the instruments. The test for reliability was conducted in a pilot run in Mukono district.

3.9. Data collection procedure

The researcher obtained an introductory letter from the faculty of Business and administration Uganda Christian University Mukono, to conduct research in the study context main headquarters. A letter granting authorization to conduct the research was obtained from the

organization in the study context in order for the researcher to carry out the study. The researcher then obtained a document containing the names of senior staff members and employees in the organization. The researcher distributed questionnaires himself with the help of the office messenger who will be knowing better all the employees at the organization and 44 respondents received these questionnaires. A period of one week was given to the respondents to fill them and this was done to give time to respondents for probing and clarification of questions where they would have not been understood clearly. Afterwards data collected was checked for errors and complied for analysis.

3.10 Data Processing and analysis

The gathered data underwent editing, coding, and subsequent analysis through the Statistical Package for the Social Sciences (SPSS) software. Quantitative data were expressed using descriptive statistics, which included percentages and frequencies for each variable of interest. Descriptive statistics were chosen as they offer a straightforward and concise overview of the data, allowing the researcher to identify patterns, trends, and distributions within the dataset. The data was scrutinized to identify themes and sub-themes related to the research objectives, ultimately aiding in the description and explanation of how corporate social responsibility (CSR) influences organizational performance.

3.11 Data Analysis

The researcher utilized descriptive statistics in the form of frequency tables to analyse and display the data collected from the questionnaires. Specifically, the SPSS software package was utilized to create frequency tables for data presentation. The data was analysed and understood in relation to each specific research goal. In contrast to quantitative data, the qualitative data collected from interviews, notes, and statements was analysed by assigning codes and categories to describe broad themes. This process allowed the researcher to explore emerging themes, meanings and issues from the interview data. Additionally, this quantitative data was connected to the research objectives and questions to derive insights and explanations regarding the study topic.

In this chapter, efforts were made to come up with the methodology to data collection and analysis, the next chapter will present the findings, analysis, interpretation and discussion of the findings.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

The research aimed to evaluate the effects of Corporate Social Responsibility (CSR) on organizational performance. Data was gathered through questionnaires designed around specific objectives, which included analysing various CSR methods relevant to the study context, evaluating how CSR contributed to the organization's performance, and exploring the relationship between CSR and organizational performance.

4.1 Response rate

Number of questionnaires served	44
Number of responses	44

Primary source 2024

There was 100% response to the questionnaires that were served to the employees in the study context. According to Amin (2005), having a high response rate in a survey is likely to yield results that are more accurate.

4.2 General characteristics of respondents.

The characteristics of respondents in terms of Gender (sex), Age bracket and level of education were as shown below.

4.2.1 Gender of respondents

Table 1: Showing number of respondents

Valid	Frequency	Percent
Female	24	54.5
Male	20	45.5
Total	44	100

Primary source: 2024

The table indicates that a significant portion (54.5%) of the respondents were female, while a smaller portion (45.5%) were male. This highlighted a gender imbalance in the study, attributed to the recruitment methods used by the organization in the specific branch being examined. However, this imbalance allowed the researcher to gather diverse and unbiased data from respondents of different genders.

4.2.2 Age of respondents

Table 2: Showing age of respondents

Valid	Frequency	Percent
20-25 years	10	22.7
26-30 years	7	15.9
31-35 years	10	22.7
36-40 years	12	27.3
Above 40 years	5	11.4
Total	44	100.0

Primary source: 2024

According to the table above, majority (27.3%) of the respondents were between 36-40 years, (22.7%) both had years ranging 20-25 years and 31-35 years respectively, (15.9%) had 26-30 years whereas the minority; (11.4%) were above 40 years. This helped the researcher gather diverse opinions about the study because it included participants from different age groups, allowing for a range of perspectives to be captured.

4.2.3 Education level of respondents

Table 3: Showing level of education of respondents

Valid	Frequency	Percent
Diploma	9	20.5
Bachelors	20	45.5
Masters	14	31.8
Others	1	2.3
Total	44	100.0

Primary source 2024

According to the table above, majority (45.5%) of the respondents were bachelor's degree holders, (31.8%) had masters, (20.5%) had attained diploma whereas the minority; (2.3%) had attained other qualifications. The assumption is that all the respondents have received some level of education, which allows the researcher to confidently assume that they can understand the questionnaires and provide thoughtful and relevant response to the study's questions.

4.3. The different CSR techniques utilized in the study context

The first objective of the study was to examine the different CSR techniques utilized in the study context. This aspect was measured using 8 items at a five point Likert scale ranging from 5 – strongly agree, 4 – agree, 3 – Not sure, 2 – disagree, and 1 –strongly disagree. The finding from the analysis are as presented in the table below.

Table 4: showing the different CSR techniques utilized in the study context branch

CSR Technique	Mean	Standard Deviation
A. Organization promotes healthy and inclusive workplace cultures	3.89	0.99
B. Organization sets up employee volunteer programs	3.95	0.88
C. Organization aligns community impact goals with business practices	4	0.84
D. Soliciting feedback and engagement to maximize stakeholder value.	4.09	0.8
E. Organization encourages employees to participate in CSR activities by providing them with opportunities to volunteer their skills towards relevant causes.	3.86	0.95
F. Organization collaborates with non-profit organizations to enhance credibility and allows organization to reach a wider audience with organization CSR message.	4	0.81
G. Organization communicates organization CSR efforts openly and honestly with both internal external stakeholders	4.09	0.79
H. Organization practices humanitarianism and supporting ethical labor	3.91	0.93

Source: Primary data 2024

The mean score of (3.89) meant that there was awareness of the organization's attempts to boost a healthy and inclusive workplace. The standard deviation (0.99) showed lack of consistency in the answers, meaning that there are different beliefs on this CSR technique's success.

A mean of (3.95) meant there's a strong agreement that the organization supported employee volunteer programs. The standard deviation of (0.88) showed consistency in responses, which showed a solid agreement on the effectiveness and presence of the employee volunteer programs.

The mean score of (4.00) showed a powerful agreement that the organization functionally coordinates community impact goals with its business practices. The standard deviation of (0.84) was low, meaning that informants agree on this aspect of CSR.

The largest mean score of (4.09) showed the strongest agreement that the organization tirelessly sought reactions or criticism and gets involved with stakeholders. The low standard deviation (0.80) showed a high level of consensus among informants about the success of this technique.

With a mean of (3.86) showed a typically effective sight but reflected an insignificant fall contrast to other techniques. The large standard deviation of (0.95) reflected more diverse beliefs on how adequately the organization provided chances for workers to take part in CSR activities.

The mean score of (4.00) showed a strong consensus that partnership with non-profits is partly a foundation for the organization's CSR strategy. The low standard deviation (0.81) reflected a large level of agreement on this technique.

The mean of (4.09) recommended that there was a high consensus that the company informed its CSR endeavours adequately. The low standard deviation (0.79) reflected a broad consensus among informants, meaning that this is a well-considered situation of the organization's CSR strategy.

Lastly, with mean score of (3.91) reflected helpful insights on humanitarianism and ethical labor practices. The standard deviation of (0.93) reflected some changeability in responses, meaning that while the practice was appreciated, there are differing opinions on its implementation.

4.4. The contributions of CSR to performance of the organization in the study context

The second objective of the study was to assess contributions of CSR to performance of the organization in the study context. This aspect was measured using 8 items at a five point Likert scale ranging from 5 – strongly agree, 4 – agree, 3 – Not sure, 2 – disagree, and 1 –strongly disagree. The finding from the analysis are as presented in the table below.

Table 5: showing the contributions of CSR to performance of the organization

Contribution	Mean	Standard Deviation
A. There is customer satisfaction and retention	4	0.81
B. There is corporate philanthropy and competitive advantage	4	0.82
C. Due to our CSR programs, we have good public images that gives us a competitive advantage in the market.	4.18	0.78
D. There is better employee attraction and retention	4.05	0.85
E. CSR play a role in building customer loyalty based on distinctive ethical values	4.05	0.83
F. CSR projects that benefit a community often gain positive local or national media attention which improves company image.	4.09	0.79
G. There is increased investment and donor dollars which increases cash inflows	4	0.89
H. Due to CSR, our sales per day have increased.	3.86	0.95

Source: Primary data 2024

With mean of (4.00) which showed high consensus that CSR provided pronouncedly to customer satisfaction and retention. The low standard deviation (0.81) showed a large level of

agreement on this contribution.

The mean score of (4.00) showed that CSR was seen as successfully impacting corporate generosity and providing a competitive advantage. The low standard deviation (0.82) showed consistent consensus among informants.

The highest mean score of (4.18) reflected high consensus that CSR initiatives boosted the organization's image and offered a competitive advantage. The low standard deviation (0.78) showed that informants are unified in their insights on this contribution.

The mean score of (4.05) suggested a high consensus that CSR enhanced worker attraction and retention. The standard deviation of (0.85) reflected a perfect level of agreement, nevertheless marginally more alteration existed compared to other contributions.

The mean score of (4.05) showed that CSR was credited to sustain customer loyalty through its ethical values. The standard deviation of (0.83) showed a perfect level of consensus but with some alterations.

A mean score of (4.09) indicated high consensus that CSR programs attracted good media attention, which improved the organization's image. The low standard deviation (0.79) showed strong agreement on this contribution.

A mean score of (4.00) showed that informants accepted that CSR led to increased investment and donor contributions. The higher standard deviation (0.89) showed there is some disagreement among informants about this contribution.

Lastly, the mean score of (3.86) showed a moderate consensus that CSR affected daily sales positively. The higher standard deviation (0.95) showed more different thoughts on this contribution.

4.5. The relationship between CSR and organizational performance in the study context.

The third objective of the study was to find out the relationship between CSR and organizational performance. This aspect was measured using 7 items at a five point Likert scale ranging from 5 – strongly agree, 4 – agree, 3 – Not sure, 2 – disagree, and 1 –strongly disagree. The finding from the analysis are as presented in the table below.

Table 6: showing the relationship between CSR and organizational performance

Relationship	Mean	Standard Deviation
A. CSR has significant effect on profitability	4	0.84
B. CSR activities at the organization help to recruit competent employees and increase their commitment to the company and the causes that it is involved with.	4.09	0.78
C. There is a strong positive relationship exists between investment in social responsibility and corporate profit	4.09	0.79
D. Environmental management play a positive role in improving corporate organization performance.	4	0.89
E. Good corporate image comes with CSR making investors prefer such companies.	4.09	0.78
F. CSR initiatives boost our employees' self-esteem, strengthening their affiliation with the organization hence leading to a higher level of engagement.	4.05	0.8
G. CSR has reshaped our innovation to meet the customers' changing needs	4	0.82

Source: Primary data 2024

A mean score of (4.00) showed high consensus that CSR pronouncedly affected profitability. The standard deviation of (0.84) reflected a relatively constant insight among informants.

A mean score of (4.09) reflected a high consensus that CSR practices helped in employing and retaining committed workers. The low standard deviation (0.78) reflected high agreement on this relationship.

The mean score of (4.09) showed a high consensus that there is a perfect relationship between CSR investment and corporate profit. The low standard deviation (0.79) showed a large level of consensus among informants.

The mean score of (4.00) indicated consensus that environmental management positively affected organizational performance. The standard deviation of (0.89) showed some differences in opinions on this impact.

The mean score of (4.09) suggested a high consensus that CSR improved corporate image and attracted investors. The low standard deviation (0.78) reflected a constant insight among informants.

The mean score of (4.05) suggested that informants believe that CSR practices improved worker self-esteem and engagement. The standard deviation of (0.80) showed a perfect level of agreement.

Lastly, a mean score of (4.00) showed that informants agree CSR has a good impact on innovation and meeting customer needs. The standard deviation of (0.82) reflected a relatively constant insight among informants.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter offered a recap of the observations and inferences drawn from the data outlined in chapter four. The summary was grounded in the literature discussed in chapter two. Additionally, this chapter included conclusions, recommendations, and proposed topics for further research.

5.1 Summary of the Findings

5.1.1 The different CSR techniques utilized in the study context

From the study, it was highlighted that the different CSR techniques utilized in the study context include; Organization promoted healthy and inclusive workplace cultures, organization sets up employee volunteer programs, organization integrates community impact aimed with business practices, getting input and participation to increase stakeholder value, organization encourage employees to participate in CSR activities by providing them with opportunities to volunteer their skills towards relevant causes, organization collaborates with non-profit organizations to enhance our credibility and allows us to reach a wider audience with our CSR message, organization communicates organization CSR efforts openly and honestly with both internal and external stakeholders and organization practice humanitarianism and supporting ethical labour. As noted by Nwaeke (2019), a robust workplace culture fostered positive feedback loops that strengthened a company's commitment to social responsibility. Employees were motivated to perform at their best and contribute to the company's success when they feel acknowledged and valued. A thriving and content organization attracted high-calibre talent who resonated with its culture and actively enhanced it, as pointed out by Seng (2000). Employees who embodied such values were more prone to carry these inclusive principles into their families, social networks, and communities, and engaged with the corporate social responsibility strategies and initiatives endorsed by their company.

5.1.2 The contributions of CSR to performance of the organization in the study context.

The study findings revealed that the contributions of CSR to performance of the organization in the study context included; there is customer satisfaction and retention, there is corporate philanthropy and competitive advantage, Due to our CSR programs, organization have good public images that gives us a competitive advantage in the market, there is better employee attraction and retention, CSR contributed to fostering customer loyalty through unique ethical principles, CSR community-benefiting projects frequently attracted favourable local or national media coverage, and there is increased investment and donor dollars and due to CSR,

our sales per day have increased. Luo and Bhattacharya (2006) examined a sample of 500 companies and found a direct positive correlation between corporate social responsibility (CSR) and customer satisfaction. Marketing research, as noted by Khalifa and Liu (2002), primarily focused on customer satisfaction concerning tangible products and services provided through various channels. According to Eugene et al (2003), customer satisfaction accelerated market entry, enhanced cash flows, and served as a crucial mechanism through which customer contentment influenced shareholder value across different industries. Effective communication was essential for any organization; strong communication fostered a closer relationship between the company and the public, led to a positive image and improved customer retention.

5.1.3 The relationship between CSR and organizational performance of the organization in the study context.

Lastly, the study finding stressed that the relationship between CSR and organizational performance of the organization in the study context included; CSR had significant effect on profitability, CSR activities at the organization helped to recruit competent employees and increased their commitment to the company and the causes that it is involved with, there was a significant positive correlation existing between investing social responsibility and a company's profitability, environmental management had positively impacted the performance of corporate organizations, a positive corporate image, bolstered by corporate social responsibility (CSR) tended to attract investors who favour such companies, CSR initiatives boosted our employees' self-esteem, strengthening their affiliation with the organization hence leading to a higher level of engagement and CSR has reshaped our innovation to meet the customers' changing needs. Shehu (2013) explored the effect of Corporate Social Responsibility (CSR) on the profit after tax of selected deposit money banks in Nigeria, concluded that CSR positively influenced profitability. Similarly, Richard and Okoye (2013) examined the influence of CSR on Nigerian banks and found that social responsibility contributed to societal development, particularly in enhancing infrastructure. Babalola (2013), who studied the effect of social audits on corporate performance among manufacturing firms in Nigeria, reported results that aligned with those of Shehu (2013), Richard and Okoye (2013), as well as other researchers (Lee, 2008; Abefe-Balogun, 2011), all of whom affirmed a positive and significant relationship between CSR and organizational performance.

5.2 Conclusion

From the study, it was highlighted that the different CSR techniques utilized in the study context branch include; Organization promote healthy and inclusive workplace cultures,

Organization set up employee volunteer programs, Organization aligns community impact goals with business practices, Soliciting feedback and engagement to maximize stakeholder value, Organization encourage employees to participate in CSR activities by providing them with opportunities to volunteer their skills towards relevant causes, Organization collaborates with non-profit organizations to enhance our credibility and allows us to reach a wider audience with our CSR message, Organization communicates organization CSR efforts openly and honestly with both internal and external stakeholders and Organization practice humanitarianism and supporting ethical labor.

More so, the study findings revealed that the contributions of CSR to performance of the organization in the study context included; there is customer satisfaction and retention, there is corporate philanthropy and competitive advantage, Due to our CSR programs, organization have good public images that gives us a competitive advantage in the market, there is better employee attraction and retention, CSR play a role in building customer loyalty based on distinctive ethical values, CSR projects that benefit a community often gain positive local or national media attention and there is increased investment and donor dollars and due to CSR, our sales per day have increased

Lastly, the study finding stressed that the relationship between CSR and organizational performance of the organization in the study context included; CSR has significant effect on profitability, CSR activities at the organization help to recruit competent employees and increase their commitment to the company and the causes that it is involved with, there was a significant positive correlation existing between investing social responsibility and a company's profitability, environmental management had positively impacted the performance of corporate organizations, a positive corporate image, bolstered by corporate social responsibility (CSR) tended to attract investors who favour such companies, CSR initiatives boosted our employees' self-esteem, strengthening their affiliation with the organization hence leading to a higher level of engagement, and CSR has reshaped our innovation to meet the customers' changing needs.

5.3 Recommendations

There was need to engage employees at all Levels. Implementing corporate social responsibility required the active engagement of employees at all levels within the organization. This could be done through encouraging employees to participate in CSR activities by providing them with opportunities to volunteer or contribute their skills towards relevant causes.

There was a necessity to enhance the public perception. People typically had a positive attitude towards engaging with philanthropic companies. Businesses that implemented corporate social responsibility (CSR) initiatives cultivated a favourable public image, as this provided them with a competitive edge in the marketplace.

There was need for customer satisfaction and retention. Customer satisfaction was a collective result of how customers perceived, assessed, and emotionally responded to their experiences with a product or service. When customers were satisfied, it led to behaviours such as loyalty, commitment, and the development of a beneficial relationship between the user and the provider.

5.4 Areas for further study

Corporate social responsibility (CSR) and its effect on business innovation and business performance.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE

Dear respondent,

My name is **MUHUMUZA NOAH**, a student of Uganda Christian University carrying out research on “the effects of CSR on organizational performance” using a case study of Coca-Cola Company Namanve branch in partial fulfilment of the award of bachelor’s degree in accounting and finance. The information you provide is purely for academic purposes and will be treated with utmost confidentiality

Thank you and may the almighty reward you.

Yours faithfully noah

SECTION A: Demographic Characteristics

Tick / fill in the most appropriate answer.

1. Gender of respondent

- a) Female b) Male

2. Age of respondent

- a) Below 20 years b) 20 – 25 years c) 26 – 30 years

- d) 31 – 35years e) 36 – 40 Years f) Above 40 years.

3. Highest level of education Qualification of respondent

- a) Certificate b) Diploma c) Bachelors e) Not at all

4. SECTION B: The different CSR techniques utilized in the study context (Tick as Appropriate)

Indicate the extent to which you agree with the following observations on the different CSR techniques at In the study context branch on a scale of (5) = strongly agree, (4) = agree, (3) = not sure (2) = disagree (1) = strongly disagree

		Scale				
The different CSR techniques		1	2	3	4	5
A	Organization promotes healthy and inclusive workplace cultures.					
B	Organization sets up employee volunteer programs					
C	Organization aligns community impact goals with business practices					
D	Soliciting feedback and engagement to maximize stakeholder value					
E	Organization encourages employees to participate in CSR activities by providing them with opportunities to volunteer their skills towards relevant causes					
F	Organization collaborates with non-profit organizations to enhance credibility and allows organization to reach a wider audience with our CSR message.					
G	Organization communicates organization CSR efforts openly and honestly with both internal and external stakeholders.					
H	Organization practices humanitarianism and supporting ethical labour.					

6. SECTION C: The contributions of CSR to performance of the organization in the study context (Tick as Appropriate)

Indicate the extent to which you agree with the following observations on the contributions of CSR to performance of the organization on a scale of (5) = strongly agree, (4) = agree, (3) = not sure (2) = disagree (1) = strongly disagree

		Scale				
		1	2	3	4	5
	The contributions of CSR to performance of the organization					
A	There is customer satisfaction and retention.					
B	There is corporate philanthropy and competitive advantage					
C	Due to organization CSR programs, organization has good public images that gives us a competitive advantage in the market					
D	There is better employee attraction and retention					
E	CSR play a role in building customer loyalty based on distinctive ethical values					
F	CSR projects that benefit a community often gain positive local or national media attention which improves company image.					
G	There is increased investment and donor dollars which increases cash inflows.					
H	Due to CSR, organization sales per day have increased					

7. SECTION C: The relationship between CSR and organizational performance of the organization in the study context (Tick as Appropriate)

Indicate the extent to which you agree with the following observations on the relationship between CSR and organizational performance on a scale of (5) = strongly agree, (4) = agree, (3) = not sure (2) = disagree (1) = strongly disagree

		Scale				
The relationship between CSR and organizational performance		1	2	3	4	5
A	CSR has significant effect on profitability					
B	CSR activities at the organization help to recruit competent employees and increase their commitment to the company and the causes that it is involved with.					
C	There is a strong positive relationship exists between investment in social responsibility and corporate profit					
D	Environmental management play a positive role in improving corporate organization performance					
E	Good corporate image comes with CSR making investors prefer such companies.					
F	CSR initiatives boost organization employees' self-esteem, strengthening their affiliation with the organization hence leading to a higher level of engagement					
G	CSR has reshaped organization innovation to meet the customers' changing needs					

APPENDIX 2: INTRODUCTORY LETTER

SCHOOL OF BUSINESS

19th Aug, 2024

TO WHOM IT MAY CONCERN

Name: **MUHUMUZA NOAH. M**

Reg. **S21B33/025.**

A bachelor's student who is seeking permission from your office to collect data for his dissertation titled

THE EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON ORGANIZATIONAL PERFORMANCE

We shall be grateful if you could render assistance to him in collecting the necessary data for his dissertation

The Uganda Christian University School of Business thanks you in advance



Mukisa Simon Peter

Research coordinator