EFFECT OF STRATEGIC CORPORATE SOCIAL RESPONSIBILITY ON COMPETITIVE ADVANTAGE OF THE BANKING SECTOR IN KENYA

PRISCA JEPKEMBOI CHOGE

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Effect of Strategic Corporate Social Responsibility on Competitive Advantage of the Banking Sector in Kenya

Prisca Jepkemboi Choge

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DECLARATION

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

Signature.. Date...

Prisca Jepkemboi Choge

This thesis has been submitted for examination with my approval as University supervisor.

Signature.. Date...

Prof. Gregory S. Namusonge (PhD)

JKUAT, Kenya

Signature.. Date...

Dr. Elizabeth Nambuswa Makokha (PhD)

JKUAT, Kenya

DEDICATION

Special dedication goes to my loving husband Daniel Tonui, my daughter Anita, and my sons Eugene and Nigel for their love, support and patience during my studies. To my parents who always motivated me to push on, and sacrificed all they could to ensure that I succeed in my academic life; my wish for them is that this work may grant them some fulfilment in life.

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LIST OF ACRONYMS AND ABBREVIATIONS

AFC:	Agricultural Finance Corporation
CA:	Competitive Advantage
CBA:	Commercial Bank of Africa
CSR:	Corporate Social Responsibility
DTB:	Diamond Trust Bank
FDI:	Foreign Direct Investment
GoK:	Government of Kenya
ICSR:	Internal Corporate Social Responsibility
IFM:	Institute of Finance Management
KCB:	Kenya Commercial Bank
KWFT:	Kenya Women Finance Trust
OC:	Organizational Competencies
OCB:	Organizational Citizenship Behaviour
OE:	Organizational Ethics
OP:	Organizational Policies
OR:	Organizational Resources
RBV:	Resource Based View
SACCOS:	Savings and Credit Cooperative Societies

SPSS: Statistical Package for Social Scientists

USIU: United States International University

TQM: Total Quality Management

DEFINITION OF TERMINOLOGIES

Corporate Social Responsibility: This is a situation whereby corporations consider the effects of their actions upon the customers, suppliers, general public, employees, and others who have a stake or interest in the corporation (Cheers, 2011).

Competitive Advantage: A situation where organizations perform better than their competitors in the same industry. Powell (2001) asserts that competitive advantage is an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and services that justify similar, or possibly higher, prices.

Organizational Competitive Advantage: it is the leverage that an organization has over its competitors which may be by offering clients better and greater value **(**Almarri & Gardiner, 2014).

Organization Citizenship Behaviour: According to Organ cited in (Kumar, Bakhshi, & Rani, 2009), Organization Citizenship Behaviour (OCB) refers to individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, which generally promotes the effective functioning of the organization. Discretionary means that the behaviour is not an enforceable requirement of the role or the job description, that is, it is not one of the clearly specifiable terms of the person's employment contract with the organization; the behaviour is rather a matter of personal choice, such that its omission is not generally punishable.

Competencies: a combination of skills attributes and behaviours needed by the organization so that it can excel and remain competitive (Cavazotte & Chang, 2016)

Resources: Finances, inventories, human skills and information technology which aid in efficient operations (Wang, Lin & Chu, 2011).

Ethics: guidelines and principles which decides the way individuals should behave in the work place (Cooper, 2012).

Policies: written statements, developed in light of the organization's missions and values, which communicate and document organization's plans, instructions, intents, and processes (Bartlett & Ghoshal, 2013)

Internal Corporate Social Responsibility: Internal CSR are internal practices for example; human resource practices such as training and labour participation (Calveras, 2013).

ABSTRACT

The purpose of the study was to investigate the effect of strategic internal corporate social responsibility on organizational competitive advantage of the banking sector in Kenya. The specific objectives of the study were to; determine the effect of organizational competencies on organizational competitive advantage, examine the effect of organizational resources on organizational competitive advantage, evaluate the effect of organizational citizenship behaviour on organizational competitive advantage, examine the effects of organizational ethics on organizational competitive advantage, and to determine the moderating effect of organizational policies on the relationship between internal corporate social responsibility and organizational competitive advantage in the banking sector in Kenya. The study employed explanatory research design. The survey was carried out in 25 banks within Eldoret town, Uasin - Gishu County. The target population was 748 respondents. A two stage sampling technique was used whereby cluster sampling techniques was used to select the banks, thereafter; simple random sampling was a used to select sample of 261 respondents from a population. Sample size was calculated using Yamane formula and distributed within the clusters according to Neyman allocation formula. Structured questionnaire was used to collect primary data while secondary data was obtained from published sources such as library, internet and research done by other scholars. A pilot study was undertaken at Kenya Women Finance Trust (KWFT) and Agricultural Finance Corporation (AFC), both based in Uasin - Gishu County. Validity and reliability tests were conducted on the pilot data. Validity test was done using Principal Component Analysis (PCA) to extract the factors. The research instrument was tested for reliability using Cronbach Alpha. Data was analysed using descriptive and inferential statistics. Descriptive statistics like frequencies, mean and standard deviation were used. For inferential statistics Pearson Correlation, ANOVA and Multiple Regression were used. Findings were presented using figures and tables. The overall regression model was significant thus a joint contribution of all the predictors of CSR was significant in predicting organizational competitive advantage with organization policies as a moderator. For all the five variables, there was a probability of R^2= 0.754 which means there was 75.4 percent probability of CSR predicting competitive advantage without moderation at 5% level of significance. With a moderator R^2 is .760. Organization competencies had the highest B values of .267, while Organization citizenship behaviour B =.253, Organization resources B=.122, Organization ethics B=.097 all of which were positive. All the study variables had a positive and significant correlation with competitive advantage. Organization competencies =.787 organization resources =.796, Organization citizenship behaviour =.714 Organization Ethics =.727. In conclusion banks should embrace CSR practices and strategically align them to organization policies for competitive advantage. The study recommends that all the predictors of CSR should be ingrained in the organization policies to foment competitive advantage.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The chapter gives the background information to the study and the statement of the problem. The general and specific objectives of the study are highlighted as well as the research questions and hypotheses of the study. Scope of the study, justification of the study and limitations of the study are outlined in this chapter.

1.2 Background to the study

Competition is currently very stiff in many industries, bringing in challenges of business sustainability, size of market share, profitability, and winning of public trust and confidence. Many firms in the industry are struggling to maintain their competitive positions. Globalization, advancement of technology, deregulation of financial services and privatization of banks that were initially public are some of the causes of increased competition (Achua, 2008). As a stakeholder-oriented concept, CSR exists within networks of stakeholders, face the potentially conflicting demands of these stakeholders, and translate the demands into CSR objectives and policies (Kinyua, Amuhaya & Namusonge, 2015).

To maximize long-term economic, societal and environmental well-being, firms need to embrace good business practices, policies and resources. Spurred by the thinking of leading strategy, management and marketing scholars (Kotler & Nancy, 2005; Lemon, John, Russell & Priya, 2010; MaHoney, Anita & Christos, 2009) agree that the most forward-thinking firms across the globe are approaching CSR as, not only their ethical responsibility to society and the environment, but also as a way of achieving their strategic objectives while at the same time bettering the world (that is, creating joint value for the firm and society). In many organizations considerable amount of resources are being used in funding corporate social responsibility activities for purposes of achieving competitive advantage (Ndinda, Namusonge & Kihoro, 2015). According to Charles and Gareth (2009) competitive advantage has four building blocks which are efficiency, quality, innovation and responsiveness to customers. Competitive advantage is gained when organizations perform better than their competitors in the same industry. In order for organizations to outwit competition they should formulate both internal and external organizational strategies in consideration of the strategies of their competitors (Adom, Nyarko & Som, 2016). When they identify these strategies, they will be able to improve their positions in terms of competitive advantage leading to increased market share. In this regard the banking sector organizations should identify and embrace internal corporate social responsibility strategies which can jointly contribute towards their competitive advantage.

Banks, now more than ever, recognize that profitability and growth, which is the core purpose of the business, must be coupled with actions that appear to further some social good beyond the core interests of the firm and that which is required by law McWilliams and Siegel, as cited in (Jones & Bartlett, 2009). Management's strategic initiatives including ICSR initiatives should therefore focus on developing competitive advantage sustained by all stakeholders. Mutual advancement among the company and its stakeholders is the goal of CSR and is important to the banks' competitive advantage. Internal CSR focuses on what an organization can do internally to improve the well-being of the workforce, their lives and productivity as well as its impact on profitability. Companies need to focus not only on making money, but also on how they do it and why they are in business in the first place.

It requires companies to examine why they are in business and what they need to do to stay in business (Gionarlo, 2011).

Social responsibility provides sustainable competitive advantage that requires a culture that can successfully execute a combination of activities (Leeora & Charmine, 2004). Hamel and Prahalad cited in April and Shockley (2005) gathered intelligence about current and potential social and political issues, involvement of stakeholders, managing stakeholder expectations, decision making, incorporating the decisions into the strategic plan and tactical activities, communicating symbols to stakeholders, and ethical business behaviour. These activities have ties to Michael Porter's Theory of Competitive Advantage which advocates for the need to have a strategic fit for sustained competitive advantage (Porter, 2001). It is against this background that firms need to improve their position of competitiveness through strategically fitting internal CSR into their policy frameworks.

However existing research shows that individuals and organizations are likely to have distinct expectations and attitudes towards ICSR contingent on the industry Yuen and Lim (2016); Batool, Butt and Niazi (2016) or societal culture Gualtieri and Topić (2016) in which they are embedded. Atuguba and Dowuona-Hammond argue that fundamentals of CSR remain the same, but CSR issues vary in nature and importance from industry to industry and from location to location and different emphases are made in different parts of the world (Dartey-Baah, 2011). Besides CSR examines a number of themes such as the link between CSR and financial performance while very few studies have been conducted on CSR and Competitive Advantage (Khanifar et al., 2012; Ofori, Nyuur & Darko, 2014). In addition majority of studies have looked at ICSR and employee satisfaction and not ICSR and competitive advantage which the current study sought to address. Moreover, most of the studies have been conducted outside the African context whose findings cannot be generalized to the Kenyan context because of differences in national culture and policies. The study was therefore designed to fill the existing gap in literature by considering the effect of strategic internal corporate social responsibility (ICSR) on competitive advantage of banking organizations in the Kenyan context.

Strategic CSR, when seen from a global perspective, is one of the key means of achieving sustainable competitive advantage in the turbulent global environment (Ljubojevic, Ljubojevic & Maksimovic, 2012). Managerial attitudes towards CSR and level of company engagement in CSR activities vary by country. Lindgreen and Swaen (2010) have observed that managers in countries with high institutional collectivism and with low power distance traits, that is cultural values that focus on addressing long-term concerns and lessening inequity respectively, are more likely to show behaviours positively associated with CSR. CSR issues in the Brazilian business environment are still not as widespread as compared to other countries. Nevertheless, pressures from interest groups and attention to such issues by the business media have increased concerns regarding corporate social performance in the country (Puppim, 2008). According to Husted and Salazar cited in Sousa Filho et al (2010) CSR strategies resolve the existing tension between social objectives and profitability, as society and shareholders expect both and the results should be positive.

Small and Medium sized Enterprises (SMEs) located in Italy and France adopted environmental tools, such as audits, monitoring systems or training which lead to accumulation of know-how and increase in technical capacity thus inducing a higher innovation rate and consequently increased organizational competitive advantage. Jordanian companies have set up a specialized department called the Department of Social responsibility to follow up their social responsibility offerings to internal employees exceeding the company's obligations to profits (Shatnawi, 2015). Strategic CSR enhanced the achievement of competitive advantage in the Jordanian Islamic banks (Aldory, 2014).

Regionally, strategic ICSR has continued to grow and increase in popularity and significance. Visser and Tolhurst (2017) argue that the manifestation of CSR in developing countries is different from the Western world because of differences in culture and norms. Developed economies commonly use benchmarks such as CSR codes, standards and reports, while CSR practices in developing economies tend to be less formalized (Dartey-Baah, 2011). Generally, CSR practice in Africa is thought to be adopted from Western business theories although there is evidence to suggest that Western CSR theories are not totally applicable in Africa (Gugler & Shi, 2009). This is due to differences in drivers or causes of CSR in the West and in Africa, as well as cultural and managerial traits in Africa.

In Nigeria, for instance, an organization known as the House of Tara has grown from a door to door make up business to a major player in the beauty and make up industry expanding to other West African countries. The expansion is attributed to its adoption of strategic CSR which played a strategic role in its gaining of competitive advantage through employees' (internal) loyalty (Motilewa & Worlu, 2015). On the other hand, studies in the field of CSR in Ghana have been silent on the issues concerning CSR and competitive advantage as a strategy for business (Baba, 2012;

Ofori, Nyuur & Darko, 2014). Nkundabanyanga and Okwee (2011) opines that in order to uphold the ideals of CSR, companies in Uganda need to enhance managerial discretion in their contracting process and develop competencies, learning and efficiency in order to impact positively on competitive advantage.

The national or local perspective reveals that the concept of Internal Corporate Social Responsibility is not very well developed in Kenya, as it is still an emergent concept in the country (Wafula, 2012). However, the level of cognition of the concept within the corporate community is rising steadily but it is largely considered more philanthropic and voluntary rather than a legal requirement (Hohnen, 2011). Thus, Kenya boasts of emerging specialist CSR organizations. Corporations have invested in corporate CSR, with an expectation of receiving a return, for example increased brand loyalty (Bondy, Moon & Matten, 2012). In Kenya, big companies are undertaking most of the CSR projects with the financial muscle including the East African Breweries Limited, Safaricom, Kenya Airways, Toyota Kenya, Equity Bank, UAP Insurance, Kenya Commercial Bank, among others. CSR is thus gaining momentum as organizations recognize the important role it plays in business performance (Iraya & Jerotich, 2013). Other companies actively involved in social responsibility initiatives include Reckitt and Benkiser, which sponsors the Dettol heart run and Safaricom limited through its Safaricom foundation.

Retail banking institutions in Kenya play a pivotal role in the country's socio-economic development. They act as a catalyst in spurring the development of all other industries. However it is important for banking institutions, just like other organizations, to be able to look outside to its societal needs and address what it can using its internal resources (Mbugua, 2012). This therefore requires the banking institutions to adopt internal corporate social responsibilities strategies in order to secure competitive advantage. According to GoK (2008), having a well-functioning and vibrant financial sector is a critical ingredient in accelerating economic growth by spurring private sector development and ensuring macroeconomic stability thereby leading to realization of the economic pillar of vision 2030 and Sustainable Development Goals. Banks, however, are facing challenges that threaten their competitive positions in the industry. For example, entry of other financial institutions like SACCOS, table banking, Merry-Go-Rounds, and even shylocks into the industry. To survive in the banking industry, firms ought to continuously create and sustain competitive advantage. In this regard the study focused on CSR practices (Organization competencies, organization resources, organization citizenship behaviour, and organization ethics). The moderating effect of organizational policies was also captured in the study.

1.3 Statement of the Problem

Competitive advantage is important and firms throughout the world currently face slower growth and no longer act as if the expanding pie were big enough for all (Klein, 2001). The essence of competitive strategies for profitability and sustainability against the forces of competition cannot be gainsaid. This is underscored by the fact that the strategies employed by the banks dictate their competitive advantage (Mwangi, 2015). However, banks operate within a web of complex and competing interests with diverse expectations which require strategies of balancing and weighing the impact of their decisions (Desta, 2010). Cavazotte and Chang (2016) opine that companies which neglect their social responsibilities are likely to experience negative consequences thwarting their competitive advantage.

The banking sector remains crucial in delivering the envisioned 10 percent economic growth rate per annum in Kenya (Kariuki, 2015). However, banks have experienced increased competition over the last few years due to increased innovations among the players and new entrants into the market (PWC Kenya, 2011). Thus, Kenyan banks exhibit differences in performance, with some banks reporting profits while others report losses in their annual report (Oloo, 2011; CBK, 2012). This has an immense implication on the economic growth of the country. This compels banks to enhance their competitive advantage in agreement with Porters (1991) drivers of competitive advantage which view superior position, superior skills and superior resources as drivers. Thus the use CSR as a differentiation attribute for competitive advantage. ICSR highlights specific facets of internal social investments that are likely to drive such outcomes (Cavazotte & Chang, 2016).

Social responsibility and the performance of companies yield ambivalent results. Most discussions in the CSR field are driven by issues inherent to external CSR while the concept of internal CSR has been relatively ignored (Aguilera, Rupp, Williams & Ganapathi, 2007; Aguinis, 2011). Different foci of ICSR initiatives may have quite different outcomes (Van der Laan, Ees & Witteloostuijn, 2008). Therefore the study sought to fill the existing gap in literature by examining the effect of strategic ICSR on banks competitive advantage in the Kenyan context.

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of the study was to examine the effect of strategic corporate social responsibility on competitive advantage in the banking sector in Kenya

1.4.2 Specific Objectives

1. To determine the effect of organization competencies on competitive advantage in the banking sector in Kenya.
2. To examine the effect of organization resources on competitive advantage in the banking sector in Kenya.
3. To evaluate the effect of organization citizenship behaviour on competitive advantage in the banking sector in Kenya
4. To assess the effects of organization ethics on competitive advantage in the banking sector in Kenya.
5. To evaluate the moderating effect of organization policies on the relationship between strategic corporate social responsibility and competitive advantage in the banking sector in Kenya.

1.5 Research Questions

1. What is the effect of organization competencies on competitive advantage in the banking sector in Kenya?
2. What is the effect of organization resources on competitive advantage in the banking sector in Kenya?

3. What is the effect of organization citizenship behaviour on competitive advantage in the banking sector in Kenya?
4. What is the effect of organization ethics on competitive advantage in the banking sector in Kenya?
5. What is the effect of organization policies on moderating the relationship between corporate social responsibility and competitive advantage in the banking sector in Kenya?

1.6 Hypotheses of the Study

The study is guided by the following null hypotheses:

Ho_1: Organization competencies do not have significant effect on competitive advantage in the banking sector in Kenya

Ho_2: Organization resources do not have significant effect on competitive advantage in the banking sector in Kenya

Ho_3: Organization citizenship behaviour does not have significant effect on competitive advantage in the banking sector in Kenya

Ho_4: Organization ethics does not have significant effect on competitive advantage in the banking sector in Kenya

Ho_5: Organization policies do not have a significant moderating effect on the relationship between corporate social responsibility and competitive advantage in the banking sector in Kenya

1.7 Significance of the Study

The study filled the gap by ascertaining the strategic CSR activities that organizations can use to influence and to gain competitive advantage. The study is justified since it is significant to managers who will be able to understand the conditions under which strategic CSR actions can serve as effective instruments of competitive advantage. Bank management may benefit from this study by using the outcome to strategically design, deliver and manage its internal CSR initiatives in a way that is relevant to the dynamic competitive environment. Research results and conclusions may be useful for justifying stronger and better strategies and planned implementation of internal CSR in an organization.

Furthermore, the study focused mainly on highlighting the importance of CSR-related activities in an African context (Kenya). This may be a valuable contribution from a contextual perspective, as well as in understanding the internal CSR theory and implications thereof in nations representing an altogether different set of social, cultural, economic and political circumstances**.** The findings of the study will help scholars to build on their future study. The study will help researchers by adding more literature on internal corporate social responsibility as a strategy for organizational competitive advantage. Also students interested in this field may obtain information showing the gaps that require further studies, and thus take up the study from there.

The study provides information to banks operating in the Kenyan business environment as well as investors on how best they can deliberately use organizational policies to improve their internal CSR so as to gain competitive advantage. This study is significant as it aims at bridging the gap between theoretical and contextual perspective. From the theoretical point of view, the major contribution of the study found an answer to the 'how' question and demonstrated the mechanism through which an organization is able to outperform its competitors by using its internal CSR-related activities strategically for development of tangible and intangible resources considered indispensable for sustained competitive advantage in today's highly competitive business environment. Managers will be able to use internal corporate social responsibility as a strategy to improve their positions of competitiveness in the industry. Moreover, they will also be able to embrace CSR as a policy matter.

1.8 Scope of the Study

The study covered commercial banks in Uasin-Gishu County. It focused on the study of strategic corporate social responsibility practices and policies as factors for competitive advantage of the banking sector. The sample of the study was selected banks in Uasin- Gishu County. Employees interviewed were sampled from all the banks in the county. These formed the respondents of the study.

The scope chosen is justified because in Uasin-Gishu there are a lot of economic activities and many banks are found in this County. There are diverse types of banks; all having their way of positioning themselves and because of the many banks, there is a lot of competition which makes each of the banks to struggle for a greater market share in the industry. It is this aspect of competition among the banks in Uasin-Gishu that made the scope in terms of context to be very relevant to the study. The choice of variables of internal corporate responsibility is justified also since most of the studies that have been done are mainly in external corporate social responsibility. This study thus concentrated on the internal aspects as its variables. It attracts more attention on the finer aspects that can be used strategically by organizations for competitive advantage.

1.9 Limitations of the study

The study was limited to the context of banks in Uasin – Gishu County. The researcher recommended that further studies may be done in other industries with different industrial cultures. The scope of variables was also limited. There are many other variables that would also have an impact on competitive advantage and that would have been included in the study. In this regard the researcher suggested that other CSR constructs be tested against competitive advantage .On the other hand; the study took into account only one moderator. In reality, there are other factors which moderate the relationship between internal corporate social responsibility and competitive advantage which would have been included in the study. The study overcame this limitation by suggesting that other moderators other than organizanal policies to be used in testing the relationship between CSR and competitive advantage .In methodology for example, sampling was used to get the respondents. Censures would perhaps have given different results since everybody would have been asked their views and the findings would have been different. The use of questionaires only could have compromised the reliability of the findings of this study thus the researcher recommended the use of multiple instruments.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed concepts of previous studies on the related field, acknowledging the contributions made by the scholars, seminar papers, conference proceedings and business journals, text books and periodicals. All these helped in identifying the gap and provided the way forward. An illustration of the conceptual framework was given as well as the theoretical framework. Empirical review and a critique of existing literature was done before identifying the gaps and thereafter a summary was done to show how unique the study is. The literature review has been categorized for easy reading.

2.2 Theoretical Framework

The study considered the relevant theories that the study variables were hinged on. The resource based theory. Stakeholder theory and Michael Porter's theory of competitive advantage are captured.

2.2.1 The Resource-Based View (RBV)

The resource-based view (RBV) has emerged as a popular theory of competitive advantage (Furrer, Tomas & Goussevskaia, 2008). The origins of the RBV go back to Penrose cited in Stefan (2012), who suggested that the resources possessed, deployed and used by the organisation are really more important than industry structure. The study variable of competencies, resources, and organization citizenship behaviour are anchored on this theory since all are directly or indirectly different forms of organizational resources. The term 'resource-based view' was coined much later by Wernerfelt as cited in Priem and Butler (2001) who viewed the firm as a bundle of assets or resources which are tied semi-permanently to the firm. Researchers subscribing to the RBV argue that only strategically important and useful resources and strategic competencies should be viewed as sources of competitive advantage (Barney cited in (Raduan, Jegak, Haslinda & Alimin, 2009).

A firm achieves competitive advantage when the firm acquires or develops a resource or combination of resources that allows it to outperform its competitors and uses such a resource strategically (George, Stephen, Kibet, Elijah & Fred, 2013).

Barney cited in Rose, Abdullah and Ismad (2010) outlined four empirical indicators of the potential of firm resources to generate sustained competitive advantage – value, rareness, imitability and substitutability. On the other hand, Wang (2004) outlines an approach to firm-level analysis that requires stocktaking of a firm's internal assets and capabilities. The assets in question could be physical assets, knowledge assets (intellectual capital) as well as human resources, which in turn determine the capabilities of a firm. Maier and Remus (2002) use the term 'resource strategy' and define three steps in a firm's resource strategy - competence creation, competence realization and competence transaction. Other researchers like Barney and Wright cited in Wright, Dunford and Snell (2005) treated human resources as the most valuable type of resource. Dyer and Singh (1998) as well as Wang (2004) suggested that the link between the individual firm and the network of relationship in which the firm is embedded is important for competitive advantage.

According to McWilliams, Siegel and Wright (2006) a firm must use CSR strategically. They argue that engaging in social responsibility activities so as to benefit the firm can be examined using the resource-based view. Engaging in ICSR can help firms to create some of these resources and capabilities McWilliams, Siegel and Wright (2006) but how firms give substance to CSR is possible with different approaches (Porter & Kramer, 2006). It is these different approaches that the study addressed so as to investigate the effect of strategic CSR on competitive advantage of the banking sector in Kenya. Competencies, resources and organization citizenship behaviour are the variables which are covered by this theory.

2.2.2 Edward Freeman's Stakeholder Theory

While opposing Friedman's views that "the business of business is business", Freeman proposed a stakeholder approach to strategic management (Freeman, 2010). At the heart of this view is the stakeholder, which is a spin on the word shareholder, which means it is "any group or individual who can affect or is affected by the achievement of the organization's objectives". Freeman argues that stakeholder theory begins with the assumption that ethics are necessarily and explicitly a part of doing business. It asks managers to articulate the shared sense of the value they create and that which brings its core stakeholders together. Further, it pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with their stakeholders to deliver on their purpose (Freeman, Wicks & Parmar, 2004). Hence, Freeman's stakeholder theory perceives that businesses are responsible for more than profit maximization for shareholders. Corporate social responsibility as a variable is fully anchored on this theory of stakeholder.

Stakeholder theory is concerned with evaluating the various stakeholders that the firm is perceived to be responsible to. It is mainly concerned with morals and values while managing an organization. According to this theory, a firm has various stakeholders to whom it is responsible to. Some of these stakeholders are the internal stakeholders who are its employees. When a firm concerns itself with the welfare of its employees, it will be engaging in internal corporate social responsibility. It aims at evaluating the various parties that have a claim over the firm. A firm is a collection of various stakeholders who have diverse requirements from the firm (Freeman, 2010). This theory models the various stakeholders into groups with diverse interests who are to be taken into consideration by the company while devising some ways of incorporating their various interests. This view is commonly advocated through stakeholder theory which maintains that corporations should consider the effects of their actions upon the customers, suppliers, general public, employees and others who have a stake or interest in the corporation (Cheers, 2011). Supporters of this theory reason that by providing for the needs of stakeholders, corporations ensure their continued success and thus, competitive advantage. A renowned company that exhibits the stakeholder view is Johnson and Johnson. They list the corporation's responsibilities in the following order: customers, employees, management, communities, and stockholders (Cheers, 2011).

2.2.3 Michael Porter’s Theory of Competitive Advantage

Michael Porter defined the types of competitive advantage an organization can achieve relative to its rivals, that is, lower cost or cost leadership, focus and differentiation. This advantage derives from attributes that allow an organization to outperform its competition, such as superior market position, skills, or resources. In Porter's view, strategic management should be concerned with building and sustaining competitive advantage (Warf & Stutz, 2007). Competitive advantage can arise from many sources, and shows how all advantages can be connected to specific activities and the way that activities relate to each other, to supplier activities, and to customer activities (Porter, 1985). Internal factors within an organization aligned strategically to corporate social responsibility, are some of the sources which a firm can use to position itself advantageously in light of competition in the industry. The variable of competitive advantage is anchored on this theory.

Porter cited in Chew and Gottschalk (2013) stated that resources are not valuable in and of themselves, but because they allow firms to perform activities that create advantages in particular markets when used strategically. Similarly, Bridoux (2004) argues that many organizational capabilities emerge, are refined, or decay as a result of product market activity. Porter, thus, proposes an analytical framework to assess the attractiveness of an industry whereby the group of firms producing products that are close substitutes for each other are considered. He identifies five basic competitive forces seen as threats to the firm profits: threat of entry, threat of substitution, bargaining power of buyers, bargaining power of suppliers, and rivalry among current competitors. The collective impact of these five forces, the underlying structure of an industry determines the intensity of industry competition and ability of firms in the industry to make profits. Porter describes competitive strategy as taking defensive and offensive actions to cope successfully with the five competitive forces. Porter’s strategy is about positioning a business in a given industry structure, while the reality of business during the 1990’s is that industry structures are far from stable and are undergoing major transitions (Bridoux, 2004).

2.3 Conceptual Framework

A conceptual framework is an analytical tool with several variations and contexts used to make conceptual distinctions and organize ideas (Shields & Rangarjan, 2013). Conceptual framework shows the way ideas are organized to achieve a research project's purpose. This study conceptualizes the relationship between ICSR with competitive advantage moderated by organization policy with respect to banks. Internal corporate social responsibility (ICSR), investments is a dimension of social responsibility that focuses on employees (Turker, 2009).

ICSR also refers to companies' commitment to contributing to sustainable economic development in their relations with their employees, with the communities in places where they operate and with society as a whole so that their actions have a positive effect on business and on development (Cavazotte & Chang, 2016). Strategic social responsibility initiatives can favour the company's reputation and promote their positive image as an employer thereby increasing the company's capacity to attract the best talent available in labour markets (Kim & Park, 2011). It is presumed that when a company has the capacity to attract talent courtesy of its responsibility to its employees, then this would certainly translate into competitive advantage. This can be strategic for companies, since human capital acquisition risks pose threats to productivity, as well as turnover and replacement costs which precipitates competitive disadvantage (Brymer, Molloy & Gilbert, 2014).

A common and well established measure for internal CSR is still lacking. Instead of a well-defined measure, internal CSR is being assessed through the practices adopted by organizations (Mei, 2014). ICSR initiatives on the individual level focus on employees more directly, and address their specific needs. They range from programs that centre on professional development such as sponsoring training and professional education, to initiatives that attend to their needs beyond the workplace, such as offering pension plans and profit-sharing (Cavazotte & Chang, 2016). Organization competencies as intangible assets seem to be especially relevant to the development of competitive advantage (Barney, 2001). In this study organizational competencies were measured in terms of Knowledge, training and development and capabilities, adopted from (Hummaira, Iftikhar, Ali & Muhammad, 2016). Once an organization has a clear understanding of its required organizational competencies, management evaluates them to determine what combination of employees, skills, processes, systems, facilities, partnerships can be used strategically to maintain organizational effectiveness and competitive advantage.

Almarri and Gardiner (2014) highlighted the attainment of sustainable competitive advantage as being enhanced when organization resources are deployed to create value for customers leading to superior performance. Firms should therefore focus on identifying and exploiting resources as a strategy to neutralize threats for purposes of attaining competitive advantage. In this study organization resources was measured in terms of tangible resources which are classified to include both physical (human resources and Technology) resources and financial (Capital) resources of which are expected to affect performance and competitive advantage (Rohana, Roshayani, Nooraslinda & Siti, 2015).

Organization citizenship behaviour makes the organization stable by reducing turnover rate and attracting of talent all of which accrues to competitive advantage. This argument is corroborated by Zeb and Asia, (2016) that the role of OCB in over enhancement in performance contributes to the gaining of competitive edge in the market and hence, promoting the image of the organization. In this study OCB was measured in terms of the dimensions of OCB which include Altruism, Sportsmanship and civic virtues (Ali & Abdulkadir, 2015)

Organization ethics is concerned with what is right, fair, just, or good (Cooper, 2012). Therefore, according to Ellemers et al (2011) study, it stated that an organization who engages in ethical organizational behaviour will create a source of pleasure for the individual employees that ultimately enhance their satisfaction and commitment to the organization hence competitive advantage. In fine Companies that integrate strong ethics policy in conducting business are likely to enjoy a long-term competitive advantage. In this study organization's ethical culture was measured in terms of organization behaviour and code of conduct.

Organization policy is the moderating variable in this study. Policies are written statements, developed in light of the organization's missions and values, which communicate and document organization's plans, instructions, intents, and processes. Policies should guide management, staff and volunteers, clarify organization's values and influence organisation's culture. Ideally, policies should be expressed as formal written documents, so that everyone in the organisation is clear about the organization's expectations and limitations. Good governance relies on clear policies which are related to the goals of the organisation, and which are flexible and responsive to external factors and changes. Clearly written policies help the workforce have clear guidelines and a framework for action that helps them do their job, however new they are to the organisation.

According to Bartlett and Ghoshal (2013) bonds in organizations can only foster if senior executives and managers realize that the company is more than a mere economic entity; it is also a social institution through which people act together holding the sense of association to achieve a common purpose hence competitive advantage. The resource-based view stipulates that in strategic management, the fundamental sources and drivers of firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities, which are both valuable and costly-to-copy (Ali & Abdülkadir, 2015). In this study the conceptual work of Porter (1980), Scherer (1980), Miles and Snow (1978) and MacMillan and Hambrick (1983), which measured competitive advantage in terms of dimensions that reflect important competitive strategies like differentiation, cost leadership, focus and asset parsimony are used (Macharia, 2014). These are shown in the figure 2.1 below:

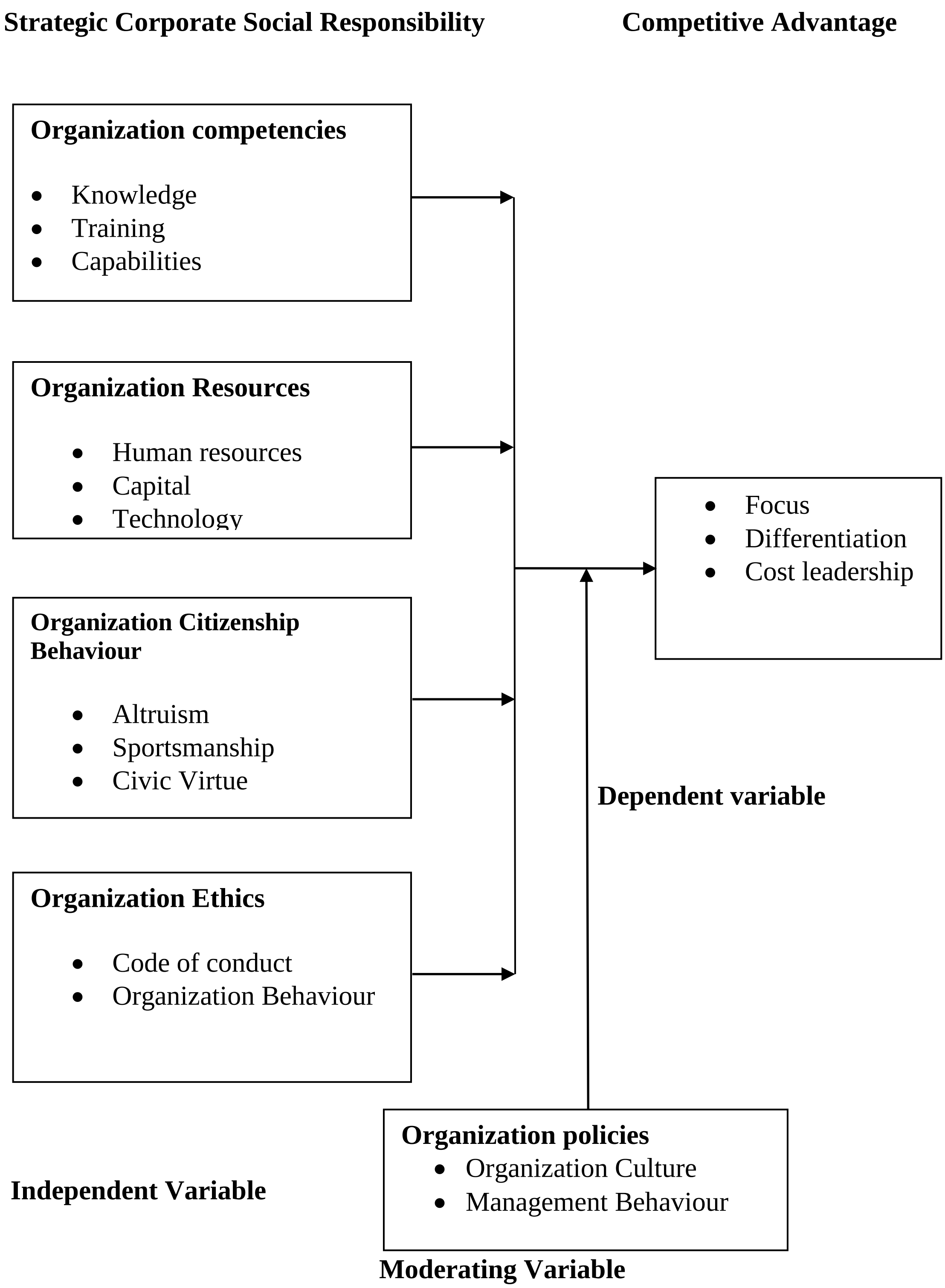

Figure2.1: **Conceptual Framework**

Source (Author 2019)

2.4 Review of Variables

2.4.1 Competitive Advantage

Competitive advantage is the superiority gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing greater value through differentiation (Alimin, Raduan, Jegak & Haslinda, 2012). Competitive advantage results from matching core competencies to the opportunities. Competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Competitive advantage is a theory that seeks to address some of the criticisms of comparative advantage.

Competitive advantage is the basis for superior performance (Bartlett & Ghoshal, 2013). Understanding the anatomy of competitive advantage is of paramount importance to general managers who bear the ultimate responsibility for a firm's long term survival and success. Competitive advantage grows fundamentally out of value a firm is able to create for its buyers that exceeds the firm's cost of creating it (Porter , 2011). Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price. There are three basic types of competitive advantage: cost leadership, differentiation and focus (Bani-Hani & AL-Hawary, 2009).

Differentiation strategy is usually developed around many characteristics such as product quality, technology and innovativeness, reliability, brand image, firm reputation, durability, and customer service, which must be difficult for rivals to imitate (Adom, Nyarko & Som, 2016). A firm implementing a differentiation strategy is able to achieve a competitive advantage over its rivals because of its ability to create entry barriers to potential entrants by building customer and brand loyalty through quality offerings, advertising and marketing techniques. Cost Leadership strategy the objective is to become the lowest-cost producer in the industry. Many (perhaps all) market segments in the industry are supplied with the emphasis placed minimising costs. If the achieved selling price can at least equal (or near) the average for the market, then the lowest-cost producer will (in theory) enjoy the best profits. This strategy is usually associated with large-scale businesses offering standard products with relatively little differentiation that are perfectly acceptable to the majority of customers.

Focus means the company's leaders understand and service their target market better than anyone else (Alimin, Raduan, Jegak & Haslinda, 2012). Their either use cost leadership or differentiation to do that. The key to focusing is to choose one specific target market (Adom, Nyarko & Som, 2016). Often it's a tiny niche that larger companies don't serve. For example, community banks use a focus strategy to gain sustainable competitive advantage. They target local small businesses or high net worth individuals. Their target audience enjoys the personal touch that big banks may not be able to give.

2.4.2 Organization policies

Policies are principles, rules, and guidelines formulated or adopted by an organization to reach its long-term goals and presented in a form that is widely accessible (Charles & Gareth, 2009). Policies are designed to influence and determine all major decisions and actions, and all activities taking place within the boundaries set by them. These organizational policies are managed by the organization to ensure consistent treatment of all members holding the same role within that organization (Emad, Yoshifumi & Abduhall, 2014). Policies identify the key activities and provide a general strategy to decision-makers on how to handle issues as they arise. Company policies are in place to protect the rights of workers as well as the business interests of employers. Depending on the needs of the organization, various policies and procedures establish rules regarding employee conduct, attendance, dress code, privacy and other areas related to the terms and conditions of employment (Armstrong, 2010).

Policies enable the workforce to clearly understand individual and team responsibilities, thus saving time and resources (Armstrong, 2010). Everyone is working off the same page; employees can get the “official” word on how they should go about their tasks quickly and easily. When policies are properly implemented, they become the strongest motivators for appropriate individual and organizational behavior. Good governance relies on clear policies which are related to the goals of the organisation, and which are flexible and responsive to external factors and changes (Georges, 2011). Clearly written policies help the workforce have clear guidelines and a framework for action that helps them do their job, however new they are to the organisation. Common values and codes of conduct for employees as enshrined in the organizational policies precipitates a strong organizational culture which is instrumental in accomplishing organizational missions and goals. Policies entrenches behaviours amongst the employees and the management which equally translates to a culture of an organization. Thus this study focused on management behaviour and organizational culture as outcomes of implementation of organizational polices.

2.4.3 Strategic Corporate social responsibility

Corporate social responsibility (CSR) refers to strategies corporations or firms conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development (Al-Bdour & Altarawneh, 2012). CSR is about business, government and civil society collaboration with the bottom line is the achievement of win-win situation among the three entities. Corporate social responsibility (CSR), it generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment (Aguilera, Rupp, Williams & Ganapathi, 2007).

Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet. “People” constitute the company’s stakeholders: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community (Al-Bdour & Altarawneh, 2012). An organization that builds a strong and successful brand will create stronger earnings, and will be more stable in its marketplace performance. Brand performance is defined as the relative measurement of the brand's success in the market place (O'Cass & Weerawardena, 2010). In today’s world, running a business is no longer just considering how to make profits, but also includes bearing certain responsibilities in the society.

Organizations need to engage with stakeholders to develop valuable CSR-related actions. Stakeholders that face challenges and threats are more likely to partner with corporations on CSR-related issues and corporations and stakeholders are more likely to succeed when a long-term vision is embraced (Al-Bdour & Altarawneh, 2012). In undertaking CSR Managers must make decisions about the extent of their responsibilities and the nature of the stakeholders to whom they are both responsible and accountable. Morgan and Hunt (1994) identify stakeholders in four categories: internal, suppliers, buyers, and lateral stakeholders. Christopher, Payne and Ballantync (1991) offer the six-market model as a normative model for categorizing the stakeholder groups to which the organization is responsible. These six market categories include customers, internal customers, suppliers, influences, recruitments, and referrals.

The success of CSR is determined by both internal and external factors (Aguinis, 2011). Internal factors are economic considerations, culture of the firm including the CEO and employees, and ethical influences; while external factors are compliance with legal requirements and technological influences as well as national culture. This study focused on Internal corporate social responsibility (ICSR) which is an investment is a dimension of social responsibility that focuses on employees (Turker, 2009). The study looked at organizational competencies, organizational resources, and organizational citizenship behaviour and organizational ethics as the internal organizational factors promoting ICSR.

2.4.3.1 Organization competencies

Organization competencies are a term that has been used in the world of performance management for many years. It is routinely used by human resource professionals and by organizational change consultants to refer to the universe of employee skills that the company must have in order to achieve their plans (Wang, 2013). Organizational competencies are often thought to be simply employee skills rather than the compelling cross-company core competencies that drive integrated business execution and management alignment. In fine organizational competencies are a combination of required skills, necessary information, appropriate performance measures and the right corporate culture that the company requires to achieve its mission (Cania & Korsita, 2015).

Knowledge is one of the competencies that organizations may have.While most researchers subscribing to the RBV regard knowledge as a generic resource, some researchers (Murray, 2000; Teece, Pisano, & Shuen, 1997) suggest that knowledge has special characteristics that make it the most important and valuable resource. Hamel and Prahalad cited in Wang (2013) argue that knowledge, know-how, intellectual assets and competencies are the main drivers of superior performance in the information age.

Cania and Korsita (2015) also suggest that knowledge is the most important resource of a firm. Evans cited inCania and Korsita(2015) pointed out that material resources decrease when used in the firm, while knowledge assets increase with use. This is actually an aspect of experience. With increased experience there is increased know-how. Tiwana cited in Cania and Korsita(2015) argued that technology, capital, market share or product sources are easier to copy by other firms while knowledge is the only resource that is difficult to imitate. This lack of imitability is the exact source of sustainable competitive advantage. Culture that fosters clear alignment of the team around those competencies that are critical for the organization’s success. In this study organizational competencies were measured in terms of Knowledge, training and development and capabilities, adopted from (Hummaira, Iftikhar,Ali & Muhammad, 2016).

2.4.3.2 Organization Resources

Organizational Resources represent all resources available to the organization and necessary for the performance of its activities (Wang, Lin & Chu, 2011). Organizations use different resources to accomplish goals. The major resources used by organizations are include human resources, financial resources, physical resources, and information resources. To achieve high performance organizations need to synergise the resources they have. Many organizations fail to reach their set targets due to lack of proper management of these resources. In this regard firms should therefore focus on identifying and exploiting resources as a strategy to neutralize threats for purposes of attaining competitive advantage.

To gain competitive advantage, a business strategy of a firm manipulates the various resources over which it has direct control and these resources have the ability to generate competitive advantage (Rijamampianina, Abratt & Yumiko, 2003). Superior performance outcomes and superiority in production resources reflect competitive advantage (Lau, 2002). Competitive advantage is the ability to stay ahead of present or potential competition, thus superior performance reached through competitive advantage will ensure market leadership. Also it provides the understanding that resources held by a firm and the business strategy will have a profound impact on generating competitive advantage (Wang, Lin & Chu, 2011). This study organization focused on tangible resources such as physical (human resources and Technology) resources and financial (Capital) resources of which are expected to affect performance and competitive advantage (Rohana, Roshayani, Nooraslinda & Siti, 2015).

2.4.3.3 Organization citizenship behavior (OCB)

Organization citizenship behavior (OCB) is a person's voluntary commitment within an organization or company that is not part of his or her contractual tasks. Organizational citizenship behaviour (OCB) has undergone subtle definitional revisions since the term was coined in the late 1980's, but the construct remains the same at its core. OCB refers to anything that employees choose to do, spontaneously and of their own accord, which often lies outside of their specified contractual obligations. OCB may not always be directly and formally recognized or rewarded by the company, through salary increments or promotions for example, though of course OCB may be reflected in favourable supervisor and co-worker ratings, or better performance appraisals. In this way it can facilitate future reward gain indirectly (Ehrhart, 2004).

According to Organ cited in Bhatla and Lucknow (2013) Organization Citizenship Behaviour (OCB) is defined as work-related behaviours that are discretionary, not related to the formal organizational reward system, and, in aggregate, promote the effective functioning of the organization. In addition, OCB extends beyond the performance indicators required by an organization in a formal employee description. Moreover, OCB reflects those actions performed by employees that surpass the minimum role requirements expected by the organization and promote the welfare of co-workers, work groups, and/or the organization. OCB refers to the behaviours that immediately benefit specific individuals within an organization, and thereby, contribute indirectly to organizational effectiveness (Mohammad, Habib & Alias, 2011). Podsakoff, Whiting, Podsakoff and Blume (2009) labelled this dimension as helping behaviour and defined it as voluntarily helping others with work-related problems.

The second dimension of OCB includes behaviours benefiting the organization without actions aimed specifically toward any organizational member or members, for example, adhering to informal rules and volunteering for committees. Podsakoff, Whiting, Podsakoff and Blume (2009) labelled this organizational compliance as it involves an internalization of a company's rules and policies. Furthermore, Baker,

(2005) defined it as behaviours that benefit the organization in general. These behaviours include giving prior notice regarding an absence from work or informally adhering to rules designed to maintain order. The manner in which employees relate at the workplace is also an aspect of OCB for example, when one employee is able to assist another employee who has fallen behind in completing his work, or showing an employee how to solve a particular work problem are all aspects of OCB.

Organizational theorists suggest that the development of OCB within organizations is a critical and strategic means for competitive advantage. Organization OCB is the resource reflecting the character of social relationships within the firm (Adler & Kwon, 2002). Sacconi (2007) further asserts that aspects of organization OCB like trust and associability may have a key role in promoting the coordination processes between firm and stakeholders that are essential to implement the corporate social responsibility practices.

Cooperation, trust and social norms of reciprocity are considered key factors in the promotion of a competitive advantage, and both the concept of OCB and internal corporate social responsibility, even from different perspectives, refer to these elements (Degli & Sacconi, 2011). In particular, the idea of OCB underpins the necessity to analyse the role of social network in influencing economic actions and cooperation. On the other hand, corporate social responsibility represents the cognizance that economic organizations are part of complex social networks which they cannot disregard, in order to achieve a sustainable success in terms of quality and durability (Bianchi, 2011).

Organizational citizenship behaviour (OCB) is perceived to be something intangible; OCB is not always formally recognized or rewarded, and concepts like ‘helpfulness’ or ‘friendliness’ are also difficult to quantify. Yet, OCB has been shown to have a considerable positive impact at the organizational level, enhancing organizational effectiveness from 18 to 38% across different dimensions of measurement (Podsakoff, Whiting, Podsakoff & Blume, 2009).

2.4.3.4 Organizational ethics

Ethics reflect the company's notion of right or proper business behaviour. They are obligations that transcend legal requirements for conducting business that help a firm gain greater competitive advantage. For example, the manufacture and distribution of cigarettes is legal and governments make billions in taxes on the sales of them. But in light of the often-lethal consequences of smoking, many consider the continued sale of cigarettes to be unethical (Robert, 2012). Discretionary responsibilities are not legal obligations, but nevertheless are expected of businesses.

Discretionary responsibilities are left to individual judgment and choice; they are purely voluntary, yet societal expectations do exist for businesses to assume social roles that go beyond satisfying their economic and legal responsibilities thus gathering more competitive advantage. In response, many businesses have begun to pay attention to the social impact of their economic activities. Many corporations have now adopted codes of conduct and reached out to various groups in society by engaging in purely discretionary social endeavours (Achua & Lussier, 2011) mainly as a strategic way of setting themselves apart from their competitors.

Individual ethical values refer to individual perceptions of what is right, and are based on the feeling of justness and duty towards others and the environment hence gaining more competitive advantage (Rohweder, 2004). Here, individual ethical values refer to not only corporate members, but also other stakeholders from the surrounding environment. Organizational literature often define the relationship between individual and corporate values as dialogues: management styles, which reflect personal level values, affect and are affected by the predominant corporate culture. Logically, individuals must first perceive ethics and CSR to be important before they embrace more ethical and responsible behaviour. Their perceptions are affected by their ethical values. Similarly, corporations must first commit to ICSR then undertake greater CSR behaviour in order to increase competitive advantage.

The level of corporate commitment to ICSR also depends on its corporate ethical values (Mayo & Fielder, 2006). Thus, at the second level, individual ethical values are accumulated and turned into corporate ethical values (Argandona, 2003). Corporate values can be seen as the collective programming of minds that differentiates one corporation from another, and can be seen as the set of shared values that govern corporate interactions with various stakeholders (Charles and Jones cited inWang (2011). Corporate values are also a major component of organization culture, and principles responsible for the successful management and performance.

Khandelwal and Mohendra (2010) defined corporate values as beliefs held in high esteem by corporate members regarding the means and ends that a corporation ought to identify in its operations, and a common identity and shared sense of purpose for the company and its members. Charles and Jones cited inWang (2011) also divided corporate values into terminal values the end states and instrumental values modes of behaviour. Terminal values are reflected in an organization's mission and goals, and instrumental values are embodied in norms, rules and codes of conduct. The functions of values at the corporate level are external adaption and internal integration, which shape the organization's philosophy, process and goals.

Corporate ethical values act as a component of both the individual ethical values and the formal and informal policies on ethics of the corporation. It is widely accepted that corporate ethical values shape the orientation of business activities, and are reflected in corporate behaviour such as CSR. CSR decisions are influenced by corporate ethical values, which help to create corporate norms and a sense of CSR that determines the CSR performance (Halter & Arruda, 2009). This study focused organization behaviour and code of conduct as measures of organization's ethical culture.

2.5. Empirical Review

The independent variables that were chosen for the study are strategic organizational competencies, organizational resources, Organizational citizenship behaviour, organizational ethics and organizational policies as a moderator. The choice of these variables was informed by literature reviewed. Two major measurements of the influence of strategic CSR on the competitive advantage of firms are the creation of reputation (external) and social (internal) capital (Motilewa & Worlu, 2015). Internal CSR practices views a business organization's commitment to improving the lives of its staff bonding the human resources of an enterprise to form a cohesive workforce, that is, social capital, thus serving as a source of competitive advantage which firms can bench on (Saeed & Arshad, 2012).

The study adopted the variables under review from the proposed performance indicators for measuring CSR (Polák-Weldon et al., 2013). The performance indicators proposed to measure internal CSR practices of companies, are first; Employee management relations which entails performance assessment, symmetrical communication and actively seeking feedback from employees - communicating change and involving employees in change. Secondly, Employee training and development which entails creating awareness of issues that influence employees' lives like providing fair reward system and flexible working arrangement issues influencing employees' lives - supporting employees. Thirdly, there is training and development in areas not directly beneficial to the company financially. Fourthly, Health & Wellbeing (creating healthy and attractive working environment by taking preventative measures) and Fifthly, Workplace inclusion which entails treating employees with respect and supporting them regardless of gender or ethnic background. All the variables under review are ingrained in the performance measures of strategic CSR.

2.5.1 Effect of Organization competencies on Competitive Advantage

Knowledge is one of the competencies that organizations may have. While most researchers subscribing to the RBV regard knowledge as a generic resource, some researchers (Murray, 2000; Teece, Pisano, & Shuen, 1997) suggest that knowledge has special characteristics that make it the most important and valuable resource. Hamel and Prahalad cited in Wang (2013) argue that knowledge, know-how, intellectual assets and competencies are the main drivers of superior performance in the information age. Cania and Korsita (2015) also suggest that knowledge is the most important resource of a firm. Evans cited in Cania and Korsita (2015) pointed out that material resources decrease when used in the firm, while knowledge assets increase with use. This is actually an aspect of experience. With increased experience there is increased know-how. Tiwana cited in Cania and Korsita (2015) argued that technology, capital, market share or product sources are easier to copy by other firms while knowledge is the only resource that is difficult to imitate. This lack of imitability is the exact source of sustainable competitive advantage.

Sirmon cited in Sanifa (2015) stressed the importance of organizational learning. He suggested that capabilities and organizational learning implicitly and explicitly are a part of any strategy within a firm. It has been argued that the ability to learn and create new knowledge is essential for gaining competitive advantage. Lee and Pennings cited in Su, Tsang and Peng (2009) discussed the influence of internal capabilities and external networks on firm performance. Grant cited in Brown and Duguid (2001) on the other hand, argued that there are two types of knowledge: information and know-how. Beckmann cited in Su, Tsang and Peng (2009) proposed a five-level knowledge hierarchy comprising data, information, knowledge, expertise and capabilities. Zack cited inSu, Tsang and Peng (2009) divides organizational knowledge into three categories: core knowledge, advanced knowledge, and innovative knowledge. Core knowledge is the basic knowledge that enables a firm to survive in the market in the short-term. Advanced knowledge provides the firm with similar knowledge as its rivals and allows the firm to actively compete in the short term. Innovative knowledge gives the firm its competitive position over its rivals.

The firm with innovative knowledge is able to introduce innovative products or services, potentially helping it become a market leader (Su, Tsang & Peng, 2009).

Competence can also be viewed in terms of Capability Grant cited in Bridoux (2004) argued that capabilities are the source of competitive advantage while resources are the source of capabilities. Amit and Shoemaker cited in Su, Tsang and Peng (2009) adopted a similar position and suggested that resources do not contribute to sustained competitive advantages for a firm, but its capabilities do. Haas and Hansen as well as well as Long and Vickers-Koch cited in Wang (2014) supported the importance of capabilities and suggest that a firm can gain competitive advantage from its ability to apply its capabilities to perform important activities within the firm. Amit and Shoemaker cited in Su, Tsang and Peng (2009) defined capabilities in contrast to resources, as 'a firm's capacity to deploy resources, usually in combination using organizational processes, and affect a desired end.

They are information-based, tangible or intangible processes that are firm-specific and developed over time through complex interactions among the firm's resources. Teece et al cited in Acıkdilli and Ayhan (2013) define dynamic capabilities as, 'the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments'. Grant cited in Bridoux (2004) defines organizational capability as, 'a firm's ability to perform repeatedly a productive task which relates either directly or indirectly to a firm's capacity for creating value through effecting the transformation of inputs to outputs'.

Dave and Dale (1991) assert that merely hiring the best people does not guarantee organizational capability. Hiring competent employees and developing those competencies through effective human resource practices, underpins organizational capability. Developing it does not happen by quick fixes, simple programs or management speeches. It involves strategy of adopting principles and attitudes which in turn determine and guide behaviour. It is a way of thinking as well as acting and it begins with the realization that there is a strong link between competitiveness and effective people management. Research in the Canadian banking industry by Simard, Doucet and Bernard (2005) found a positive relationship between employee commitment and non-monetary recognition such as organisational justice. The authors of this study claim their results confirm that the competitive advantage of successful firms comes from their ability to increase added value brought about by discretionary efforts of employees.

Agha, Alrubaiee and Jamhour (2011) in their study on investigating the relationship between core competence, competitive advantage and organizational performance, focused on the three dimensions of core competence: shared vision, cooperation and empowerment while competitive advantage was also measured through flexibility and responsiveness. The proposed model was tested in the context of Paint Industry in the UAE by administering the survey electronically to a total of 77 managers. Findings indicated that, while core competence has a strong and positive impact on competitive advantage and organizational performance, competitive advantage has also significant impact on organizational performance. Results confirm the varying importance of core competence dimensions on competitive advantage and organizational performance. It has also been found that flexibility have higher impact on organizational performance than responsiveness. To remain competitive and obtain competitive advantages, managers can try to increase organizational performance by managing each dimension of core competence i.e. shared vision; cooperation and empowerment. Flexibility and responsiveness for competitive advantage can be achieved by empowering employees through continuous employee training and development.

Bani-Hani and AL-Hawary (2009) in their study on the impact of core competencies on competitive advantage and it applied on Jordanian insurance organizations gives relevant outcome. The population for this study consisted of all the Jordanian insurance organizations heads. A simple random sampling technique was used to select the respondents surveyed for this study, a total of 61 questionnaires were administered to respondents chosen from 18 company; statistical tools were used to test the hypothesis such as: spearman correlation, and multiple regression. The findings indicated that there is a significant positive relationship between core competencies and competitive advantage from the sample point view.

Bahri, Yahya and Kusman (2015) determined the magnitude of the effect of Core Competencies variable toward competitive strategy and its impact on the performance of enterprises. The study used census method by taking the entire enterprises in the province of Aceh (thirty-one units) with eighty-eight respondents, including the director and the field director of the Local Government Owned Enterprises (BUMD). The Core Competence significantly affects Competitive advantage.

Nimsith, Rifas and Cader (2016) focused on the strategic role of core competencies on competitive advantage, applied by the banking firms in Sri Lanka. The study was conducted based on qualitative survey. Primary data was collected through structured questionnaire, which was distributed to selected banking firms in Sri Lanka. The findings revealed that different banking firms have different areas which they consider as their core competencies; there is significant relationship between core competencies and competitive advantage among Sri Lankan banking firms.

Mugo (2016) established the effect of core competencies on performance in the insurance industry in Kenya. The study adopted a descriptive research design with a target population 49 insurance companies registered with the association of Kenya insurers (AKI) by December 2014. The correlation results revealed that core competences promoted performance in the insurance industry in Kenya. The study recommend that the human resource of insurance companies in Kenya needs to ensure that firm's policies encourage employee sense of belonging, policies that provide constant feedback on the positives and negatives, encourage open communication, and develop policies that communicate clear goals and expectations to the employees.

Jabbouri and Zahari (2014) studied the impact of core competencies on organizational performance as a critical issue in Iraqi private banking sector. The findings showed that there is a significant correlation among core competences and organizational performance. Based on this, their recommendation was that bank management should develop of the core competencies for human resource as a strategic tool to enhance organizational performance and expand their empirical knowledge in the context of private banks in Iraq.

2.5.2 Effect of Organization Resources on Competitive Advantage

To gain competitive advantage, a business strategy of a firm manipulates the various resources over which it has direct control and these resources have the ability to generate competitive advantage (Rijamampianina, Abratt & Yumiko, 2003). Superior performance outcomes and superiority in production resources reflect competitive advantage (Lau, 2002). Competitive advantage is the ability to stay ahead of present or potential competition, thus superior performance reached through competitive advantage will ensure market leadership. Also it provides the understanding that resources held by a firm and the business strategy will have a profound impact on generating competitive advantage (Wang, Lin & Chu, 2011).

Powell (2001) views business strategy as the tool that manipulates the resources and create competitive advantage, hence, viable business strategy may not be adequate unless it possess control over unique resources that has the ability to create such a unique advantage. Summarizing the view points, competitive advantage is a key determinant of superior performance and it will ensure survival and prominent placing in the market. It is therefore important to design strategies within the organization that will ensure sustainable performance. Superior performance being the ultimate desired goal of a firm, competitive advantage becomes the foundation highlighting the significant importance to develop the same.

Kazozcu (2011) in a study on role of strategic flexibility in the choice of turnaround strategies. Based on resource based approach the researcher stressed that firms are capable of creating above average utility value of their assets whether (financial or physical) are well positioned to mobilize these assets for a competitive edgea and enjoy minimal threats of being replicated. The study recommends that sustainable resources of the organization and the strategic flexibility to be exploited properly as well as exploring new ones. This implies that resources should be strategically aligned and allocated to activities through proper employee placement in the jobs if organizations are to realize their best potential for maximum organizational benefit and thus, for competitive advantage.

Alimin, Raduan, Jegak and Haslmda (2012) studied the effects of organizational resources, capabilities and systems on competitive Advantage. The overall findings indicate a significant positive effect of organizational resources, capabilities and systems collectively on competitive advantage, providing support and extension to the Resource-Based View (RBV). The total variance in competitive advantage accounted for by the Multiple Linear Regression (MLR) Model is 56.2%.

Ray, Barney and Muhanna (2004) studied capabilities, business processes, and competitive advantage and chose the dependent variable in empirical tests of the resource-based view. Their results are consistent with resource-based expectations, and they show that distinctive advantages observable at the process level are not necessarily reflected in firm level performance. The implications of these findings for research and practice are discussed along with a discussion of the relationship between resources and capabilities, on the one hand, and business processes, activities and routines on the other.

Newbert (2007) did an empirical research on the resource-based view of the firm: an assessment and suggestions for future research. He opines that valuable, rare, inimitable, non-substitutable resources, capabilities, and core competencies can confer competitive and performance advantages to the firm. Leonidou, Fotiadis and Leonidou (2013) in their study on resources and capabilities as drivers of hotel environmental marketing strategy: Implications for competitive advantage and performance data collected from 152 hotels reveal that possessing sufficient physical and financial resources is instrumental in achieving effective green marketing strategies. In addition, shared vision and technology sensing/response capabilities help develop a sound environmentally friendly marketing strategy. In turn, the adoption of such a strategy is conducive to obtaining competitive advantage, which subsequently increases the potential to achieve superior market and financial performance.

Bozic and Knezevic (2016) carried out a study on resources and capabilities driving performance in the hotel industry. The paper used content analysis to review the existing studies in order to understand resources and capabilities driving the performance in the hotel industry. Findings showed that most of the studies in the hospitality industry focus on investigating the impact of intangible resources and capabilities on hotel performance. In most of the cases studies use knowledge as a main driver of performance. Interestingly tangible resources are rarely considered and included in the research.

Odack (2015) carried out research on organization resource factors and sustainable competitive advantage in institutions of higher learning: a case of United States International University. Respondents agreed that financial resources at USIU are important in the development of human capital resources, financial resources at USIU are key for sustainable competitive advantage of organizations. In conclusion, the study revealed that the three organizational resource factors adopted to enhance organizational sustainable competitive advantage include human resources, financial resources as well as the brand and heritage of USIU. In light of these organizational resource factors, it is clear that all the three organizational resources contribute positively towards sustainable competitive advantage in organizations.

Omerzel and Rune (2011) studied knowledge resources and competitive advantage. Based on their findings they concluded that when firms have access to similar resources, it is those companies that are able to maximize the utilization of those resources that attain a competitive advantage. Among various strategic resources and capabilities that help determine the extent of competitive advantages, a pivotal role is often assigned to knowledge as both a resource in itself and an integrating factor that makes other resources and capabilities effective especially in complex and dynamic environments.

Okpara (2015) examined the effect of intangible resources on competitive advantage and performance of firms in Nigeria. The study follows a quantitative research design using survey methods with statistical treatment. Regression and correlation tests were used to ascertain whether relationships exist between intangible resources, competitive advantage, and organizational performance. Results show that relationships exist between organizational resources, competitive advantage, and performance. The findings were consistent with the proposed resource-based view (RBV) model and in line with previous studies conducted in developed countries.

Toni, Eka, Achmad and Noermijati (2013) carried out an analysis of competitive advantage in the perspective of resources based view. In the perspective of RBV he examined how to gain competitive advantage through the utilization of internal resources of the organization consisting of tangible aspects, intangible aspects, as well as the capability aspects. The research findings indicated that Competitive Advantage is significantly influenced by market orientation and HR (Human Resources) Competence. Meanwhile, HR Competency directly had no significant effect on organization performance, but must be mediated by Competitive Advantage. Meanwhile, the Territory Management can directly affect the performance of organizations, but has no effect on Competitive Advantage.

Franklyn, Joshua, Ikani and Mohammed (2011) investigated the linkages between information and communication technology and firm performance. The findings show that information and communication technologies alone cannot produce sustainable advantages, but that firms must organize and manage information and communication technologies in such a way as to leverage the complementary human and business resources. The results also suggested that adopting information technology has positive effects on innovative practices, which increases the competitive advantage of firms.

Mutunga, Minja and Gachanja (2014) Resource Configurations on Sustainable Competitive Advantage of Food and Beverage Firms in Kenya: A Resource Based View of the Firm .The study was carried out through a standardized questionnaire. The independent variables were mainly constructs of intangible assets like firm knowledge, firms' information management, strategic planning, organizational structure and organizational culture. Out of the 95 firms surveyed, 32 responded giving 33.7 percent response rate. From the multivariate ordinary least squares regression analysis, the effects of organizational structure ($p = 0.04$, $\alpha=0.05$) were found significant at 95 percent confidence interval indicating the importance of the intangible asset to firms' sustainable competitive advantage. The findings confirmed the importance of the organizational structure, whose building blocks are individuals in the firm, as a pattern of communication and relations among a group of human beings, including the process of making and implementing decisions as key contributors of firms sustainable competitive advantage in Kenya.

Rohana, Arshad, Aris and Arif (2015) examined the effect of organizational resources and sustained competitive advantage of cooperative organizations in Malaysia. Content analyses of annual reports of Malaysian cooperatives testify tangible internal resources are a viable business strategy for sustained competitive advantage positively impacting performance.

2.5.3 Effect of Organizational Citizenship Behaviour on Competitive Advantage

Organizational citizenship behaviour (OCB) has undergone subtle definitional revisions since the term was coined in the late 1980's, but the construct remains the same at its core. OCB refers to anything that employees choose to do, spontaneously and of their own accord, which often lies outside of their specified contractual obligations. OCB may not always be directly and formally recognized or rewarded by the company, through salary increments or promotions for example, though of course OCB may be reflected in favourable supervisor and co-worker ratings, or better performance appraisals. In this way it can facilitate future reward gain indirectly (Ehrhart, 2004).

According to Organ cited in Bhatla and Lucknow (2013) Organization Citizenship Behaviour (OCB) is defined as work-related behaviours that are discretionary, not related to the formal organizational reward system, and, in aggregate, promote the effective functioning of the organization. In addition, OCB extends beyond the performance indicators required by an organization in a formal employee description. Moreover, OCB reflects those actions performed by employees that surpass the minimum role requirements expected by the organization and promote the welfare of co-workers, work groups, and/or the organization. OCB refers to the behaviours that immediately benefit specific individuals within an organization, and thereby, contribute indirectly to organizational effectiveness (Mohammad, Habib & Alias, 2011). Podsakoff, Whiting, Podsakoff and Blume (2009) labelled this dimension as helping behaviour and defined it as voluntarily helping others with work-related problems.

The second dimension of OCB includes behaviours benefiting the organization without actions aimed specifically toward any organizational member or members, for example, adhering to informal rules and volunteering for committees. Podsakoff, Whiting, Podsakoff and Blume (2009) labelled this organizational compliance as it involves an internalization of a company's rules and policies. Furthermore, Baker, (2005) defined it as behaviours that benefit the organization in general. These behaviours include giving prior notice regarding an absence from work or informally adhering to rules designed to maintain order. The manner in which employees relate at the workplace is also an aspect of OCB for example, when one employee is able to assist another employee who has fallen behind in completing his work, or showing an employee how to solve a particular work problem are all aspects of OCB.

Organizational theorists suggest that the development of OCB within organizations is a critical and strategic means for competitive advantage. Organization OCB is the resource reflecting the character of social relationships within the firm (Adler & Kwon, 2002). Sacconi (2007) further asserts that aspects of organization OCB like trust and associability may have a key role in promoting the coordination processes between firm and stakeholders that are essential to implement the corporate social responsibility practices. Cooperation, trust and social norms of reciprocity are considered key factors in the promotion of a competitive advantage, and both the concept of OCB and internal corporate social responsibility, even from different perspectives, refer to these elements (Degli & Sacconi, 2011). In particular, the idea of OCB underpins the necessity to analyse the role of social network in influencing economic actions and cooperation. On the other hand, corporate social responsibility represents the cognizance that economic organizations are part of complex social networks which they cannot disregard, in order to achieve a sustainable success in terms of quality and durability (Bianchi, 2011).

Organizational citizenship behaviour (OCB) is perceived to be something intangible; OCB is not always formally recognized or rewarded, and concepts like ‘helpfulness’ or ‘friendliness’ are also difficult to quantify. Yet, OCB has been shown to have a considerable positive impact at the organizational level, enhancing organizational effectiveness from 18 to 38% across different dimensions of measurement (Podsakoff, Whiting, Podsakoff & Blume, 2009).

Hadjali and Salimi (2012) carried out an investigation on the effect of organizational citizenship behaviours (OCB) toward customer-orientation. Regarding the importance of these, two factors (customer-orientation and organizational citizenship behaviour), and the relationship between these variables is investigated in this paper based on survey in a nursing home in Tehran. The results of this research demonstrated that the positive and significant relationship exists between the organizational citizenship behaviour and customer-orientation.

Wasin and Phaprukbaramee (2015) in their study on organizational citizenship behaviour and firm success: an empirical research of hotel businesses in Thailand. The results were derived from a survey of 1195 hotel businesses in Thailand which provided interesting points of OCB and which was associated with firm success through organizational image as a mediator. The hypothesized relationships among variables are examined by using ordinary least square (OLS) regression analysis. Results suggest that some dimensions of OCB are a positive influence on competitive advantage through heightened firm performance. In addition, transformational leadership and competitive capability have a positive influence on OCB. Learning culture is a moderator of the relationships among transformational leadership and competitive advantage.

Kumari and Thapliyal (2017) examined the impact of organizational citizenship behaviour on organizational effectiveness in Jaiprakash Associate Ltd. (Cement Division), Noida. The study adopted a correlational approach by considering organizational citizenship behaviour as an independent variable and organizational effectiveness as dependent variable. The sample of the study consisted of 40 employees. For analysing the data, correlation and regression analysis have been applied. Result showed that among the constructs of organizational citizenship behaviour: altruism, sportsmanship and civic virtue have the highest and significant correlation with organizational effectiveness. The impact of organizational citizenship behaviour on organizational effectiveness was also found to be significant.

Hemaloshinee and Nomahaza (2017) found out that supervisors in the hospitality industry will rate highly employees who demonstrate high organizational citizenship behaviour than employees who express low level of organizational citizenship behaviour. They recommended the need to direct the importance of extra-role behaviour in organizations. In this industry, organizational citizenship behaviour is a key predictor in reducing all barriers to guarantee the effectiveness of the organization can be achieved hence competitive advantage.

Igudia and Ohue (2018) examined the nature of relationship that exists between organisational citizenship behaviour and the performance of government-owned medical centres in Edo State of Nigeria. The study used a survey research design. Krejcie and Morgan (1970) sampling technique was used for the study. Using the Pearson product moment correlation coefficient analysis, the study found that there is a strong positive relationship between conscientiousness to duty (as a measure for discretionary behaviour) and competitive advantage (as a proxy for performance) of government-owned medical centres. The study recommended that the employees of the government-owned medical institutions should inter alia: work for extra hours when necessary, learn to give their colleagues a helping hand when needed, and be punctual to work because all these could positively impact the performance level of their organisations in health care delivery.

Muhammad, Budiman and Lena, (2014) analysed the effect of Organizational Citizenship Behaviour (OCB), Total Quality Management (TQM), Technology Leadership and Service Quality on the performance of private universities in Surabaya. The results showed that Organizational Citizenship Behaviour (OCB) had significant effect on Total Quality Management (TQM) and Total Quality Management (TQM) significantly affected Service Quality. In addition, Organizational Citizenship Behaviour (OCB), Technology Leadership, Total Quality Management (TQM) and Service Quality had significant effect on the performance of private universities in Surabaya respectively hence competitive advantage whereas, Technology Leadership did not significantly affected Service Quality .

Zeb and Asia (2016) undertook a study which evidenced the strategic use of organization citizenship behaviour as a tool for gaining employee commitment. Although OCB is considered as an extra role by the employee, its consequences can be pivotal in overcoming the discrepancies in resources when sheer commitment is the instrument. The findings show that Organization citizenship behaviour is positively and statistically significantly correlated with Employee Commitment ($r = .925$, $p < 0.01$) which reveals that both variables move in same direction that is, if OCB decreases so does Job commitment and if OCB increases Job commitment will also increase. Job commitment is positively and directly correlated with competitive advantage which indicates that if level of employee commitment increases in organizations then level of competitive advantage will also increase. Likewise positive and significant relationship exists between OCB and Competitive advantage.

2.5.4 Effect of Organization Ethics on Competitive Advantage.

Ethics reflect the company's notion of right or proper business behaviour. They are obligations that transcend legal requirements for conducting business that help a firm gain greater competitive advantage. For example, the manufacture and distribution of cigarettes is legal and governments make billions in taxes on the sales of them. But in light of the often-lethal consequences of smoking, many consider the continued sale of cigarettes to be unethical (Robert, 2012). Discretionary responsibilities are not legal obligations, but nevertheless are expected of businesses.

Discretionary responsibilities are left to individual judgment and choice; they are purely voluntary, yet societal expectations do exist for businesses to assume social roles that go beyond satisfying their economic and legal responsibilities thus gathering more competitive advantage. In response, many businesses have begun to pay attention to the social impact of their economic activities. Many corporations have now adopted codes of conduct and reached out to various groups in society by engaging in purely discretionary social endeavours (Achua & Lussier, 2011) mainly as a strategic way of setting themselves apart from their competitors.

Individual ethical values refer to individual perceptions of what is right, and are based on the feeling of justness and duty towards others and the environment hence gaining more competitive advantage (Rohweder, 2004). Here, individual ethical values refer to not only corporate members, but also other stakeholders from the surrounding environment. Organization literature often define the relationship between individual and corporate values as dialogues: management styles, which reflect personal level values, affect and are affected by the predominant corporate culture. Logically, individuals must first perceive ethics and CSR to be important before they embrace more ethical and responsible behaviour. Their perceptions are affected by their ethical values. Similarly, corporations must first commit to ICSR then undertake greater CSR behaviour in order to increase competitive advantage. The level of corporate commitment to ICSR also depends on its corporate ethical values (Mayo & Fielder, 2006). Thus, at the second level, individual ethical values are accumulated and turned into corporate ethical values (Argandona, 2003). Corporate values can be seen as the collective programming of minds that differentiates one corporation from another, and can be seen as the set of shared values that govern corporate interactions with various stakeholders (Charles and Jones cited inWang (2011). Corporate values are also a major component of organization culture, and principles responsible for the successful management and performance.

Khandelwal and Mohendra (2010) defined corporate values as beliefs held in high esteem by corporate members regarding the means and ends that a corporation ought to identify in its operations, and a common identity and shared sense of purpose for the company and its members. Charles and Jones cited in Wang (2011) also divided corporate values into terminal values the end states and instrumental values modes of behaviour. Terminal values are reflected in an organization’s mission and goals, and instrumental values are embodied in norms, rules and codes of conduct. The functions of values at the corporate level are external adaption and internal integration, which shape the organization's philosophy, process and goals.

Corporate ethical values act as a component of both the individual ethical values and the formal and informal policies on ethics of the corporation. It is widely accepted that corporate ethical values shape the orientation of business activities, and are reflected in corporate behaviour such as CSR. CSR decisions are influenced by corporate ethical values, which help to create corporate norms and a sense of CSR that determines the CSR performance (Halter & Arruda, 2009)

Singhapakdi, Kraft, Vitell, and Rallapalli, cited in Karande, Rao and Singhapakd (2002) found in their study that corporate ethical values seem to help sensitize marketers on the importance of ethics and social responsibility as a component of marketing decisions. Corporations may seek to improve ICSR performance through creating common ethical values which provide direction for the organizations and theirs members by guiding behaviour and decisions. Corporate ethical values should indicate the limits of operations, as principles regulate the corporation's CSR performance. Thus CSR can be sustained at the top (Halter & Arruda, 2009). Here, CSR acts as a control instrument for corporate ethical behaviour.

Emad, Yoshifumi and Abduhall (2014) did a study on the impact of business ethics on competitive advantage in the cellular communication companies operating in Jordan. Results of the study showed a statistically significant effect of business Ethics (independence and objectivity, honesty, integrity, fairness and transparency) in achieving competitive advantage (cost reduction, innovation and renewal) in the cellular communication companies operating in Jordan.

Poonam and Sonika (2014) in their study on Business Ethics as Competitive Advantage for Companies in the Globalized era found out that ethical behaviour is influenced not only by individual or group behaviour but also by factors in the cultural, organizational and external environment. Ethical codes, role models, policies and practices and reward and punishment system comprise the organizational influences. The external factors include development taking place in the political, legal, economic and international arena. All these factors are significant in determining the ethical behaviour and groups in organizations. For most employers, the relationship is also of critical importance. From their study findings, business ethics has significant effect on Competitive Advantage.

Rania (2006) carried out a study on business ethics as competitive advantage for companies in the globalized era. He argued that the importance of building a strong ethical culture is integral to the reputation, growth and finances of any organization. The researcher adds that most corporations recognize these responsibilities and make a serious effort to fulfil them while trying to utilize their business ethics as a source of competitive advantage. Business ethics can also be a threat to business competitiveness, when ethical failure diminishes the reputation of a company and its products, locally and globally. From the findings certain markets companies' records of positive or negative ethical conduct determine their "licence to operate" in some markets.

Ching-Hsun (2011) studied the influence of corporate environmental ethics on competitive advantage: the mediation role of green innovation. The study utilized structural equation modelling to explore the positive effect of corporate environmental ethics on competitive advantage in the Taiwanese manufacturing industry via a mediator green innovation performance. The empirical results showed that corporate environmental ethics positively affect green product innovation and green process innovation. The empirical result shows that corporate environmental ethics positively affects green product innovation thus competitive advantage. The study recommends that the Taiwanese manufacturing companies can increase corporate environmental ethics and green product innovation to enhance their competitive advantage.

Laxmikant (2014) drawing on the theoretical insights from the resource-based view of the firm explores how human resource (HR) systems may contribute to competitive advantage by facilitating the development and maintenance of five types of ethical climates, and conversely, how HR systems may hinder competitive advantage by inhibiting the development and maintenance of these climate types. In so doing, the study highlighted the resource worthiness of a firm's ethical climates and HR systems may influence that value which influences competitive advantage sustainability.

Vakilbashi, Obumnaeme, Zamil and Mokhber (2017) reviewed the impact of ethical decision making in the individual and organizational context. They critiqued some effects and impacts of ethical decision making in the organizational and individual context. The study extended understanding of ethical decision making on the part of leaders by merging social role and self-construal perspectives. The study found out that for an organization to maintain its competitive advantage in this dynamic business environment, implementation of a rightful and thoughtful ways of ethical decision-making is essential to both the leaders and organizations to maintaining their reputation and competitive advantage.

2.5.5 Moderating Effect of Organization Policies on the Relationship between Strategic CSR and Competitive Advantage

Porter (2006) says that the best way to understand the influence of government on competition is to analyse how specific government policies affect the five competitive forces. For instance, patents raise barriers to entry, boosting industry profit potential. Conversely government policies favouring unions may raise supplier power and diminish profit potential. Bankruptcy rules that allow failing companies to reorganize rather than to exit can lead to excess capacity and intense rivalry. Government operates at multiple levels and through many different policies, each of which will affect structure in different ways.

Pascal Lamy, Commissioner for Trade, European Commission explored some of the challenges, dilemmas and tensions surrounding the CSR debate and notably the link between CSR and the competitive advantage of nations, the role of partnerships between business, civil society and the public sector, and the contribution public policy could make to strengthening the links between corporate responsibility and competitiveness (Swift & Zadek, 2002). The role of business in society is a hot topic amongst public policy makers, NGOs, trade unions and the business community itself. Increasing numbers of corporations are expressing the aspiration of addressing the ‘triple bottom line’ in their policies, strategies and practices.

This growing business group has mainly been led by global corporations with retail premium brands. More recently, this group has been joined by increasing numbers of hitherto less visible corporations that have been directly or indirectly impacted, often negatively, by rising public concern and anger. Public policy could productively strengthen the links between such partnerships and the competitive advantage of nations. There are growing calls on national, regional and international public institutions to reinvent public policy to provide the checks and balances required to guide how economic processes create social and environmental outcomes. The Lisbon declaration is a clear example where the European Community has acknowledged its responsibilities, and affirmed its commitment, to becoming the most competitive knowledge economy in the world whilst securing and nurturing social cohesion.

The government of South Africa has, in different words but a similar vein, clearly established policies and practices that are intended to simultaneously make the economy 'fit' for international competition, whilst driving through an explicit programme of black economic empowerment across the nation's labour and financial markets (Swift & Zadek, 2002). The economist Francis Cairncross argued that, 'as poor countries grow richer and trade is a powerful source of wealth their environmental standards will rise'. 'Corporate responsibility' covers the environmental and economic, and embraces the business community's powerful role in shaping public policy and regulations, as well as its relationship to existing law where public institutions are unable to enforce straightforward compliance (Swift & Zadek, 2002).

The public policy challenge is, of course, not to discover but to create the relationship between corporate responsibility, social inclusion and economic competitiveness. One starting point is clearly the challenge facing the European Community in addressing the Lisbon Summit Declaration of sustaining and growing international competitiveness together with social cohesion (Swift & Zadek, 2002). Changes in individual ethical values lead to changes in corporate ethical values, which promote changes in corporate policies and strategies and reflects the changes in the business behaviour with respect to CSR (Wang, 2011). Changes in individual ethical values lead to changes in corporate ethical values, which promote changes in corporate policies and strategies; reflecting the changes in the business behaviour with respect to CSR. A precondition for CSR improvement is that values both individual and corporate often change (Wang, 2011).

2.5.6 Effect of Strategic CSR on Competitive Advantage

Competitive advantage is a superior position gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing better quality services or products through differentiation. Competitive advantage results from matching core competencies to the opportunities (Agha, Alrubaiee & Jamhour, 2012). Powell (2001) in his study asserts that a competitive advantage is a lead gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and service that justify similar, or possibly higher, prices. It provides a mutual value for the company and the society.

The relationship between Internal Corporate Social Responsibility (ICSR) and corporate financial performance (CFP) has been subject to extensive empirical enquiry. Yet the body of evidence that has accumulated about the nature of the relationship is equivocal (Galant & Cadez, 2017). A commonly identified reason for the diverse and contradictory results is measurement issues pertaining to both concepts of interest (Galant & Cadez, 2017).

Porter and Kramer (2006) believe that a substantial portion of corporate resources and attention must migrate to truly strategic CSR. It is through strategic CSR that the company will make the most significant social impact and reap the greatest business benefits. The strategic factors that an organization can effectively use for competitive advantage easily stem from internal factors because it is the internal factors that the organization has control of and it can thus deliberately design to use them as a strategy for gaining competitive advantage. Porter also outlines three generic strategies that enable firms to gain competitive advantage. He asserts that it is essential for individual companies to set themselves apart from the pack- to be more profitable than the average performer. The only way to do so is by achieving sustainable competitive advantage by operating at a lower cost, by commanding a premium price, or by doing both.

Cost and price advantages can be achieved in two ways. One is operational effectiveness; doing the same things your competitors do but doing them better. Operational effectiveness advantages can take myriad forms, including better technologies, superior inputs, better trained people, or a more effective management structure. The other way to achieve advantage is strategic positioning; doing things differently from competitors, in a way that delivers a unique type of value to customers. On the same note, an organization may choose to strategically set itself apart through the fair treatment of its employees for purposes of achieving competitive advantage.

Wang, Lin and Chu (2011) assert that competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allow it to outperform its competitors. These attributes can include access to natural resources, such as high grade ores or inexpensive power, or access to highly trained and skilled personnel human resources. New technologies such as robotics and information technology can provide competitive advantage, whether as part of the product itself, as an advantage to the making of the product, or as a competitive aid in the business process for example, better identification and understanding of customers.

Strategic Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development (Perceval, Robescu, Albu, & Parker, 2004). The importance of CSR was further emphasized by the Deputy Prime Minister of Malaysia (Dato' Seri NajibTunRazak), in his keynote address during the Corporate Social Responsibility Conference on 21st June 2004 where he affirmed that CSR helps to improve organizational financial performance, enhance brand image and increases the ability to attract and retain the best workplace, contributing to the market value of the company (Razak & Mustapha, 2013). Market value will then lead to a greater customer confidence and satisfaction, and hence a greater market share, which translates to a more competitive position in the industry.

Competitive advantage is the ability gained through attributes and resources to perform at a higher level than others in the same industry or market (Chacarbaghi and Lynch 1999 cited in (Josiah, 2013). The study of such advantage has attracted profound research interest due to contemporary issues regarding superior performance levels of firms in the present competitive market conditions. A firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential player (Clulow, Gerstman & Barry, 2003). Successfully implemented ICSR strategies will lift a firm to superior performance by facilitating the firm with competitive advantage to outperform current or potential players (Passemard, 2000). In today’s global economy, it is critical for companies to embrace social and discretionary responsibility in order to meet the demands of their stakeholders: investors, consumers, employees, and communities where they serve thus bringing in more competitive advantage to the company (Robert, 2012).

In a study of stock prices of companies from 1995 to 2003, the evidence of a link between CSR and competitiveness (Derwall, Bauer & Koedijk, 2005) has been noted and points out, that reputation contributes to a sustainable competitive advantage because the reputation of socially responsible companies has a significant positive impact on the value of the shares. Competitive advantage is the favourable position an organization seeks in order to be more profitable than its competitors. Competitive advantage involves communicating a greater perceived value to a target market than its competitors can provide. This can be achieved through many avenues including offering a better-quality product or service, lowering prices and increasing marketing efforts, or good treatment of employees. Sustainable competitive advantage refers to maintaining a favourable position over the long term, which can help boost a company's image in the marketplace, its valuation and its future earning potential (Rijamampianina, Abratt & Yumiko, 2003).

Cavazotte and Chang (2016) verified if outlays on ICSR affect organizational performance. They analysed financial information from companies listed in the São Paulo Stock Exchange, and their social balance sheets filled with the Brazilian Institute of Social and Economic Analysis between 2001 and 2007. They applied Two-Stage Least Squares (2SLS) equation model. The results indicate that overall CSR was associated with revenue contemporarily, one and two years after the investments. Corporate outlays on healthcare, pension plans, employee education and profit-sharing all had positive effects on revenue in the years that followed such investments hence competitive advantage.

Madueño et al. (2016) carried out a study on the relationship between corporate social responsibility and competitive performance in Spanish SMEs: Empirical evidence from a Stakeholders' perspective. Data was collected from a sample of 481 Spanish SMEs and the technique of partial least squares (PLS) was used. Outcomes show that the development of CSR practices contributes to increased competitive performance both directly and indirectly, through the ability of these organizations to manage their stakeholders. The study findings support the social impact hypothesis and offers evidence about some intangibles such as the relational capacity mediating the causal effect between CSR and competitive performance.

Buciuniene and Kazlauskaite (2012) in their study on the linkage between HRM, CSR and performance outcomes, found that a total of 78.1 per cent of the respondent organisations have a written or unwritten HR strategy. Only 38.8 per cent have a CSR statement, but more than half of respondent organisations have a code of ethics, corporate values statement and diversity statement (respectively 65.4, 63.0 and 53.1 per cent). Their research findings all showed that there is a linkage between HRM, CSR and performance outcomes. Organisations with more developed HRM, that is, those where HRM performs a strategic role and the HR function performance is evaluated, have better developed CSR policies. The latter were found to have an impact on organisational and financial performance outcomes and competitive advantage. The implications of these finding is that Organisations that are socially responsible and follow a strategic approach to HRM exhibit better performance outcomes, and profitability in particular.

Asamoah (2015) undertook a study on the effect of Corporate Social Responsibility on the competitiveness of firms in the Mobile Telecommunication industry in Ghana. From the findings the companies gained, to a moderate extent, competitive advantage by engaging in CSR, VODAFONE gained higher competitive advantage than all the mobile telecommunication companies. A positive feeling complacency was the main challenge of the companies in undertaking their CSR initiatives and practices. The study recommends that shareholders should increase their commitment level to the practice of CSR as such practice was found to have effect in achieving competitive advantage.

Hameed, Riaz, Arain and Farooq (2016) reviewed how internal and external CSR affect employees' organizational identification, using a perspective from the group engagement model. By applying the taxonomy prescribed by the group engagement model, the study argues that the effects of perceived external and internal CSR flow through two competing mechanisms: perceived external prestige and perceived internal respect, respectively. Further, it is suggested that calling orientation (how employees see their work contributions) moderates the effects induced by these alternative forms of CSR. The model draws on survey data collected from a sample of 414 employees across five large multinationals in Pakistan. The results obtained using structural equation modelling support these hypotheses, reinforcing the notion that internal and external CSR operate through different mediating mechanisms and more interestingly employees' calling orientation moderates these relationships to a significant degree.

Moskolaï (2016) focused on a study conducted on the Cameroonian enterprises analysing the influence of the implementation of CSR in business strategy. The study adopted a hypothetical-deductive approach and the questionnaire in data collection. A representative sample of 126 companies, whose employees were briefed on a questionnaire regarding the policies of their companies, was used to study CSR and its strategy. The results of the study showed that the implementation of a CSR approach influenced, positively and significantly, innovation, reputation and differentiation of the enterprise.

Oh, Hong and Hwang (2017) carried out a study was to investigate both strategic and traditional CSR's relationships with financial performance based on the confidence in the effectiveness of CSR. According to this study firms consider R&D and technology commercialization as strategic management factors. Therefore, this study analysed the influence of these strategic management factors along with CSR motivations, which may influence strategic and traditional CSR. The study concluded that corporate social responsibility (CSR) is a key tool for sustainable growth.

2.6 Critique of Existing Literature

CSR efforts are driven not just by ideological thinking that corporations can be a powerful and positive force for social change, but more by the multi-faceted business returns that corporations can potentially reap from their strategic CSR endeavours. Agha, Alrubaiee and Jamhour (2012) in their study, considered core competence to be a vital determinant of competitive advantage and organizational performance. Study indicated that all three dimensions of core competence, that is, shared vision; cooperation and empowerment were significant in explaining organizational performance. The results of the regression analyses showed that there is significant effect of core competence (shared vision; cooperation and empowerment) on competitive advantage. This study focused on the three dimensions of core competence leaving the magnitude of effect of each dimension obscured which the current study intends to unveil. From the findings it can be inferred that competence alone is enough to generate competitiveness of a firm over other firms. Contrary to this argument there is need to integrate core competence with other variables as organizational resources, organizational citizenship behaviour and organization ethics all of which interplay to bring out ultimate position of competitive advantage.

A study by Achua (2008) on corporate social responsibility in Nigerian banking system drew largely from the theory of CSR, and reviewed pertinent policies and practices in the Nigerian banking system. The paper identified self-induced vices, regulatory laxity, inauspicious macro-economic environment, and endemic corruption in the economy as the major constraints to the discharge of CSR in the Nigerian banking system. This study focused on performance as an outcome of the CSR constraints without a mention on how these constraints influence competitive advantage. Besides the study methodology was dependent on the use of policies and secondary data in the Nigerian context compromising its generalization to other contexts. Besides, the use of secondary data may not depict realities on the ground because the data may be out dated or researcher may lack control over data quality (Saunders, Saunders & Thornhill, 2011).

Adeleke (2014) conceptualized Corporate Social Responsibility as a composite variable, with dependent sub-variables of ethics, human rights, and employee rights. The study posits a positive significant relationship between CSR and customer satisfaction. Pearson's correlation was used in the analysis, which only gave the direction of relationship between the variables without reporting on the degree of effect between the study variable. Focus was given to ethics, human rights, and employee rights which are constitutional and a prerogative of every organization. Nonetheless competitive advantage cannot be achieved only basing on constitutional parameters but organizational competencies, organizational resources, organizational citizenship behaviour and organizational ethics should be orchestrated to achieve competitive advantage. In furtherance, the study highlighted on the relationship between corporate social responsibility and customer satisfaction, however the focus of the current study is on the effect of ICSR on competitive advantage of an organization.

Al-Bdour and Altarawneh (2012) investigated the impact of internal Corporate Social Responsibility (CSR) practices on Employees' Engagement. Specifically, it examined the impacts of five internal CSR practices namely, training and education, human rights, health and safety, work life balance and workplace diversity on the two dimensions of employees' engagement Job Engagement (JE) and Organisational Engagement (OE). Achieving competitive advantage requires the use of strategically important and useful resources like the human resource (Raduan, Jegak, Haslinda & Alimin, 2009). This informs the reason why this study focused on antecedents of employee engagement as a means of achieving competitive advantage. However it can be argued that not only human resources are the only strategic resources to an organization for achieving its competitive advantage but a combination of resources that allows it to outperform its competitors.

Massimo, Testa, Lara, Fabio and Marco (2014) analysed the link between the adoption of corporate social responsibility (CSR) and competitiveness performance among small and medium enterprises operating in the fashion industry. The results showed a significant correlation with regard to the innovation process, both from the technical and the organizational point of view, and the intangible performances which are sources of competitive advantage. However the survey was limited to two specific EU countries hence the results cannot be generalized to the whole EU context and other countries, as a consequence, more research is needed in this area. Besides, the analysis considered the existence of correlations between competitiveness variables and CSR strategies without taking into consideration the directions of the correlation emerging as significant, nor analysing the nature of these correlations. In this regard multiple research and new specific hypotheses should be tested, in order to clarify the characteristics of the significant connections between ICSR and competitive advantage.

Mei and Seng (2015), in their study, revealed that autonomy, innovativeness and pro-activeness have positive relationship to the implementation of internal CSR practices. This study contributed to the CSR knowledge by highlighting the implementation of internal CSR practices in smaller organisation, and the antecedent of entrepreneurial orientation. However, it has limitations, the main being its research design and the self-selected sample of employees. The respondents of study were selected from the professionals, scientific and technical activities professional service industry only. Therefore, studies with an in depth on the variables would be helpful, especially because internal CSR practices vary according to industry and country.

Gond, El-Akremi, Igalens and Swaen (2010) analysed Corporate Social Responsibility‘s (CSR) influence on employees. They integrated social identity theory and social exchange theory in a new framework which explains how employee perceptions of CSR trigger attitudes and behaviour in the workplace which affect organizational, social and environmental performance. The model articulates social identification and social exchange processes, and explains how CSR contributes to corporate performance by influencing employees' behaviour. These works, which tend to be based on signalling theory (Spence, 1973) and social identity theory (Ashforth & Mael, 1989), suggest that a corporation‘s socially responsible practices send a positive signal to potential workers. The workers, in turn, are likely to get identified with a responsible organization, especially if their values correspond with promoted practices (Strand, Levine & Montgomery, 1981).

One of the weaknesses in this study is in the design and method whereby propositions brought out cannot be simultaneously tested. Future empirical studies can control the effects of one of processes while testing the influence of the other one on the various organizational outcomes. Future research subject should control for time effects in assessing employees' perceptions of CSR on various OB constructs. CSR perceptions can influence employees' attitudes and behavior at differential time-scales. For instance, the effects of organizational identification can be more perceptible in the short run whereas the impact of social exchanges can take more time to be observed. Moreover, research designs could investigate sequentially the transformation of CSR perceptions into employees' attitudes, then into employee‘s behavior, and ultimately into corporate performance. The evidence used by the authors was accurate, as seen from the extensive literature reviews.

A weakness of the article includes the fact that the variables in the study were too many to be effectively studied. The propositions that the authors included in the study or the hypotheses were very many. This limits the specificity of the factors under study and distorts the focus of the main area of study. It makes the analysis very complex. Otherwise, the article and the evidence are valid, relevant and up to date, leading to a valid conclusion which can be generalized. The authors were successful in making their point understood and felt. They also gave recommendations.

A general opinion of the work is that it is applicable to day to day business. I agree with the authors especially in the way they have shown how the findings can be applied in everyday life. For example, the paper demonstrated that CSR not only enhances a corporation‘s reputation for prospective employees by increasing organizational attractiveness and firm familiarity, but also influences incumbent employees. The model moves beyond a view on CSR as an external marketing function and suggests that it can be a powerful marketing tool for corporation's internal customers, that is, their employees, by enhancing corporate image. CSR can directly reinforce employees' self-definition and subsequently their identification. It can also create positive dynamics of social exchanges. The model fills an important gap by mapping CSR‘s influence on organizational performance.

Finally, although much literature does not link CSR with competitive advantage directly, they have provided considerable knowledge to the various responsibilities a company has to the various stakeholders. The constructs used to measure internal CSR and those used to measure competitive advantage differentiate this study from the previous studies done.

2.7 Research Gaps

Most research on CSR has focused on the consequences of CSR implementation-or lack of implementation on financial performance (Barnett & Salomon, 2006; Moskolaï, 2016; Galant & Cadez, 2017). Besides, studies have been conducted in the context of developed countries Ndinda, Namusonge and Kihoro (2015) which may not be generalized to developing countries which have an entirely different socio-political environment, with different political regimes, legal systems and cultural influences (Tilt, 2016). The aforementioned studies provide critical gaps in terms of outcome of practicing CSR and its effect on financial performance. This is a dispatch of the focus of the current study which is competitive advantage. The study is specifically aligned towards the strategic use of internal CSR and organizational competitive advantage.

Existing research shows that individuals and organizations are likely to have distinct expectations and attitudes towards CSR contingent on the industry Yuen and Lim, (2016); Batool, Butt and Niazi (2016) or societal culture and national cultures Gualtieri and Topić (2016) in which they are embedded. Moreover, most of the studies have been conducted outside the African context and especially outside the Kenyan context. This, thus, provides a contextual gap which this study is going to address by looking at internal CSR and its effect on organizational competitive advantage in Kenya. This is justified by the fact that different cultural orientations cannot be used to explain and understand organizational problems of other countries. According to Husted and Allen (2006) firms do not always manage ICSR strategically. Rather, ICSR management is often subject to strong pressures of institutional isomorphism that attenuates the strategic logic (Mugesani, 2018). This calls for the organizations to set themselves apart through developing their own unique internal CSR strategies that would give them an edge over their competitors. A study by McWilliams, Siegel and Wright (2005) cited in Velte and Stawinoga (2017) proposed an agenda for additional theoretical and empirical research on CSR. Despite research on CSR having spanned across a few decades and in various fields, only a handful of academic studies have investigated the relationship between CSR and the commonly neglected internal stakeholder – the employees (Mei & Seng, 2015). This study therefore fills the existing theoretical, empirical and contextual gaps by assessing the effect of strategic internal corporate social responsibility on organizational competitive advantage in the banking in Kenya.

2.8 Summary

The literature review covers literature on the independent variable and the dependent variable. The literature on dependent variable, which is the competitive advantage, is Michael Porter's theories which are the generic strategies namely focus, cost leadership, and differentiation for competitive advantage. The independent variable of the study is strategic CSR. Theories of corporate social responsibility have been captured by use of resource based view theory, and Edward Freeman's stakeholder theory of CSR. Literature on specific corporate social responsibility factors, in line with the objectives of the study, is included. These specific factors are: organization competencies, organization resources, organization citizenship behaviour, and organization ethics. All of these have been linked with competitive advantage and literature on the same is included. Literature on organization policies and how it is linked with organization competitive advantage is also captured. For the dependent variables, literature linking each of the dependent variables and competitive advantage has been sought.

An organization which engages in CSR creates a relational behaviour that goes beyond the purchase of a product to consumer loyalty to the company's existing product, willingness of the consumer to buy new products that the firm might offer, favourable word of mouth and resilience in the face of negative information about the company, such as in a product-harm crisis (Lichtenstein, Drumwright & Braig, (2004). When the firm is perceived to undertake strategic CSR in a proper manner, it will strengthen the brand relationship leading to better bank competitive advantage. If managers understand the various contributions of strategic CSR, they will engage more in it so as to gain competitive advantage over their rivals.

This chapter reviewed the theoretical literature, empirical works and conceptual framework, the study reviewed literature on Resource-based view theory (RBV), Stakeholder Theory and Michael Porter's Theory of competitive Advantage. The resource-based view of strategy (RBV) proposed by Edith Penroses (1959) cited in Furrer, Tomas and Goussevskaia (2008) posits that the resources deployed and used by the organisation are more important than industry structure. Stakeholder Theory explains that ethics are necessarily and explicitly a part of doing business thus managers should articulate the shared sense of the value they create, and that which brings its core stakeholders together (Freeman, Wicks & Parmar, 2004). Hence, Freeman's stakeholder theory perceives that businesses are responsible for more than profit maximization for shareholders. Michael Porter's Theory of competitive Advantage (Michael, 1985), according to Porters theory, strategic management should be concerned with building and sustaining competitive advantage (Warf & Stutz, 2007).

The empirical literature navigated the works of Agha, Alrubaiee, and Jamhour (2012), Achua (2008), Adeleke (2014), Al-Bdour and Altarawneh (2012), Massimo, Testa, Lara, Fabio, and Marco (2014) Mei and Seng (2015) all of which posit a positive relationship between corporate social responsibility and competitive advantage. However, none of these studies was based on the effects of internal CSR on competitive advantage. The conceptualized constructs are based on the empirical literature and the conceptual framework shows the linkage for testing causal relationship between strategic CSR and competitive advantage. The study therefore, sought to fill the theoretical, conceptual and contextual gaps revealed in the empirical review.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the road map or the methodology used in undertaking this study which included: the research design, research philosophy, the target population, sampling frame, and the sampling techniques used to get the sample size. It gives the data collection instrument used, particularly the procedure of its administration and its validity and reliability which was ascertained through the pilot study. Data analysis method and presentation techniques are included in this chapter. Lastly, the analytical technique used to test the hypotheses is also presented.

3.2 Research Design

A research design is a framework or blueprint for conducting a research. It details the procedures necessary for obtaining the information needed to structure or solve the research problems (Relivingmbadays, 2015). According to Kothari and Garg (2014) research design is a plan outlining collection, measurement and analysis that effectively and efficiently enables research operations to be done with ease. Research design anchors a study on a framework of adequate test of variable relationships and structures the enquiry logically (Bhattacherjee, 2012). The current study employed explanatory research design.

This research design formed the framework of the whole study, constituting the blueprint for data collection, measurement and data analysis. According to Cooper and Schindler (2008), explanatory research focuses on ‘why’ questions. In answering the `why' questions, the study developed explanations. The explanations argue that phenomenon Y (competitive advantage) is affected by variable X (ICSR) and even showed the extent of the effect. This design was chosen because it applies closely to the research objectives of the study and is practical in testing the study hypotheses.

3.3 Research Philosophy

In investigating the effect of the independent variables on the dependent variable, the study did not manipulate the strategic CSR, and organization competitive advantage; the independent and dependent variables. The study did not control variances by direct manipulation or by random assignment.The study adopted a research philosophy from the empirical literature, hinged on two prominent research paradigms: positivistic and deductive philosophical approach. The positivistic approach is quantitative and based upon values of reason, truth and validity. The focus is purely on facts gathered through direct observation and experience, and measured empirically using quantitative survey methods, experiments and statistical analysis (Bahari, 2010; Erikson & Kovalainen, 2008). Positivism maintains that knowledge should be based on real facts, not abstractions. In fine a positivist research paradigm is characterized by a belief in theory before research and statistical justification of conclusions from empirically testable hypothesis.

3.4 Target Population

Target population is an aggregation of study elements and refers to all members of a real or hypothetical set of people, events, or objects to which we wish to generalize the findings (Kothari, 2009; Oso & Onen, 2006). The target population consisted of 748 employees drawn from 25 banks within Eldoret town, Uasin - Gishu County, as shown on table 3.1 below. The employees were targeted because they were affected by the strategic CSR practices employed by the banks and, as such, could give a feedback on the causal relationship between the study variables for purposes of generalization.

Table 3.1: Target Population

Index	Name of Bank	Target Population
1	Kenya Commercial Bank (KCB),	38
2	Barclays Bank	42
3	Equity Bank	56
4	Trans-National Bank	29
5	National Bank of Kenya	30
6	CFC Stanbic,	32
7	Commercial Bank of Africa	28
8	Diamond Trust Bank,	27
9	Imperial Bank,	28
10	Bank of Baroda,	25
11	Family Bank	27
12	Cooperative Bank	42
13	Equatorial Commercial Bank	24
14	Standard Chartered Bank	37
15	Investments and Mortgage Bank	38
16	Eco Bank Kenya Limited	47
17	National Industrial Credit	28
18	K-Rep Bank	37
19	Bank of Africa	22
20	Prime Bank	19
21	Oriental Commercial Bank	17
22	GT Bank	20
23	Africa Banking Corporation	16
24	Chase Bank	22
25	Gjuardian Bank	17
	Total	**748**

(Source: Kenya Bankers Association, 2016)

3.5 Sampling Frame

A sample frame is the group of individuals that can be selected from the target population given the sampling process used in the study and how they are accessed (Martínez-Mesa, etal., 2016). A sample frame is a source material or device from which a sample is drawn. It is a list of all those within a population who can be sampled, and may include individuals, households or institutions. The sample frame for this study included all the employees from the 25 banks in Uasin - Gishu County.

3.6 Sample and Sampling Technique

Sampling is the process of selecting units from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen (Cameron & Miller, 2015). A two stage sampling technique was used to narrow down to the employees. Cluster sampling technique was used to select the banks. Cluster sampling refers to a type of sampling method in which the researcher divides the population into separate groups, called clusters (Pfeffermann & Radhakrishna, 2009). Cluster sampling is a sampling plan used when mutually homogeneous yet internally heterogeneous groupings are evident in a statistical population. (Cameron & Miller, 2015) .The population within a cluster should ideally be as homogeneous as possible, but there should be heterogeneity between clusters.

Individual banks represented clusters such that each bank would be proportionately represented depending on the size of its employees. Simple random sampling was used to select the respondents to participate in the research study, but after it had been determined how many from each of the banks was to participate. Simple random sampling (SRS) is a method of selection of a sample comprising of n number of sampling units out of the population having N number of sampling units such that every sampling unit has an equal chance of being chosen. (Collis & Hussey, 2009). This sampling technique aimed at selecting groups that displayed variation on a particular phenomenon (Collis & Hussey, 2009). Lottery method was used to reduce bias in sampling by first identifying the sample size and sample population. A list of all the members of the population was prepared initially and then each member was marked with a specific number written on a separate piece of paper .These pieces of paper were then mixed and put into a box and then numbers are drawn out of the box in a random manner.

3.6.1 Sample Size

A sample size refers to the number of people in the respondent group determined by the scope of the research and based on precision rate and confidence level (Collis & Hussey, 2014). A sample size of 261 was drawn from a total population of 748 employees to represent the whole population. From the target population of 748, Taro Yamane (1967), sample size formula modified by Kent and Myers (2008) as cited in Etuk and Akpabio (2014) was used to select a sample size of 261 employees as shown below:

$$n = \frac{N}{1 + Ne^2}$$

Where:

n = Sample size

N = Population size

e = the error of Sampling

This study allowed the error of sampling of 0.05. Thus, sample size will be as follows:

$$n = \frac{N}{1 + Ne^2}$$

$$= 261$$

3.6.2 Sampling Technique

The study used cluster sampling technique to select the respondents. The sample size was distributed proportionally according to Neyman's allocation formula (Carfagna

& Arti, 2007). The purpose of the method was to maximize survey precision, given a fixed sample size. With Neyman's allocation, the best sample size for cluster h would be:

$$n_h = \left(\frac{N_h}{N}\right)n$$

Where,

n_h - The sample size for cluster h,

n - Total sample size,

N_h - The population size for cluster h,

N - The total population

Hence, distribution was as follows; the respondents were selected using simple random sampling. A total of 261 questionnaires were distributed the introduction letter was used to identify the researcher, her affiliation and the topic of the research study. It stated the importance of the participants' contribution by way of responding to the questions as being helpful in achieving the objectives of the survey.

The letter also assured the respondents of their confidentiality in which their responses would be treated and that they were to be anonymous.

Table 3.2: Sample Size

Index	Banks Names	Target Population	Sample Size
1	KCB,	38	13
2	Barclays	42	15
3	Equity,	56	20
4	Transnational,	29	10
5	National Bank,	30	10
6	CFC Stanbic,	32	11
7	Commercial Bank of Africa	28	10
8	Diamond Trust bank,	27	9
9	Imperial bank,	28	10
10	Bank of Baroda,	25	9
11	Family Bank	27	9
12	Cooperative Bank	42	15
13	Equatorial Commercial Bank	24	8
14	Standard Bank	37	13
15	Investments and Mortgage Bank	38	13
16	Eco Bank Kenya Limited	47	16
17	National Industrial Credit	28	10
18	K-Rep Bank	37	13
19	Bank of Africa	22	8
20	Prime Bank	19	7
21	Oriental Commercial Bank	17	6
22	GT bank	20	7
23	Africa Banking Corporation	16	6
24	Chase Bank	22	8
25	Guardian Bank	17	6
	Total	**748**	**261**

3.7 Data Collection Instruments

Data collection instrument refers to the tool or device used t collect data, such as a paper questionnaire or a computer assisted interviewing system. A questionnaire is a data collection instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents.

3.7.1 Primary Data

Primary data are original in nature and directly related to the issue or problem and current data. Primary data are the data which the researcher collects through various methods like interviews, and questionnaires (O'Leary, 2014). In other words, primary data are gathered because no one has compiled and published the information in a forum accessible to the public. A researcher generally takes time and allocates resources required to gather primary data (Salkind, 2010). This occurs when a question, issue or problem that is sufficiently important or unique presents itself. In this study the researcher used a close-ended questionnaire to collect primary data.

A structured and pre-tested close-ended questionnaire based on the specific objectives was used to gather primary data. The questionnaire had close-ended questions and items to be measured used five point likert scale commonly used in social sciences to measure perceptions, attitudes, values and behaviour (Mugenda & Mugenda, 2008). The items adopted a Likert scale of: (5-Strongly agree 4-Agree 3-Neutral, 2-Disagree, and 1-Strongly disagree). Piloting of the questionnaire was conducted after which corrections were made on wording, layout, sequencing and validity of the questions, the final draft of the questionnaire was disseminated to the respondents.

3.7.2 Secondary Data

Secondary data are the data collected by a party not related to the research study but collected these data for some other purpose and at different time in the past available in written, typed or in electronic forms (Ramesh, 2016). If the researcher uses these data then these become secondary data for the current users. A variety of secondary information sources is available to the researcher gathering data on an industry, potential product applications and the market place (Collis & Hussey, 2014). Secondary data is also used to gain initial insight into the research problem. Secondary data is classified in terms of its source – either internal or external (Ramesh, 2016). Internal, or in-house data, is secondary information acquired within the organization where research is being carried out. External secondary data is obtained from outside sources. The researcher used books, published journals and other written materials to gather data and information.

3.8 Data Collection Procedure

Data Collection Procedure shows the outline to be followed when administering the research instrument, which in this case, is the questionnaire. The questionnaire was introduced to the respondents to explain the purpose of the survey. There were instructions on how to respond to the questionnaire. The instructions required the respondents to indicate the extent to which they agreed, disagreed, or were neutral about the statements of constructs that were used to describe research variables. Neutral was the midpoint, and would mean that the respondent was undecided and would not be able to give a definite answer. Demographic information measured categorical data relating to gender, age, and length of work experience andeducation level. The specific independent variable items that were being measured against competitive advantage were organizational competencies, organizational resources, organizational citizenship behaviour, organizational ethics and organizational policies as the moderating variable. The respondents were assured of strict confidentiality. The questionnaires were administered through 'drop and pick later' method. Follow ups and reminders were done through telephone calls and personal visits by research assistants. This improved the response rate and increased reliability.

3.9 Pilot Study

A pilot study is a strategy used to test the questionnaire using a smaller sample compared to the planned sample size (Sincero, 2012). A pilot survey is a replica and rehearsal of the main survey. In this study piloting was done to pre-test the data gathering tool which, in this case, was the questionnaire. This was done to ensure the goodness of the study design. The questionnaires were piloted at Kenya Women Finance Trust (KWFT) and Agricultural Finance Corporation (AFC) both based in Uasin - Gishu County, Kenya. It involved 10% of the size of the sample population (Kothari & Garg, 2014). This means that 26 respondents participated in the piloting of the data instrument, thirteen from each of these organizations (KWFT and AFC).

3.9.1 Validity of the Research Instrument

Validity is described as the extent to which the research findings accurately reflect the phenomena under study (Collis & Hussey, 2009). According to Nuzzo (2014) validity is quality attributed to proposition or measures of the degree to which they conform to established knowledge or truth. It refers to how accurate the data obtained in the study represents the variables of the study. An attitude scale is considered valid, for example, to the degree to which its results conform to other measures of possession of the attitude (Rahman & Uddin, 2009). In this case, to ascertain the construct validity of the instrument, the researcher first gave the operational definition of terms used in the study and both the independent and dependent variables were given the meaning for the purpose of the study.

The internal validity was used to show the extent to which collection, analysis and interpretation of data related to the research variables. The content validity was achieved by ensuring relevance of the research results with theoretical approaches and literature reviews (Saunders, Lewis & Thornhill, 2007). Validity was also tested by use of factor analysis using Principal Component Analysis (PCA) to extract the factors. The criteria, as suggested by Hair et al (2010), was that factor loadings greater than 0.40 were considered statistically significant for studies. Consequently in this study, 0.40 was used as the cut- off for loadings. The higher the factor loadings were, the greater they were related to the variable.

3.9.2 Reliability of the Research Instrument

According to Orodho, Abobo and Osero (2014) the reliability of an instrument is the measure of the degree to which a research instrument yields consistent results or data after repeated trials. In order to test the reliability of the instrument, the Cronbach alpha test, which is a measure of internal consistency, was used in which closely related sets of items were taken as a group. The formula for Cronbach alpha is:

$$\alpha = \frac{K\bar{r}}{(1 + (K - 1)\bar{r})}$$

Where $K =$ numbers of indicators or number of items

$\bar{r} =$ mean inter $-$ indicator correlation.

The value one gets for α usually indicates the percentage of the reliable variance. For instance, if one gets a value of 0.7, it means that 70% of the variance in the scores is reliable variance, which means that 30% is error variance (Tavakol & Derrick, 2011; Cronbach, 1951). A "high" value of alpha often will be used as evidence that the items measure an underlying (or latent) construct, which was used. Content validity of the instrument was determined through piloting, whereby 26 questionnaires were issued and the responses of the subjects were checked against the research objectives. The questionnaire was administered twice within an interval of two weeks. A Cronbach alpha value of $\alpha > 0.7$ was considered reliable for the study. The results obtained from the pilot study assisted the researcher in revising the questionnaire to make sure it covered the objectives of the study Fraenkel and Wallen cited in (Seka, 2012).

3.10 Data Processing and Analysis

Data processing is a process of collecting, transforming and modelling data so as to discover required information. Data analysis is the process of systematically applying statistical and logical techniques to describe and illustrate and evaluate data.

3.10.1 Qualitative Data Analysis

Qualitative data analysis is the range of processes and procedures whereby we move from the qualitative data that have been collected into some form of explanation, understanding or interpretation of the people situations under investigation. This was done. It is usually based on interpretive philosophy. Coding was first done before feeding the information to SPSS. The data that was collected was first examined for completeness and consistency. The initial data analysis was done by taking the distribution of scores and using simple descriptive statistical measures such as, percentages, means, standard deviation (measures of central tendencies) and variances to measure relationships. These helped to get a glimpse of the general trend.

3.10.2 Quantitative Data Analysis

Factor analysis was also done to identify the highly loaded items and thus important ones for data analysis. Hierachical Multiple linear regression analysis was applied to analyse the relationship between a single dependent variable and several independent variables Hair, Black, Babin, Anderson and Tatham (2006) and to determine whether a group of independent variables (strategic corporate social responsibility) together predict dependent variable (competitive advantage). The inferential statistics specifically Pearson product moment coefficient of correlation (r) multiple linear regression and simple linear regression were used. Pearson product moment coefficient correlation was used to determine the extent to which ICSR affected competitive advantage of organizations. The beta (β) coefficients for each independent variable were generated from the model, and analysis of variance (ANOVA) was used. Content analysis was also conducted on the data that are of qualitative nature. Content analysis is a research method for studying documents and communication artefacts, which might be texts of various formats, pictures, audios or video. Social scientist use content analysis to examine patterns in communication in a replicable and systematic manner. In conventional terms, content analyses involve description and discussion of the data. Results were presented on frequency tables, and graphs. The regression model which was used was as shown below:

The simple linear regression model was in the form of:

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$ …........................... Model (i)

$Y = \beta_0 + \beta_2 X_2 + \varepsilon$ ….. ....Model (ii)

$Y = \beta_0 + \beta_3 X_3 + \varepsilon$ ….. ....Model (iii)

$Y = \beta_0 + \beta_4 X_4 + \varepsilon$ …........................... Model (iv)

Hierarchical regression model was as follows

$$y = \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \text{ .... (v) Without a moderator}$$

Equation v shows the relationship between the ordinary predictors X_1 to X_4 which are the four predictor ICSR practices and competitive advantage which is Y.

$$y = \beta 0 + \beta_1 X_1 . Z + \beta_2 X_2 . Z + \beta_3 X_3 . Z + \beta_4 X_4 . Z + \varepsilon \text{........... (vi) With a moderator}$$

Equation vi shows the effect of the moderator Z which is Organization Policies alongside the four ICSR practices and how they affect competitive advantage.

$\beta 0,\ \beta_1,\ \beta_2, \beta_3,\ \beta_4,$ are regression coefficients to be estimated.

X_1 = Organization Competency

X_2 = Organization Resources

X_3 = Organization Citizenship Behaviour

X_4 = Organization Ethics

Z = Organization Policies as the moderating variable

Y = Organizational Competitive advantage

E = **Error** term

All the above statistical tests were analysed using the Statistical Package for Social Sciences (SPSS), version 25.

3.10.3 Definitions and Measurements of Variables

The main study variables were operationalized using survey questions aimed at identifying the presence of key variables. As per conceptual framework, the dependent variable was competitive advantage. ICSR practices were the independent and the predictor variables while organizational policies were the moderators. Competitive advantage, ICSR and organizational policy variables were measured using 5-point likert rating scale indicating degree of agreement to the given statements operationalized to reflect the intended variable.

Competitive advantage is a position a firm occupies against its competitors (Porter, 2011). In this study the conceptual work of Porter (1980), Scherer (1980), Miles and Snow (1978) and MacMillan and Hambrick (1983), which measured competitive advantage in terms of dimensions that reflect important competitive strategies which are differentiation, cost leadership, focus and asset parsimony (Macharia, 2014) are borrowed. According to Michael Porter, the three methods for creating sustainable competitive advantage are through: Cost advantage which occurs when firm delivers the same services as its competitors but at a lower cost. Differentiation advantage occurs when firm delivers greater services for the same price of its competitors and Focus approach which requires the firm to concentrate on a narrow, exclusive competitive area. It is collectively known as positional advantages because it denotes the firm's position in its industry as a leader in superior exclusive competitive segment (market niche), hoping to achieve a local rather than industry wide competitive advantage. These measures served as the indicators of the competitive advantage. Previous researches conducted in this area have used these measures in the determination of firm performance (Porter 2011, Nimsith et al., 2016).

Strategic CSR was assessed through the practices adopted by organizations such as organizational competencies, organizational resources, organizational citizenship behaviour and organization ethics (Mei, 2014). The concept of organization competence is fundamental to organization renewal and as a driving force behind strategic change (Nimsith et al, 2016). Organization competencies are the unique resources of an organization that provides competitive advantage in the marketplace. In this study the indicators of organization competence were Knowledge, training and development and capabilities, adopted from (Hummaira, Iftikhar, Ali & Muhammad 2016).

Organization resources are resources owned and controlled which have the potential and promise to generate competitive advantage, which eventually leads to superior organisational performance (Alimin et al., 2012). In this study the indicators of organization resources were in terms of tangible resources which are classified to include both physical (human resources and Technology) resources and financial (Capital) resources of which are expected to affect competitive advantage (Rohana, Roshayani, Nooraslinda & Siti, 2015).

Organization Citizenship Behaviour (OCB) is that extra role behaviour of the employees that they start exhibiting when they develop a close association with their organization of work (Zeb & Asia, 2016). The indicators of OCB used in this study include; altruism - the helping of an individual co-worker on a task; sportsmanship - refraining from complaining about trivial matters, and civic virtue - participating in the governance of the organization adopted from (Bonaparte, 2008).

Organization ethics is concerned with what is right, fair, just, or good (Cooper, 2012). In this study the indicators of organization ethics included organization behaviour and code of conduct (Kelchner, 2014). Organization policy is the moderating variable in this study. Policies are written statements, developed in light of the organization's missions and values, which communicate and document organization's plans, instructions, intents, and processes. The indicators of organization policies were organization culture and management behaviour (Schein, 2010).

Likert scale was employed in the research. Each participant was asked to rate the extent to which they strongly agree (5), to strongly disagree (1) regarding their perceived levels of competitive advantage, organization competencies, organization resources, organization citizenship behaviour, organization ethics and organization policies. Chimi and Russell (2009) assert that the likert scale is used in nearly all fields of scholarly or business research. This is especially when the value sought is a belief, opinion or perception; when the value sought cannot be asked or answered definitely and with precision; and when the value sought is considered to be such a sensitive nature that respondents cannot answer except categorically. The data that was collected and measured in this study exhibited more of these features and the likert type scales was largely appropriate. Table 3.3 below shows variables, indicators and how they were measured.

Table 3.3: Definition of study Variables

Variable	Indicators	Measurements
Competitive Advantage	• Cost advantage • Differentiation advantage • Focus	Ordinal scale Questionnaire was used based on a five point likert scale
Organization competencies	• Knowledge • Training and development • Capabilities	Ordinal scale Questionnaire was used based on a five point likert scale
Organization resources	• Human resources • Capital • Technology	Ordinal scale Questionnaire was used based on a five point likert scale
Organization citizenship behaviour	• Altruism • Sportsmanship • Civic virtue	Ordinal scale Questionnaire was used based on a five point likert scale
Organization ethics	• Organization behaviour • Code of conduct	Ordinal scale Questionnaire was used based on a five point likert scale
Organization policies	• Organization culture • Management behaviour	Ordinal scale Questionnaire was used based on a five point likert scale

3.11. Diagnostic Tests

Regression is an analysis that assesses whether one or more predictor variables explain the dependent (criterion) variable. The study tested for linear relationship, normality, multicollinearity, autocorrelation regression assumptions: (Tabachnick & Fidell, 2001).

3.11.1 Normality: Regression assumes that variables have normal distributions. Non-normality distributed variables (highly skewed or kurtotic variables, or variables with substantial outliers) can distort relationships and significance tests. In this study the assumption was tested by use of skewness, kurtosis and histograms were also employed in the study to test for normality (Osborne & Waters, 2002; Tabachnick & Fidell, 2007).

3.11.2. Linearity: This estimates the relationship between dependent and independent variables if the relationships are linear in nature (Tabachnick & Fidell, 2001). If the relationship between independent variables (IV) and dependent variable (DV) is not linear, the results of the regression analysis will not represent a true relationship of the variables (Osborne & Waters, 2002). Pearson Correlation coefficient and linearity scatterplot graph were used to test for linearity (Piantadosi, Howlett & Boland, 2007).

3.11.3. Multicollinearity: Multicollinearity refers to a situation in which two or more explanatory variables in a multiple regression model are highly linearly related. Multicollinearity was tested using three central criteria: Correlation matrix test, Tolerance and Variance Inflation Factor and Kaiser-Meyer- Olkin (KMO) test (Osborne & Waters, 2002) .

3.11.4. Autocorrelation: Occurs when the residuals are not independent from each other (Tabachnick & Fidell, 2001).The linear regression model was tested for autocorrelation using Durbin-Watson test.

3.12 Ethical considerations

Ethical considerations in research help to determine the difference between acceptable and unacceptable behaviours. Ethical considerations are important in research as they prevent against the fabrication or falsifying of data and therefore, promote the pursuit of knowledge and truth which is the primary goal of research. Tharenou, Donohue and Cooper (2007) insist that researchers should consider possible ethical concerns their study might face before actually carrying out a research project. Research authorization was obtained from the National Commission for Science, Technology and Innovation (NACOSTI), subject to authority from the County Commissioner and County Director Education, Uasin Gishu County, Kenya respectively.

Prior to administering the questionnaire, a letter stating the purpose of the study and how the researcher would maintain privacy, anonymity and consent form for participants to sign before they engage in the research as suggested by Creswell (2012) will be attached. This form will assure participants' rights will be protected during data collection. Equally, the researcher ensured tolerance, honesty and patience with respondents while getting information from them. This is in consonant with Tharenou, Donohue and Cooper (2007) who opines that many ethical principles must be accepted, such as being respectful to the individuals, entitling them to be autonomous, as well as providing protection to those who lack autonomy in addition to ensuring confidentiality and anonymity. The first page of the questionnaires offered information about the topic of research; the principle of confidentiality and anonymity was pointed out in the questionnaire as well. Additionally, when the questionnaires were being distributed, the respondents were be offered with further clarification about the topic.

Informed consent was the main concern which the researcher had to obtain from participants. Participants were informed through the introduction letter that their participation was voluntary. Participants were also assured of confidentiality such that whatever they contributed would not be linked to them since they were to remain anonymous. Anonymity was thus protected, respect for privacy was maintained.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This section presents the results and findings of the study according to the research objectives and hypotheses. The chapter begins by giving the response rate to establish if the collected data was adequate to be analyzed and to be relied on, followed by the findings of the pilot study results analysis to determine validity and reliability of the instrument used in data collection. For the main survey, descriptive results were analyzed in form of percentages and presented in tables. The results of inferential statistics, such as regression and coefficients of correlation results which were used to test for association and degree of variation in association respectively, are tabulated and presented in this chapter. Included in this chapter are tests of hypotheses of the study variables.

4.2 Response Rate

A total of 261 structured questionnaires were distributed to employees from the 25 banks in Uasin - Gishu County. Out of the 261 questionnaires, 227 were filled and returned. This represented 87 percent response rate. This response rate is considered satisfactory to make conclusions for the study. According to Babbie (2002) any response of 50 percent and above is adequate for analysis, 60 percent is good, and above 70 percentis rated as very good. The response rate of 87 percent is therefore very good. This response rate was made a reality through making personal calls and visits to remind the respondents to fill-in and return the questionnaires. Besides, the use of research assistants who dropped and later picked the filled - in questionnaires enhanced the rate.

4.3 Pilot Study Results

The main purpose of conducting a pilot study was to detect and remedy any possible errors in questionnaire design prior to administering the main survey (Cavana, Delahaye

& Sekeran, 2001; Malhotra, 2004) and typically, to refine and revise the questionnaire to ensure the validity and reliability of the measures, as well as making it more user-friendly (Flynn et al.,1990).

Once the research instrument was finalized, it was tried out on a sample of twenty six (26) respondents; thirteen from each of the two organizations selected outside the study population, but with similar characteristics to the actual study population. For this study, the pilot test for the instrument was carried out at Kenya Women Finance Trust (KWFT) and Agricultural Finance Corporation (AFC), both based in Uasin - Gishu County. The rule of thumb is that between one percent to 10percent of the sample should constitute the pilot test (Cooper & Schinlder, 2011). In terms of a pilot sample Hunt, Parkman and Wilcox (1982) and Green, Tull and Albaum (1988) share the opinion that pre-test subjects should be as similar as possible to the final group, representative but with extreme as well as typical respondents, or more succinctly, should mirror the composition of the main survey.

4.3.1 Reliability of Research Instrument

To provide a preliminary evaluation and refinement of the measurement scales of the questionnaire, coefficient alpha was calculated to assess the reliability of composite variables. The reliability of a measure is the consistency of the results each time the same thing is measured using Coefficient (or Cronbach's) alpha (Hair et al.2006). Coefficient alpha is an index of the internal consistency of the items and also a useful estimate of reliability (Gregory, 2000). Reliability is high if the scale items are highly correlated. As a standard of reliability, values of coefficient alpha above 0.70 are considered to represent acceptable reliability, those above 0.80 to represent good reliability, and those above 0.90 to represent excellent reliability, (Hair et al.2006).

Reliability of the instrument was carried out using Cronbach's alpha constant which is a measure of internal consistency and average correlation. In respect of pilot results the Cronbach alpha for standardized items for each of the variables was as follows; Organizational competencies had an α of .734, Organizational resources had an α of .758, Organizational Citizenship Behaviour had an α of .740, Organizational ethics had an αof.773, Organizational policies had an αof .794, and competitive advantage had anα of.764as shown on table 4.1 below. This implies that the instrument was reliable as all the variables met the threshold of a minimum αof 0.70.

Table 4.1: Reliability

Variable	No of items	Cronbach's Alpha standardized items
Organizational competencies	12	.734
Organizational resources	15	.758
Organizational Citizenship Behaviour	11	.740
Organizational Ethics	8	.773
Organizational Policies	11	.794
Competitive Advantage	17	.764

4.3.2 Validity of Research Instrument

Validity refers to the accuracy and meaningfulness of inferences, which are based on research results McMillan and Schumacher cited in (Chepkwony, 2015). Validity therefore, has to do with how accurately the data obtained in the study represents the variables of the study. Principal component analysis was done using extraction method to establish the factor loadings for the items used in each variable, and the outcome is presented in table 4.2 to Table 4.7.

The variable organization competencies had 12 items as originally compiled in the questionnaire. The 12 factors for organization competencies had factor loadings between 0.632 as the lowest and 0.910 as the highest and thus were considered valid for the constructs represented as they were all above 0.4. Table 4.2 shows the factor loadings for organization competencies.

Table 4.2: Factor Loadings for Organization Competencies

Organizational Competencies	Initial	Factor loadings
My organization has competitive advantage because of continuous employee training and development.	1.000	.819
This firm has a competitive advantage because it has a policy on employee training and development	1.000	.737
Study leave given to its employees places firm at a position of competitive advantage	1.000	.799
Planned management succession gives company competitive advantage	1.000	.817
Staff development policy gives my company competitive advantage	1.000	.806
Recruitment of qualified employees for competitive advantage	1.000	.705
My organization encourages continuous learning for competitive advantage	1.000	.632
Seminars, conferences and workshops are often conducted as a way of employees learning new knowledge	1.000	.887
Recruitment policies favouring skilled applicants and competitive advantage	1.000	.840
Our employees' superior skills that are not easy to imitate make our firm competitive	1.000	.812
The firm recognizes and rewards competent employees.	1.000	.910
Promotions given based on competence give my company competitive advantage	1.000	.834

Extraction Method: Principal Component Analysis.

The variable organization resources had 15 items as originally compiled. The 15 factors for organization resources had factor loadings between 0.614 and 0.900were considered valid for the constructs represented as they were all above 0.4, as shown on Table 4.3 below.

Table 4.3: Factor Loadings for Organization Resources

Organization resources	Initial	Factor loadings
The quality of tools and equipment of my firm are not easily imitated, giving it competitive advantage.	1.000	.810
The expensive premises occupied by my company give us competitive advantage	1.000	.750
Modern furniture for competitive advantage	1.000	.870
My firm's modern and superior technological equipment give it competitive advantage	1.000	.857
My organization embraces new technology for competitive advantage	1.000	.867
The kind of technology used in my organization gives it competitive advantage over its competitors	1.000	.833
Accesses to credit enhances my organization's competitive advantage	1.000	.690
High Profits earned by my firm give it competitive advantage	1.000	.900
My company's good financial standing gives it competitive advantage	1.000	.885
High employee salaries give my company competitive advantage	1.000	.826
My organization has competitive advantage as a result of meeting its financial obligations	1.000	.614
Prompt remittance of employee contributions to relevant bodies put my company at a competitive advantage	1.000	.853
Filling employment vacancies from within by promoting qualified staff makes firm competitive	1.000	.852
Employee Welfare facilities provided by the organization give it competitive advantage	1.000	.743
Perceiving employees as assets rather than liabilities give my firm competitive advantage	1.000	.794

Extraction Method: Principal Component Analysis.

The variable organization citizenship behaviour had 11 items as originally compiled. The 11 factors for organization citizenship behaviour, with factor loadings between 0.652 and 0.858, were considered valid for the constructs represented as they were all above 0.4. These findings are illustrated in Table 4.4.

Table 4.4: Factor Loadings for Organization Citizenship Behavior

Organization citizenship behavior	Initial	Factor loadings
Helping other teammates if they fall behind in their work gives firm competitive advantage	1.000	.737
I share my knowledge and expertise with other employees; thus making organization to get competitive advantage	1.000	.805
I take time out of my day to help train/orient new employees.	1.000	.762
I am always available when any of my colleagues need someone to speak out their problems	1.000	.752
I try not to find fault with other employees	1.000	.665
I focus on the positive aspects of my work	1.000	.682
I keep minor complaints to myself.	1.000	.688
I focus on what's best for the firm	1.000	.688
I always talk positive things about my organization	1.000	.719
I attend work related information sessions	1.000	.839
I attend and participate in meetings	1.000	.858

Extraction Method: Principal Component Analysis.

The variable organization ethics had 8 items as originally compiled in the data collection instrument. The 8 factors for organizational citizenship behaviour had factor loadings between 0.554 and 0.898 and thus were considered valid for the constructs represented as they were all above 0.4. Table 4.5 shows this.

Table 4.5: Factor loadings for Organizational Ethics

Organizational Ethics	Initial	Factor loadings
Anti-corruption policy for competitive advantage	1.000	.585
Ethical audit for competitive advantage	1.000	.792
Ethics committee for competitive advantage	1.000	.852
Corporate ethical values give competitive advantage	1.000	.614
Employee training on ethics give competitive advantage	1.000	.554
Punishing unethical actions give competitiveness	1.000	.796
The top management rewards employees who behave ethically	1.000	.898
Surrendering gifts gives competitive advantage	1.000	.672

Extraction Method: Principal Component Analysis.

The variable organization policies had 11 items as originally compiled in the questionnaire. The 11 factors for organizational policies had factor loadings between 0.584 and 0.856. All the factors were, therefore, considered valid for the constructs represented as they were all above 0.4. Table 4.6 shows this.

Table 4.6: Factor Loadings for Organization Policies

Organizational Policies	Initial	Factor loadings
CSR policies for competitive advantage	1.000	.699
Employee CSR involvement for competitive advantage	1.000	.701
I make suggestion for CSR policy improvement for competitive advantage	1.000	.806
Employee knowledge of CSR for competitive advantage	1.000	.856
Policies used enhance company image for competitive advantage	1.000	.705
Employees practicing CSR rewarded for competitive advantage	1.000	.786
CSR policy endorsed for competitive advantage	1.000	.612
Employees are involved in improvement of CSR policies for competitive advantage	1.000	.827
Managers support CSR initiatives for competitive advantage	1.000	.768
Managers believe CSR for competitive advantage	1.000	.726
CSR seen as strategic priority for competitive advantage	1.000	.584

Extraction Method: Principal Component Analysis.

The variable competitive advantage had 17 items as originally compiled in the questionnaire. The 17 factors for competitive advantage had factor loadings between 0.595 and 0.834, and all were considered valid for the constructs represented as they were all above 0.4. Table 4.7 shows this.

Table 4.7: Factor Loadings for Competitive Advantage

Competitive Advantage	Initial	Factor Loadings
Focus on employee ethical behavior when serving customers for competitive advantage	1.000	.760
Concentrate on offering valuable and rare quality products	1.000	.774
Superior employee competencies possessed by employees of my firm helps the firm to outwit others	1.000	.721
Control of specific market share by offering specialized service in this niche market	1.000	.712
Our superior technological resources are costly to imitate	1.000	.786
Focus on employee relations and wellbeing for greater productivity	1.000	.867
My company possess superior human resources that can’t be imitated	1.000	.595
The firm creates uniquely desirable products and services	1.000	.788
We have unique product brands which are not easily duplicated	1.000	.825
Our superior technological resources are not easily substituted	1.000	.773
Other organizations envy our organization because of its unique resources	1.000	.693
Its very difficult for other organizations to produce products whose quality and standards match our innovative products	1.000	.834
My firm has the lowest cost of production in the industry	1.000	.693
My company offers the cheapest credit facilities	1.000	.762
The lowest interest rates charged by our company bars other companies from following suit	1.000	.765
We have the lowest ratio of expenses to net profit which cannot be matched by others	1.000	.794
My company makes the highest profit because of the lowest cost of production	1.000	.703

Extraction Method: Principal Component Analysis.

4.4 Descriptive Results

4.4.1 Demographic Characteristics of Respondents

Demographic information provides data regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population for generalization purposes (Salkind, 2010). Respondents were asked to provide information regarding their demographic profile which included; age, gender, experience, and level of education. This information was deemed relevant in assessing the effect of strategic internal corporate social responsibility on organization competitive advantage in the banking sector in Kenya since these characteristics could have confounding effects on this relationship. The findings would then benefit the organizations since the organization will be aware and can then use this awareness to deliberately plan, design and deliver the necessary social responsibilities for purposes of gaining competitive advantage.

a) Gender

Results presented in Table 4.8, depicts that majority of the employees were males with a proportion of 52.4 percent,while females constituted 47.6 percent, which means that although the majority of respondents are male, the population of females is more than one third of the sample population. This suggests the organizations are adhering to the principle of gender parity in employment and thus the decisions made by the organization are bound to be gender sensitive. Table 4.8 shows this.

Table 4.8: Gender

Variables	Gender	Frequency	Percentage
Gender	Male	119	52.4
	Female	108	47.6
Total		**227**	**100**

b) Age

In terms of age of respondents, who were the employees, the results, as shown on table4.9 indicated that 5.7 percent were less than 25 years old, 43.2 percent were between 25 to 30 years, 41 percent were between 31 and 40years and 10.1 percent were above 40 years of age. This reveals that majority of employees are at the youth stage which is an age full of energy, and thus the organizations do not have the problem of ageing staff. Table 4.9 illustrates this.

Table 4.9: Age

Variables	Age	Frequency	Percentage
Age	< 25yr	13	5.7
	25- 30yrs	98	43.2
	31-40yrs	93	41.0
	41-50yrs	23	10.1
Total		**227**	**100**

c) Work Experience

The distribution of experience at work as shown on table 4.10 below indicated that 17.2 percent had work experience of less than 5years, 33 percent had an experience of between 6 and 10years, 22 percent had between 11 to 15years of work experience, 16.3percent had between 16 to 20years of work experience and 11.5 percent had more than 20years of work experience. Majority of employees had served for more than six years as indicated by a proportion of 82.8 percent. The implication of this is that the respondents had adequate work experience as well as knowledge of the organization they work in so as to be able to give credible information that the study can rely on. But most importantly, it will benefit the organization because the wealth of experience would mean quality work and efficiency in performance. It can also imply that the staff retention of the organization is good. Table 4.10 shows this.

Table 4.10: Work Experience

Variables	Work Experience	Frequency	Percentage
Experience	< 5yrs	39	17.2
	6-10yrs	75	33.0
	11-15yrs	50	22.0
	16-20yrs	37	16.3
	>20yrs	26	11.5
Total		**227**	**100**

d) Level of Education

It was also found that majority of respondents had undergraduate education, with a proportion of 53.3 percent, followed by Diploma at 27.8 percent, Masters at 13.7 percent, and High school at 5.3 percent. This is depicted o

in Table 4.11. This outcome implies that majority of employees had more than high school level of education hence, were well educated and could understand what was sought by this study and even interpret the questionnaire well. Majority of them are also trained and it is only 5.3 percent who are at the level of high school. Another implication would be that there are good ICSR practices like training and developing of staff so that most of them are well educated and trained. Table 4.11 shows this.

Table 4.11: Level of Education

Variables	Education level	Frequency	Percentage
Level of education	High school	12	5.3
	Diploma	63	27.8
	Undergraduate	121	53.3
	Masters	31	13.7
	High school	12	5.3
	Diploma	63	27.8
Total		**227**	**100**

4.4.2 Descriptive Results for Variables

a) Organization Competencies

Organization competencies were measured using training and development, knowledge/learning organization, and employee capability skills. Table 4.12, illustrates the responses attained for the item which sought to know if continuous employee training and development enhanced organizational competitive advantage. The outcome was that 0.0 percent of the respondents strongly disagreed, 0.4 percent disagreed, 20.7 percent were neutral, that is, neither agreed nor disagreed, 44.1 percent agreed and 31.3 percent strongly agreed that the organization had competitive advantage because of continuous employee training and development; with a mean of 4.03 and a standard deviation of .836. Standard deviation is a measure of how well the mean represent the data (Andy Field 2005), as it shows how spread out the data is from the mean. It can be used to establish a benchmark for estimating the overall variation of a process.

On the statement regarding policy on training, 0.4 percent strongly disagreed, 11.5 percent disagreed, 11.5 percent neither agreed nor disagreed, 46.3 percent agreed and 30.4percent strongly agreed that the firm had competitive advantage because of having a policy on employee training and development (Mean = 3.95 SD = .985). Sometimes, organizations give employees study leave to go for training and 0.0 percent strongly disagreed, 7.0 percent disagreed, 17.6 percent neither agreed nor disagreed, 33.0 percent agreed and 42.3 percent strongly agreed that study leave given to employees placed a firm at a position of competitive advantage (Mean = 4.11 SD =.935). Responses showed that 0.0 percent strongly disagreed. 10.1 percent disagreed, 11.0 percent neither agreed nor disagreed, 44.9 percent agreed and 33.9 percent strongly agreed that planned management succession gave the company competitive advantage (Mean = 4.03 SD =.924). All the responses give credence to the arguments of Rosa and María, (2011); Riungu, (2014) that training is one of the most crucial functions for any organization seeking to improve its productivity and gaining competitive advantage. This implies that the organizations should pay high premiums on training in order to secure competitive advantage.

Table 4.12: Organization Competencies: Training

Statement	SD %	D %	N %	A %	SA %	M	SD
My organization has competitive advantage because of continuous employee training.	0.0	0.4	20.7	44.1	31.3	4.03	.836
This firm has a competitive advantage because it has a policy on employee training	0.4	11.5	11.5	46.3	30.4	3.95	.958
Study leave given to its employees places firm at a position of competitive advantage	0.0	7.0	17.6	33.0	42.3	4.11	.935
Planned management succession gives company competitive advantage	0.0	10.1	11.0	44.9	33.9	4.03	.924

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree **M**=Mean **SD**= Standard deviation

A learning organization is an organization which continuously learns through its members individually and collectively to create competitive advantages by developing a facilitative system through the process of self-development and information sharing by empowering the employees (Muhammad & Abdul, 2015).

In Table 4.13, the responses show that 0.0percent strongly disagreed, 6.6percent disagreed, 10.1 percent neither agreed nor disagreed, 50.7 percent agreed and 32.6 percent strongly agreed that Staff development policy gave their company competitive advantage (Mean = 4.10 SD =.825). On the other hand, 7.0percent strongly disagreed, 11.5 percent disagreed, 8.4 percent neither agreed nor disagreed, 42.7 percent agreed and 30.4 percent strongly agreed that recruitment of qualified employees improved organizational competitive advantage (Mean = 3.78 SD = 1,199). This underpins the argument of Marchington and Wilkinson (2008); Noe et al (2010) that it is critical to recruit and select the right employees who will be well integrated and who will contribute to their best competence.

On continuous learning, 0.0 percent of the research participants strongly disagreed, 3.5 percent disagreed, 8.8 percent neither agreed nor disagreed, 46.7 percent agreed and 41.0 percent strongly agreed that their organization encouraged continuous learning and that this gave their organization competitive advantage (Mean = 4.25 SD =.760). However, the continuous learning strategy has to be heavily focused on deep expertise development, collaboration, knowledge sharing, and the continuous reinforcement of expertise as a key to competitive advantage (Bersin, 2013). This implies that learning strategy for a learning organization goes far beyond developing good courses in the training department but that they should also be inclined towards leadership positions in the dynamic business environment. On seminars, conferences and workshops as a way of employee learning new knowledge, 0.0 percent strongly disagreed, 5.3 percent disagreed, 18.9 percent neither agreed nor disagreed, 44.1 percent agreed and 31.7 percent strongly agreed that this move increased competitive advantage (Mean = 4.02 SD =.849). .

These findings conform to arguments of Senge, (2004) that learning organization learns through its members individually and collectively to craft competitive advantages by efficiently and effectively managing internal and external engendered change. This implies that organizations' learning culture is an imperative asset that a company can build, however it should be integrated with the organizations; talent practice.

Table 4.13: Organization Competencies; Knowledge /Learning Organization

Statement	SD %	D %	N %	A %	SA %	M	SD
Staff development policy gives my company competitive advantage	0.0	6.6	10.1	50.7	32.6	4.10	.825
Recruitment of qualified employees for competitive advantage	7.0	11.5	8.4	42.7	30.4	3.78	1.199
My organization encourages continuous learning for competitive advantage	0.0	3.5	8.8	46.7	41.0	4.25	.760
Seminars, conferences and workshops are often conducted as a way of employees learning new knowledge	0.0	5.3	18.9	44.1	31.7	4.02	.849

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

Responses on organization competencies in relation to competitive advantage are depicted in Table 4.14, which shows that 0.9 percent strongly disagreed, 4.8 percent disagreed, 17.6 percent were neutral (neither agreed nor disagreed), 44.1 percent agreed and 32.6 percent strongly agreed that recruitment policies favouring skilled applicants influences 0rganizational competitive advantage(Mean = 4.03 SD = .882). Recruitment policies serve as a cornerstone for recruitment and hiring processes which dictates the organization's future composition and sustained competitive advantage. This is justified by the fact that by use of effective recruitment policy firms can use applicant reactions to recruitment and hiring processes to create and sustain competencies that are valuable, rare, and hard to imitate (Kang & Daniel, 2012).

The preceding argument is also corroborated by the following responses that 9.7 percent strongly disagreed, 11.5 percent disagreed, 8.4 percent neither agreed nor disagreed, 31.3 percent agreed and 39.2 percent strongly agreed that the employees' superior skills that are not easy to imitate make a firm competitive(Mean = 3.79 SD = 1.330). In addition, 0.4 percent strongly disagreed, 9.7 percent disagreed, 19.4 percent neither agreed nor disagreed, 34.8 percent agreed and 35.7 percent strongly agreed that the firm gets competitive advantage because it recognizes and rewards competent employees (Mean = 3.96 SD = .990).

Compensation and reward system must have the right yields. An organization should not only reward on strong achievements on numbers, but also on the desirable behaviours that people adopt .This implies that any rewards system that is designed should be premised on the right performance factors and reward their execution in order to engender and sustain competitive advantage. On promotions, 3.5 percent strongly disagreed, 8.8 percent disagreed, 18.1 percent neither agreed nor disagreed, 42.3 percent agreed and 27.3 percent strongly agreed that promotions given based on competence give the company competitive advantage (Mean = 3.81 SD = 1.045). Organizations should pay high premiums on employee competencies, employee welfare and a positive atmosphere to work. According to Poornima (2015) attracting and retaining right people, in the right jobs, with right skills and attitude is the success mantra of today's competitive era.

Capabilities are seen as the ability to coordinate and deploy resources in order to achieve the firm's goals (McKelvie & Davidsson, 2009) . This implies that hiring and developing talented staff and 'synergising' their contribution within the resource bundle of the firm, give credence to capability skills as a basis for sustained competitive advantage. Resources seldom lead to competitive advantage on their own, the application of resources by the right personnel (i.e. capabilities) is what causes performance differences and begets competitive advantage.

Table 4.14: Organization Competencies (Capability Skills)

Statement	SD %	D %	N %	A %	SA %	M	SD
Recruitment policies favouring skilled applicants and competitive advantage	0.9	4.8	17.6	44.1	32.6	4.03	.882
Our employees' superior skills that are not easy to imitate make our firm competitive	9.7	11.5	8.4	31.3	39.2	3.79	1.330
The firm recognizes and rewards competent employees.	0.4	9.7	19.4	34.8	35.7	3.96	.990
Promotions given based on competence give my company competitive advantage	3.5	8.8	18.1	42.3	27.3	3.81	1.045

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree **M**=Mean **SD**= Standard deviation

b) Organization Resources

Strategic organization resources are vital for superior business performance and sustainable competitive advantage (Galbreath, 2004). In this study, organization resources were measured on a likert scale using material resources, technology and money or capital. Table 4.15, shows the responses received which were: 14.1 percent strongly disagreed, 6.2 percent disagreed, 12.3 percent neither agreed nor disagreed, 32.2 percent agreed and 35.2 percent strongly agreed that the quality of tools and equipment of their firm were not easily imitated, giving it competitive advantage (Mean = 3.68 SD =1.370). The item on premises gave an outcome that 0.4 percent strongly disagreed, 9.7 percent disagreed, 19.4 percent neither agreed nor disagreed, 34.8 percent agreed and 35.7 percent strongly agreed that the expensive premises occupied by their company gave them competitive advantage (Mean = 3.96 SD =

.990). Another response revealed that 3.5 percent strongly disagreed, 8.8 percent disagreed, 18.1 percent neither agreed nor disagreed, 42.3 percent agreed and 27.3 percent strongly agreed that office furniture which is modern and rare, made their organization to have competitive advantage (Mean = 3.81 SD =1.045). This denotes the essence of material resources in achieving competitive advantage.

These findings follow on the arguments by Dubois (2009) that material resources are not considered firm competencies; however, they are necessary for the human competencies to create products and services that are valued by customers. An organization can have the best human capital and capabilities in the industry, but if the organization lacks the material resources to execute those competencies, it cannot build and sustain its competitive advantage. However, these resources must be synergised by capabilities owned by organization so as to allow the exploitation of opportunities and neutralize threats. Iván, (2014) posits that for material resources to become a potential source of competitive advantage they must be owned only by a small number of competitors and are costly to copy or difficult to obtain in the market. This implies that not all material resources are a source of competitive advantage but their uniqueness and continuous reconfiguration gives impetus in achieving competitive advantage.In fine the true worth of resources is depicted by how firms formulate and deploy their strategies to improve performance and hence gain competitive advantage.However the potency of physical resources synergised by availability of business finances which is significantly positively related to performance which translates to competitive advantage.

Table 4.15: Organization Resources (Material Resources)

Statement	SD %	D %	N %	A %	SA %	M	SD
The quality of tools and equipment of my firm are not easily imitated, giving it competitive advantage	14.1	6.2	12.3	32.2	35.2	3.68	1.370
The expensive premises occupied by my company give us competitive advantage	0.4	9.7	19.4	34.8	35.7	3.96	.990
Office furniture is modern and rare, making my organization to have competitive advantage	3.5	8.8	18.1	42.3	27.3	3.81	1.045

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree **M**=Mean **SD**= Standard deviation

In Table 4.16, there is an illustration that 0.0 percent strongly disagreed, 10.1 percent disagreed, 10.6 percent neither agreed nor disagreed, 45.4percent agreed and 33.9 percent strongly agreed that their firm's modern and superior technological equipment gave it competitive advantage (Mean = 4.03 SD =.924). Regarding technology, 13.2 percent strongly disagreed, 6.2 percent disagreed, 8.4 percent neither agreed nor disagreed, 43.2 percent agreed and 29.1 percent strongly agreed that their organization had competitive advantage because of embracing technology (Mean = 3.69 SD =1.324). In addition, 0.0 percent strongly disagreed, 7.0 percent disagreed, 17.6 percent were neutral and neither agreed nor disagreed, 33.0 percent agreed and 42.3 percent strongly agreed that the kind of technology used in their organization gave it competitive advantage over its competitors (Mean = 4.11 SD =.935).

Inmyxai and Takahashi (2010), emphasized that the firm's physical resources boosted with sophisticated technology can be expected to increase production, services, and business operations. Besides Technological innovations can have Important strategic implications for individual companies and can greatly influence industries as a whole (Linton, 2017). However not all technological change is strategically beneficial but only when the technology embraced by an organization creates a barrier to entry for competitors. This implies that the technology adopted remains lustrous in achieving and sustaining competitive advantage based on its compatibility, peculiarity and proper placement of time, money, and energy spent on it.

Table 4.16: Organization Resources (Technology)

Statement	SD %	D %	N %	A %	SA %	M	SD
My firm's modern and superior technological equipment give it competitive advantage	0.0	10.1	10.6	45.4	33.9	4.03	.924
My organization embraces new technology for competitive advantage	13.2	6.2	8.4	43.2	29.1	3.69	1.324
The kind of technology used in my organization gives it competitive advantage over its competitors	0.0	7.0	17.6	33.0	42.3	4.11	.935

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

According to Table 4.17 the responses were that 0.0 percent strongly disagreed, 5.3 percent disagreed, 18.9 percent neither agreed nor disagreed, 44.1 percent agreed and 31.7 percent strongly agreed that credit access enabled a firm to have competitive advantage (Mean = 4.02 SD =.849). A proportion of 12.3 percent strongly disagreed, 5.3 percent disagreed, 11.9 percent neither agreed nor disagreed, 38.8 percent agreed and 31.7 percent strongly agreed that high profits led to organization competitive advantage (Mean = 3.72 SD =1.299). On the item of money/capital as a resource, 17.2 percent strongly disagreed, 5.3 percent disagreed, 9.7 percent neither agreed nor disagreed, 21.6 percent agreed and 46.3 percent strongly agreed that good financial standing enhanced competitive advantage(Mean = 3.74 SD =1.509).

In addition, 0.0 percent strongly disagreed, 7.0 percent disagreed, 15.9 percent neither agreed nor disagreed, 37.4 percent agreed and 39.6 percent strongly agreed that high employee salaries gave their company competitive advantage (Mean = 4.17 SD =.901). A proportion of 0.0 percent strongly disagreed, 1.8 percent disagreed, 9.7 percent neither agree nor disagreed, 49.8 percent agreed and 38.8 percent strongly agreed that their organization had competitive advantage as a result of meeting its financial obligations (Mean = 4.26 SD =.701). Business finance is one of the critical resources that allow firms to engage in strategic business that can sustain firm performance which denotes competitive advantage (Inmyxai & Takahashi, 2010). Competitive advantage comes from the capacity of the business to raise funds quickly and knowledge of when to divest and at what price and which opportunities to embrace. This implies that the control of cash flow can be a strategic secret weapon for granting competitive advantage to the organization.

Table 4.17: Organization Resources (Money and Capital)

Statement	**SD %**	**D %**	**N %**	**A %**	**SA %**	**M**	**SD**
Credit access for competitive advantage	0.0	5.3	18.9	44.1	31.7	4.02	.849
High profits for competitive advantage	12.3	5.3	11.9	38.8	31.7	3.72	1.299
Financial standing for competitive advantage	17.2	5.3	9.7	21.6	46.3	3.74	1.509
High employee salaries give my company competitive advantage	0.0	7.0	15.9	37.4	39.6	4.17	.901
My organization has competitive advantage as a result of meeting its financial obligations	0.0	1.8	9.7	49.8	38.8	4.26	.701

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree **M**=Mean **SD**= Standard deviation

Table 4.18 depicts that 1.5 percent of the respondents strongly disagreed, 7.0 percent disagreed, 7.0 percent neither agreed nor disagreed, 34.8 percent agreed and 36.1 percent strongly agreed that prompt remittance of employee contributions to relevant bodies put their company at a competitive position (Mean = 3.70 SD = 1.407). On human resources, the responses to the statement that filling employment vacancies from within by promoting qualified staff makes a firm to have competitive advantage were that: those who strongly disagreed were 11.0 percent, 5.3 percent disagreed, 15.9 percent neither agreed nor disagreed, 28.2 percent agreed and 39.6 percent strongly agreed (Mean = 3.80 SD =1.314).

Regarding employee matters, 0.0 percent strongly disagreed, 4.4 percent disagreed, 9.3 percent neither agreed nor disagreed, 53.3 percent agreed and 33.0 percent strongly agreed that employee welfare facilities provided by the organization gave an organization competitive advantage (Mean = 4.15 SD = .761), while 0.4 percent strongly disagreed, 6.6 percent disagreed, 13.7 percent neither agreed nor disagreed, 41.0 percent agreed and 38.3 percent strongly agreed that perceiving employees as assets rather than liabilities gave their firm competitive advantage (Mean = 4.10 SD = .904). Conceptually and empirically, human resources are the foundation for attaining and sustaining competitive advantage and eventually superior organizational performance (Alimin, Raduan, Jegak & Haslinda, 2012).

However the capacity of human resources to yield sustained advantage is premised on their rare value, relative immobility and superior appropriateness. Human resource policies should be integrated with strategic business planning and used to reinforce an appropriate (or change an inappropriate) organization culture, that human resources are valuable and a source of competitive advantage, that they may be tapped most effectively by mutually consistent policies that promote commitment and which, as a consequence, foster a willingness in employees to act flexibly in the interests of the “adaptive organizations’ pursuit of excellence” (Armstrong, 2010). This implies that the competiveness of the human resources is based on the strategic orientation of the human resource practices of the organization.

Table 4.18: Organization Resources (Human Resources)

Statement	SD	D	N	A	SA	M	SD
	%	%	%	%	%		
Prompt remittance of employee contributions to relevant bodies put my company at a competitive advantage	1.5	7.0	7.0	34.8	36.1	3.70	1.407
Filling employment vacancies from within by promoting qualified staff makes firm competitive	11.0	5.3	15.9	28.2	39.6	3.80	1.314
Employee Welfare facilities provided by the organization give it competitive advantage	0.0	4.4	9.3	53.3	33.0	4.15	.761
Perceiving employees as assets rather than liabilities give my firm competitive advantage	0.4	6.6	13.7	41.0	38.3	4.10	.904

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

c) Organization Citizenship Behaviour

Although OCB is considered as an extra role by the employee, its consequences can be pivotal in overcoming the discrepancies in resources when sheer commitment is the instrument hence competitive advantage (Zeb & Asia, 2016). OCB was measured using statements that touched on altruism, sportsmanship and civic virtue at the work place, According to table 4.19 the response outcome indicated that 0.4 percent of the research participants strongly disagreed, 7.0 percent disagreed, 11.5 percent neither agreed nor disagreed 41.9 percent agreed and 39.2 percent strongly agreed that helping other teammates when they fell behind in their work gave the firm competitive advantage (Mean = 4.12 SD = .904).

On the other hand, 0.0 percent strongly disagreed, 3.1 percent disagreed, 11.9 percent neither agreed nor disagreed, 52.4 percent agreed and 32.6 percent strongly agreed that they share their knowledge and expertise with other employees; thus making organization to get competitive advantage (Mean = 4.15 SD =.741). On the statement which asked whether they took time out of their day to help train/orient new employees, 0.0 percent of the respondents strongly disagreed, 6.6 percent disagreed, 9.7percent neither agreed nor disagreed, 51.1percent agreed and 32.6 percent strongly agreed that this move gave their firm competitive advantage (Mean = 4.10 SD =.825). Browndec (2006) asserted thatif companies were to analyse how to be socially responsible using the same frameworks that guide their core business choices, they would find good corporate citizenship to be a source of opportunity, innovation and competitive advantage.

Table 4.19: Organization Citizenship Behaviour (Altruism)

Statement	**SD %**	**D %**	**N %**	**A %**	**SA %**	**M**	**SD**
Helping other teammates if they fall behind in their work gives firm competitive advantage	.4	7.0	11.5	41.9	39.2	4.12	.904
I share my knowledge and expertise with other employees; thus making organization to gain competitive advantage	0.0	3.1	11.9	52.4	32.6	4.15	.741
I take time out of my day to help train/orient new employees.	0.0	6.6	9.7	51.1	32.6	4.10	.825

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

In Table 4.20 the responses showed that 0.0 percent respondents strongly disagreed, 0.4 percent disagreed, 10.1 percent neither agreed nor disagreed, 44.5 percent agreed and 44.9 percent strongly agreed with the statement that they were always available when any of their colleagues needed someone to speak out their problems (Mean = 4.34 SD =.675). On the statement on whether they tried to find fault with other employees, 0.0 percent strongly disagreed, 0.9 percent disagreed, 9.7 percent neither agree nor disagreed, 53.3percent agreed and 36.1 percent strongly agreed competitive advantage can be achieved when they do not try to find fault with each other (Mean = 4.29 SD =.659).

A proportion of 0.0 percent of the respondents strongly disagreed, 0.9percent disagreed, 3.1percent neither agreed nor disagreed, 53.3 percent agreed and 42.7 percent strongly agreed that they focused on the positive aspects of their work, (Mean = 4.38 SD =.593), while 0.0 percent strongly disagreed, 3.5 percent disagreed, 8.8 percent neither agreed nor disagreed, 46.7 percent agreed and 41.0 percent strongly agreed that keeping minor complaints to themselves all gave competitive advantage to their organization (Mean = 4.25 SD =.760). OCB is an organization specific capability which turns into Core Competency of an organization through its human resource (Shiv & Shipra, 2015). This implies that the Organizations may Sustain Competitive advantage through sustaining OCB among employees.

Table 4.20: Organization Citizenship Behaviour (Sportsmanship)

Statement	SD %	D %	N %	A %	SA %	M	SD
I am always available when any of my colleagues need someone to speak out their problems	0.0	.4	10.1	44.5	44.9	4.34	.675
I try not to find fault with other employees	0.0	.9	9.7	53.3	36.1	4.25	.659
I focus on the positive aspects of my work.	0.0	.9	3.1	53.3	42.7	4.38	.760
Keeping minor complaints to myself	0.0	3.5	8.8	46.7	41.0	4.25	.760

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree **M**=Mean **SD**= Standard deviation

In Table 4.21 a proportion of 11 percent of the respondents strongly disagreed, 12.8 percent disagreed, 5.7 percent neither agreed nor disagreed, 41.0 percent agreed and 29.5 percent strongly agreed that they focused on what was best for the firm (Mean =

3.65 SD =1.320). Also, 0.4 percent strongly disagreed, 6.6 percent disagreed, 15.4percent neither agreed nor disagreed, 42.3percent agreed and 35.2 percent strongly agreed that they always talk positive things about their organization (Mean = 4.05 SD =.901). A proportion of 13.7 percent strongly disagreed, 7.5 percent disagreed, 7.0 percent neither agreed nor disagreed, 35.2 percent agreed and 36.6 percent strongly agreed that they attend work-related information sessions (Mean = 3.74 SD =1.380), while 13.2 percent strongly disagreed, 7.9 percent disagreed, 11.0 percent neither agreed nor disagreed, 33.0 percent agreed and 34.8 percent strongly agreed that theyattend and participate in meetings (Mean = 4.68 SD =1.368). All these responses were in line with the arguments of Turnipseed &Rassuli, (2005) that the employees having organization citizenship behavior engage in constructive activities like attending extra trainings, helping colleagues in their work, accepting more duties for organization wider effectiveness in sustaining competitive advantage.

Table 4.21: Organization Citizenship Behaviour (Civic Virtue)

Statement	SD %	D %	N %	A %	SA %	M	SD
I focus on what's best for the firm	11	12.8	5.7	41.0	29.5	3.65	1.320
I always talk positive things about my organization	.4	6.6	15.4	42.3	35.2	4.05	.901
I attend work-related information sessions	13.7	7.5	7.0	35.2	36.6	3.74	1.380
I attend and participate in meetings.	13.2	7.9	11.0	33.0	34.8	3.68	1.368

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M= Mean **SD=** Standard deviation

d) Organization Ethics

Table 4.22 gives responses that 11.9 percent of the respondents strongly disagreed, 10.6 percent disagreed, 7.0 percent neither agreed nor disagreed, 36.1 percent agreed and 34.4 percent strongly agreed that anti-corruption policy gave rise to competitive advantage(Mean = 3.70 SD =1.352).The statement on whether conducting ethical audit led to competitive advantage gave results that 9.3 percent of the respondents strongly disagreed, 7.5 percent disagreed, 14.1 percent neither agreed nor disagreed, 35.7 percent agreed and 33.5 percent strongly agreed on that statement (Mean = 3.77 SD =1.249). A proportion of 0.0 percent of research participants strongly disagreed, 3.0 percent disagree, 10.6 percent neither agreed nor disagreed, 47.6 percent agreed and 38.8percent strongly agreed that their company had an ethics committee and that this enhanced competitive advantage (Mean = 4.22 SD =.755). In addition, 5.3 percent strongly disagreed, 14.1 percent disagreed, 7.0 percent neither agreed nor disagreed, 35.2 percent agreed and 38.3 percent strongly agreed that their organization had corporate ethical values (Mean = 3.87 SD =1.218). Having a code of ethics in place that contain ethics statements which provides a positive reputation in the marketplace secures a sizeable market share from competitors

Table 4.22: Organization Ethics (Code of Conduct)

Statement	**SD**	**D**	**N**	**A**	**SA**	**M**	**SD**
	%	**%**	**%**	**%**	**%**		
Anti-corruption policy for competitive advantage	11.9	10.6	7.0	36.1	34.4	3.70	1.352
Ethical audit for competitive advantage	9.3	7.5	14.1	35.7	33.5	3.77	1.249
My company has an Ethics committee	0.0	3.1	10.6	47.6	38.8	4.22	.755
My organization has corporate ethical values	5.3	14.1	7.0	35.2	38.3	3.87	1.218

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree **M**=Mean **SD**= Standard deviation

Table 4.23 shows that 11.0 percent of the respondents strongly disagreed, 13.7 percent disagreed, 5.3 percent neither agreed nor disagreed, 31.7 percent agreed and 38.3 percent strongly agreed that employee training on ethics give competitive advantage to an organization (Mean = 3.73 SD =1.381). Whether punishing unethical actions give competitive advantage was strongly disagreed by 0.4 percent of the respondents, 7.0 percent disagreed, 11.5 percent neither agreed nor disagreed, 41.9

percent agreed and 39.2 percent strongly agreed (Mean = 4.12 SD =.904). A proportion of 0.0 percent strongly disagreed, 7.0 percent disagreed, 17.6 percent neither agreed nor disagreed, 33.0 percent agreed and 42.3 percent strongly agreed that company top management recognizes/rewards employees who behave ethically (Mean = 4.11 SD =.935).

Likewise, 0.4 percent of the respondents strongly disagreed, 6.6 percent disagreed, 15.4 percent neither agreed nor disagreed, 42.3 percent agreed and 35.2 percent strongly agreed that when employees attend functions in their official capacity they surrender the gifts they receive and such actions contribute towards attaining competitive advantage (Mean = 4.05 SD =.901).These responses are in support of Azmi (2006) who opines that theethics program that guides the process of value creation within a company in a unique way is actually a critical source of competitive advantage. According to Triplett (2015) Organization ethics as critical part of doing business requires an established, dependable culture that is based on ethical values like trust, openness, respect and integrity. This can boost sales of an organization as people get to know they can trust you to deliver what you promise and not take advantage of them. This implies that organization ethics is strategic glue that holds and ensures that business stakeholders, who are the unpaid sales force, are instrumental in causing competitive advantage.

Table 4.23: Organizational Ethics (Organization Behaviour)

Statement	SD %	D %	N %	A %	SA %	M	SD
Employee training on ethics give competitive advantage	11.0	13.7	5.3	31.7	38.3	3.73	1.381
Punishing unethical actions give competitiveness	4	7.0	11.5	41.9	39.2	4.12	.904
My company top management recognizes/rewards employees who behave ethically	0.0	7.0	17.6	33.0	42.3	4.11	.935
When employees attend function in their official capacity they surrender the gifts they receive	4	6.6	15.4	42.3	35.2	4.05	.901

Key: SD= strongly disagree; **D**= disagree; **N**= neural; **A**= agree; **SA**= strongly agree **M**=Mean **SD**= Standard deviation

e) Organization Policies

Organization policies may be seen as plans of action to achieve a sustainable competitive advantage (Julio, Gláucia, Júlio & Leani, 2016). This argument is corroborated by the responses of this study. In table 4.24, a proportion of 11 percent strongly disagreed, 7.5 percent disagreed, 9.7 percent neither agreed nor disagreed, 35.2 percent agreed and 36.6 percent strongly agreedthat ICSR policies contribute towards attainment of competitive advantage(Mean = 3.79 SD =1.310).On the statement regarding whether employees ICSR involvement gave competitive advantage, 11.9 percent strongly disagreed, 7.0 percent disagreed, 8.8percent neither agreed nor disagreed, 41.9 percent agreed and 30.4percent strongly agreed (Mean = 3.72 SD =1.293). On the other hand, 0.0 percent of the respondents strongly disagreed, 4.4 percent disagreed, 15.9 percent neither agreed nor disagreed, 42.3 percent agreed and 37.4 percent strongly agreed that CSR policy improvement enhances organizational competitive advantage (Mean = 4.13 SD =.834).

A proportion of 1.3 percent strongly disagreed, 3.1 percent disagreed, 15.0percent neither agreed nor disagreed, 46.7 percent agreed and 33.9 percent strongly agreed that employee knowledge of CSR increases competitive advantage (Mean = 4.09 SD =.852). On policy, 2.6 percent of the respondents strongly disagreed, 14.5 percent disagreed, 5.7 percent neither agreed nor disagreed, 41.4 percent agreed and 35.7percent strongly agreed that policy enhances company image for competitive advantage (Mean = 3.93 SD =1.111). A proportion of 5.7 percent of the respondents strongly disagreed, 10.6 percent disagreed, 11.9 percent neither agreed nor disagreed, 41.0 percent agreed and 30.8 percent strongly agreed that when employees practising CSR are rewarded competitive advantage is realized (Mean = 3.81 SD =1.155).

A healthy organization culture provides an environment that supports stronger recruiting, retention, increased customer intimacy and loyalty, greater productivity, increased sense of employee ownership and also directly impacts the bottom line (Aileron, 2017). This implies that the organizational policies should be aligned with a strategy to espouse the inner strength of the organization hence its competitiveness.

Table 4.24: Organization Policies (Organization Culture)

Statement	SD %	D %	N %	A %	SA %	M	SD
CSR policies for competitive advantage	11	7.5	9.7	35.2	36.6	3.79	1.310
Employee CSR involvement for competitive advantage	11.9	7.0	8.8	41.9	30.4	3.72	1.293
CSR policy improvement for competitive advantage	0.0	4.4	15.9	42.3	37.4	4.13	.834
Employee knowledge of CSR for competitive advantage	1.3	3.1	15.0	46.7	33.9	4.09	.852
Policy enhance company image for competitive advantage	2.6	14.5	5.7	41.4	35.7	3.93	1.111
Employees practising CSR rewarded for competitive advantage	5.7	10.6	11.9	41.0	30.8	3.81	1.155

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

According to Table 4.25, a proportion of1.8 percent of the respondents strongly disagreed, 8.8 percent disagreed, 16.3 percent neither agreed nor disagreed, 39.6 percent agreed and 33.5 percent strongly agreed that CSR policy improved competitive advantage (Mean = 3.94 SD =1.005). On the statement of whether CSR improvement policies gave competitive advantage to an organization, 0.0 percent strongly disagreed, 6.6 percent disagreed, 20.3 percent neither agreed nor disagreed, 48.0 percent agreed and 25.1 percent strongly agreed (Mean = 3.92 SD =.845). 0.0 percent strongly disagreed, 3.5 percent disagreed, 15.4 percent neither agreed nor disagreed, 56.4 percent agreed and 24.7 percent strongly agreed that when organizational managers support CSR initiatives competitive advantage is realized (Mean = 4.02 SD =.737).

A proportion of 0.0 percent strongly disagreed, 7.0 percent disagreed, 14.1 percent neither agreed nor disagreed, 47.6 percent agreed and 31.3 percent strongly agreed that managers believe CSR enhanced competitive advantage (Mean = 4.03 SD =.859). It is evident that 0.4percent strongly disagreed, 5.7 percent disagreed, 10.6 percent neither agreed nor disagreed, 46.3percent agreed and 37.0percent strongly agreed that CSR is a strategic priority that increases competitive advantage (Mean = 4.14 SD =.854).

Modelling desired behaviour at all levels of management and planning events that foster frequent interaction among cross-functional employees breeds a positive culture that provides a significant competitive advantage (Sadri, 2013). This implies that the organization policies should be geared towards creating a set of commitments and actions to exploit essential competencies so as to gain competitive advantage. In this sense the organization should formulate specific policies which set it apart from its competitors, and guarantee good economic performance to satisfy the needs of their customers, shareholders and cooperative members, depending on their statutory and corporate structures.

Table 4.25: Organization Policies (Management Behaviour)

Statement	SD %	D %	N %	A %	SA %	M	SD
CSR policy endorsed for competitive advantage	1.8	8.8	16.3	39.6	33.5	3.94	1.005
Employees make CSR improvement policies for competitive advantage.	0.0	6.6	20.3	48.0	25.1	3.92	.845
Managers support CSR initiatives for competitive advantage	0.0	3.5	15.4	56.4	24.7	4.02	.737
Managers believe CSR for competitive advantage	0.0	7.0	14.1	47.6	31.3	4.03	.859
CSR seen as strategic priority for competitive advantage	4	5.7	10.6	46.3	37.0	4.14	.854

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

f) Competitive Advantage

According to Barney and Hesterly (2011) strategic management involves choosing and implementing strategies that create competitive advantage. A company obtains competitive advantage when it is able to create greater economic value in comparison with its competitors. To measure competitive advantage the constructs that were used are focus, differentiation and cost leadership. Each of these constructs had statements which respondents were to respond to. The findings of this study included responses in line with the strategies for competitive advantage. As depicted on table 4.32, a proportion of 0.0 percent of the respondents strongly disagreed, 1.8 percent disagreed, 24.2 percent neither agreed nor disagreed, 55.1 percent agreed and 18.9 percent strongly agreed that focus on employee ethical behaviour enhances competitive advantage(Mean = 3.91 SD =.705). A proportion of 0.0 percent strongly disagreed, 0.9 percent disagreed, 20.3 percent neither agreed nor disagreed, 63.0 percent agreed and 15.9 percent strongly agreed that competitive advantage is achieved when the organization concentrates on offering valuable and rare quality products (Mean = 3.93 SD =.655). It emerged that 0.4 percent of the respondents strongly disagreed, 1.3 percent disagreed, 15.0 percent neither agreed nor disagreed, 55 percent agreed and 27.8 percent strongly agreed that superior competencies possessed by employees of their firm are not easily imitated and this enable the firm to outwit its competitors(Mean = 4.10 SD =.704). Regarding competitive advantage based on market share, 0.4 percent of the respondents strongly disagreed, 1.8 percent disagreed, 14.1 percent neither agreed nor disagreed, 61.7 percent agreed and 22.0 percent strongly agreed that their company controls a specific market share by offering a specialized service in this niche market(Mean = 4.03 SD =.687).

A proportion of 0.0 percent strongly agreed, 0.9 percent disagreed, 21.6 percent neither agreed nor disagreed, 60.8 percent agreed and 16.7 percent strongly agreed that their superior technological resources which are also costly to imitate enables their organization to achieve competitive advantage (Mean = 3.93 SD =.645). On the other hand, 0.0 percent strongly disagreed, 1.3 percent disagreed, 16.7 percent neither agreed nor disagreed, 59.0 percent agreed and 22.9 percent strongly agreed that the company focused on employee relations and wellbeing for greater productivity, and hence, competitive advantage (Mean = 4.03 SD =.687).

This finding implies that generic strategy of focus hinges on the adoption of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry for instance in this study ethical behaviour, quality and rare products, superior competencies, specialized services, technology, and employee relations are strategically tailored to serve the organization exclusion of others. According to IFM (2016), both variants of the focus strategy rest on differences between a focuser's target segment and other segments in the industry. The target segments must either have buyers with unusual needs or else the production and delivery system that best serves the target segment must differ from that of other industry segments. Cost focus exploits differences in cost behaviour in some segments, while differentiation focus exploits the special needs of buyers in certain segments.

Table 4.26: Competitive Advantage (Focus)

Statement	SD %	D %	N %	A %	SA %	M	SD
Focus on employee ethical behaviour for competitive advantage	0.0	1.8	24.2	55.1	18.9	3.91	.705
We concentrate on offering valuable and rare quality products	0.0	.9	20.3	63.0	15.9	3.93	.655
The superior competencies possessed by employees of my firm are not easily imitated and this enable the firm to outwit its competitors	.4	1.3	15.0	55	27.8	4.10	.708
My company controls a specific market share by offering a specialized service in this niche market	.4	1.8	14.1	61.7	22.0	4.03	.687
Our superior technological resources are costly to imitate	0.0	.9	21.6	60.8	16.7	3.93	.645
My company focuses on employee relations and wellbeing for greater productivity	0.0	1.3	16.7	59.0	22.9	4.03	.687

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

A company that opts for a differentiation strategy focuses on seeking competitive advantage by increasing the perceived value of its products and services in relation to other companies (Barney & Hesterly, 2011). This argument was supported by the following responses from the study. According to table 4.27 a proportion of 1.3 percent strongly disagreed, 2.2 percent disagreed, 11.9 percent neither agreed nor disagreed, 54.2 percent agreed and 30.9 percent strongly agreed that their firms had competitive advantage because they possesses superior human resources that cannot be imitated (Mean = 4.10 SD =.789). On the other hand, 0.4 percent strongly disagreed, 1.3 percent disagreed, 25.1 percent neither agreed nor disagreed, 53.7 percent agreed and 19.4 percent strongly agreed that the firm had competitive advantage through creating unique and desirable products and services (Mean = 3.90 SD =.728).

On the statement which asked whether unique product brands which are not easily duplicated gave competitive advantage to their firm 0.9 percent of the respondents strongly disagreed, 0.0 percent disagreed, 16.3 percent neither agreed nor disagreed, 56.4percent agreed and 26.4 percent strongly agreed (Mean = 4.07 SD =.709).

Likewise, 1.8 percent of the respondents strongly disagreed, 0.4 percent disagreed, 22.0 percent neither agreed nor disagreed, 50.7 percent agreed and 25.1 percent strongly agreed that their superior technological resources are not easily substituted and are a source of competitive advantage (Mean = 3.97 SD =.806). A proportion of 0.9 percent strongly disagreed, 0.4 percent disagreed, 17.2 percent neither agreed nor disagreed, 49.8 percent agreed and 31.7 percent strongly agreed that other organizations envy their organization because of its unique resources(Mean = 4.11 SD =.759). Another set of response outcome was that 0.9 percent strongly disagreed, 7.5 percent disagreed, 24.7 percent neither agreed nor disagreed, 32.2 percent agreed and 34.8 percent strongly agreed that they had competitive advantage since it was very difficult for other competitors to produce products whose quality and standards match their innovative products (Mean = 3.93 SD =.986). According to Luanne (2018) the differentiation strategy the business uses must target a segment of the market and deliver the message that the product is positively different from all other similar products available. This implies that differentiation should engender a competitive advantage by making customers more loyal and less price-sensitive to a given firm's product thus insulation against competitive rivalry.

Table 4.27: Competitive Advantage (Differentiation)

Statement	SD %	D %	N %	A %	SA %	M	SD
My firm possesses superior human resources that cannot be imitated	1.3	2.2	11.9	54.2	30.9	4.10	.789
The firm creates uniquely desirable products and services.	.4	1.3	25.1	53.7	19.4	3.90	.728
We have unique product brands which are not easily duplicated	.9	0.0	16.3	56.4	26.4	4.07	.709
Our superior technological resources are not easily substituted	1.8	.4	22.0	50.7	25.1	3.97	.806
Other organizations envy our organization because of its unique resources	.9	.4	17.2	49.8	31.7	4.11	.759
It is very difficult for other competitors to produce products whose quality and standards match our innovative products	.9	7.5	24.7	32.2	34.8	3.93	.986

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

Cost leadership was the other construct of competitive advantage. A company that opts for cost leadership focuses on gaining advantages by reducing its costs below those of its competitors (Julio, et al, 2016). Table 4.28 depicts that 1.3 percent strongly disagreed, 1.8 percent disagreed, 26.9 percent neither agreed nor disagreed, 42.7 percent agreed and 27.3 percent strongly agreedthat their firm has the lowest cost of production in the industry and that this was a source of their competitive advantage over other firms (Mean = 3.93 SD =.854).

A proportion of 0.4 percent of respondents strongly disagreed, 0.0 percent disagreed, 13.7 percent neither agreed nor disagreed, 62.1 percent agreed and 23.8 percent strongly agreed that cheapest credit facilities offered by their bank gives them competitive advantage(Mean = 4.09 SD =.639).. Also 1.3 percent strongly disagreed, 0.4 percent disagreed, 6.6 percent neither agreed nor disagreed, 66.5 percent agreed and 25.1 percent strongly agreed that lowest interest rates charged by firm give competitive advantage (Mean = 4.14 SD =.661). For another set of statements, 0.4 percent of the respondents strongly disagreed, 0.4 percent disagreed, 7.0 percent neither agreed nor disagreed, 61.7 percent agreed and 30.4 percent strongly agreed that lowest ratio of expenses to net profit gives competitive advantage since it translates to cost leadership (Mean = 4.21 SD =.623). In addition, 0.0 percent strongly disagreed, 0.9 percent disagreed, 3.1 percent neither agreed nor disagreed, 60.8 percent agreed and 35.2 percent strongly agreed that low production costs also gave their bank competitive advantage(Mean = 4.30 SD =.614). According to Ryszard (2014), the low cost and differentiation strategies are aimed at achieving their objectives industry wide, the entire focus strategy is built around serving a particular target very well, and each functional policy is developed with this in mind. Therefore a firm in the formulation of their competitive strategies should not completely forget price and quality.

Table 4.28: Competitive Advantage (Cost Leadership)

STATEMENT	SD %	D %	N %	A %	SA %	M	SD
My firm has the lowest cost of production in the industry	1.3	1.8	26.9	42.7	27.3	3.93	.854
Cheapest credit facilities give competitive advantage	.4	0.0	13.7	62.1	23.8	4.09	.639
Lowest interest rates charged by firm give competitive advantage	1.3	.4	6.6	66.5	25.1	4.14	.661
Lowest ratio of expenses to net profit gives competitive advantage	.4	.4	7.0	61.7	30.4	4.21	.623
Low production costs for competitive advantage	0.0	.9	3.1	60.8	35.2	4.30	.614

Key: SD= strongly disagree; **D**= disagree; **N**= neutral; **A**= agree; **SA**= strongly agree
M=Mean **SD**= Standard deviation

4.5 Inferential Results

4.5.1 Testing the Assumptions of Multiple Regression

a) Multicollinearity Test

Factor analysis was conducted to ascertain the suitability of all the factors observed within the five variables. First correlation matrix was obtained for all the factors and scrutinized for chances of Multicollinearity. Correlation matrix gives the correlation coefficients between a single factor and every other factor in the investigation. The correlation coefficient between a factor and itself is always 1; hence the principal diagonal of the correlation matrix contains 1s'. This therefore means it is an identity matrix (Kothari, 2009). As shown on Table 4.54 of correlation there was no Multicollinearity amongst the observed factors for the variable under investigation and the matrices were also identity matrices. Further analysis using the determinants of the correlation matrices shown at the foot of each table indicates that the matrices obtained were all identity matrices since the determinants were all greater than 0.00001, so there was no problem of Multicollinearity for all the variables. Multicollinearity was also tested by use of variance inflation factor.

The Variance Inflation Factor (VIF) measures the impact of collinearity among the variables in a regression model. The Variance Inflation Factor (VIF) is 1/Tolerance. VIF value exceeding 10 indicates the presence of Multicollinearity (Williams, 2015). In this study all the VIF values ranged between 2.326 and 5.210 without a moderator, which were less than 10. This implied that there was no Multicollinearity as indicated in table 4.51. With the introduction of a moderator, the VIF values ranged between 2.230 and 5.920.

All these values were also less than 10, implying there was no Multicollinearity as depicted in table 4.52. The Variable Inflation Factor (VIF), which is the inverse of tolerance, indicates whether the predictor has a strong linear relationship with the other predictors. Myers (1990) recommends that VIF value should not exceed 10. The VIF values for this research for the various variables were: Organizational Competencies (5.210), Organizational Resources (5.127), Organizational Citizenship Behaviour (2.326), Organizational Ethics (2.779), and Organizational Policies (2.230). Thus, each of these variables has a VIF which is less than 10, meaning that there is no Multicollinearity among the independent variables.

b) Identity Correlation Matrix Test (Bartlett's test of Sphericity)

Bartlett‘s test indicates the strength of the relationship among variables. It tests the null hypothesis that the correlation matrices in table 4.54 were identity matrices. An identity matrix is one in which all of the diagonal elements are 1 and all off diagonal elements are 0 (Kothari, 2009). From table 4.29, we can see that the Bartlett's test of Sphericity is significant since all the p-values were less than 0.05. This means that correlation matrices in table 4.54 are all identity matrices. The correlation matrices for all the variables have the diagonal elements as one and off diagonal have the significance of 0.

c) Sample Adequacy Test (Kaiser-Meyer- Olkin (KMO))

The sample adequacy was measured using the Kaiser-Meyer- Olkin (KMO) test. The sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to proceed (Tabachnick & Fidell., 2013). Kaiser, (1974) recommends 0.5 as minimum (barely accepted), values between 0.7and 0.8 acceptable, and values above 0.9 are superb. The KMO results for the variables were; Organization Competencies .818, Organization Resources was .875, Organization Citizenship Behaviour was .747, Organization Ethics was .716, organization policies was .786 and Competitive Advantage had a KMO of .861. From table 4.29 the sample was acceptable since the KMO values for all the variables were between 0.716 and 0.875. This indicates that the pattern of correlations is relatively compact and so factor analysis should yield distinct and reliable factors (Field, 2005). There is a significant relationship among variables as indicated by a Bartlett's test of sphericity result being significant at .000 level, and therefore, suitable for factor analysis.

Table 4.29: Sample Size Adequacy Test

Organization competencies	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.818
		Approx. Chi-Square	1101.373
	Bartlett's Test of Sphericity	Df	66
		Sg	.000
Organization resources	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.875
		Approx. Chi-Square	1198.781
	Bartlett's Test of Sphericity	Df	105
		Sg	.000
Organizational Citizenship Behaviour	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.747
		Approx. Chi-Square	520.930
	Bartlett's Test of Sphericity	Df	55
		Sg	.004
Organizational Ethics	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.716
		Approx. Chi-Square	202.473
	Bartlett's Test of Sphericity	Df	28
		Sg	.000
Organizational Policies	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.786
		Approx. Chi-Square	630.535
	Bartlett's Test of Sphericity	Df	55
		Sg	.000
Competitive Advantage	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.861
		Approx. Chi-Square	1531.984
	Bartlett's Test of Sphericity	Df	136
		Sg	.000

d) Normality Test: Skewness and Kurtosis Test for Normality

The study sought to find out how well the distribution could be approximated using the normal distribution. Consequently skewness and Kurtosis was employed as shown in table 4.30. Skewness measures the deviation of distribution from symmetry and Kurtosis measures peakedness of the distribution (Cooper & Schindler, 2008). The values of skewness and Kurtosis should be zero in normal distribution statistics (Tabachnick & Fidell, 2007). Hair, Money, Samouel and Page (2007) indicated that data skewness values must fall within +1 and -1 and kurtosis values must be in the range of +3 and -3, if P-values are <0.05 for normally distributed data. From the finding as indicated on table 4.4 it is evident that all the data for the six variables were normally distributed.

Table 4.30: Skewness and Kurtosis

	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Organization Competencies	.558	-.687	.162	.456	.322
Organization Resources	.588	-.834	.162	.110	.322
Organization Citizenship Behaviour	.472	-.326	.162	.511	.322
Organization Ethics	.541	-.664	.162	.355	.322
Organization Policies	.511	-.536	.162	.206	.322
Competitive Advantage	.400	-.268	.162	.090	.322

Although it is assumed in multiple linear regressions that the residuals are distributed normally, it is a good idea before drawing final conclusions to review the distributions of major variables of interest (Cooper & Schindler, 2008).

e) Assumption of Linearity

Linearity means that the predictor variables in the regression have a straight-line relationship with the outcome variable. Pearson's correlation coefficients were used to test linearity assumption. The purpose of using correlation was to identify ICSR practices that provide best predictions for competitive advantage when regression analysis is run. The inter-correlations among the variables are shown in Table 4.54

and figure 4.1. From the results, it can be seen that correlations among the strategic CSR practices were significant. The points on the scatterplot graph produce a lower-left-to-upper-right pattern; we therefore conclude that there is a positive correlation between the strategic CSR and competitive advantage. This pattern means that when the score of one observation is high, we expect the score of the other observation to be high as well, and vice versa. Linearity assumption was therefore satisfied. This implies that all strategic CSR practices under study jointly have a positive and significant impact on competitive advantage in the Banking sector in Kenya.

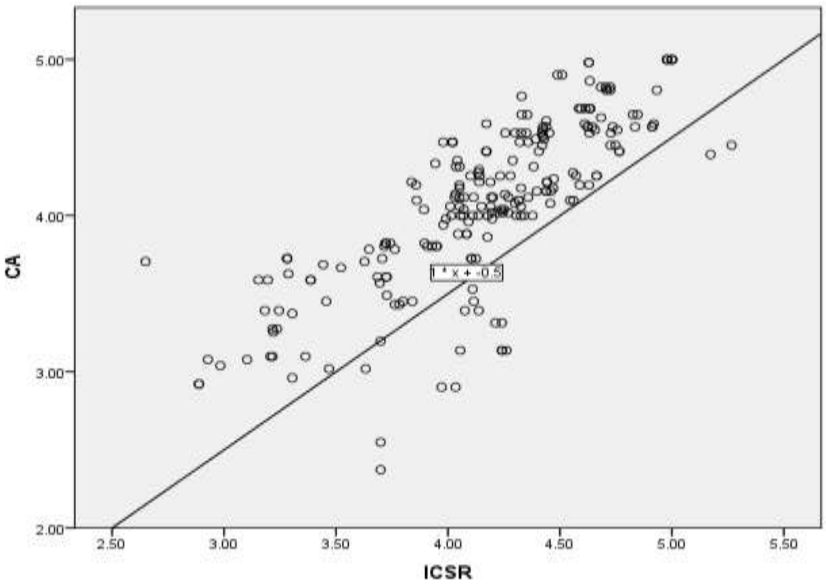

Figure 4.1: Scatter plots for linearity

f) Assumption of Autocorrelation

Autocorrelation occurs when the residuals are not independent from each other (Tabachnick & Fidell, 2001). The linear regression model was tested for autocorrelation using Durbin-Watson test. The Durbin Watson was 1.911 from Table 4.49 Goodness of fit model summary. While Durbin Watson can assume values between 0 and 4, values around 2 indicate no autocorrelation. A conservative rule requires that values less than 1 and greater than 3 should raise an alarm. As a rule of thumb values of >1.5 and <2.5 show that there is no auto-correlation in the data (Field, 2009) from the data there was no autocorrelation.

4.5.2 Factor Analysis

Factor Extraction

Factor extraction can be described as the process of determining the linear components within the data set (Eigen vectors) by obtaining Eigen values associated with the factors. Factor extraction helps in obtaining those factors which are more important and discarding the less important ones Kaiser (1960). This is done by looking at the Eigen values. Eigen values greater than 1 are considered to be more important than those with values below 1.

a) Factor Analysis for Organization Competencies

The measurement scales for organization competencies were subjected to factor analysis components. The results in Table 4.31 of principal component analysis indicate that there were three factors whose Eigen values exceeded 1.0. The Eigen value of a factor represents the amount of the total variance explained by that factor. For organization competencies, the three factors had Eigen values of 4.688, 1.396 and 1.032. The factors identified for organizational competencies cumulatively explained 59.298 percent of the total variance as illustrated in table 4.31. Individually, the three factors explained 39.064 percent, the second factor explained 11.632percent and the third factor explained 8.601 percent, of the total variance.

Table 4.31: Total Variance Explained for Organization Competencies

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.688	39.064	39.064	4.688	39.064	39.064
2	1.396	11.632	50.696	1.396	11.632	50.696
3	1.032	8.601	59.298	1.032	8.601	59.298
4	.937	7.808	67.105			
5	.794	6.618	73.723			
6	.774	6.447	80.170			
7	.648	5.404	85.574			
8	.540	4.498	90.072			
9	.422	3.518	93.590			
10	.339	2.821	96.412			
11	.320	2.668	99.080			
12	.110	.920	100.000			

Extraction Method: Principal Component Analysis.

b) Factor Analysis for Organization Resources

The measurement scales for organization resources were subjected to factor analysis components. The results on Table 4.32 showing principal component analysis indicate that there were four factors whose Eigen values exceeded 1.0. The Eigen value of a factor represents the amount of the total variance explained by that factor. For organizational resources, the four factors had Eigen values of 5.492, 1.430, 1.126, and1.054. The factors identified for organizational resources cumulatively explained 60.683 percent of the total variance as illustrated in table 4.32. Individually, the four factors explained 36.617 percent, the second factor explained 9.534 percent and the third factor explained 7.507 percent while the fourth factor explained 7.025 percent of the total variance.

Table 4.32: Total Variance Explained for organization resources

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.492	36.617	36.617	5.492	36.617	36.617
2	1.430	9.534	46.151	1.430	9.534	46.151
3	1.126	7.507	53.658	1.126	7.507	53.658
4	1.054	7.025	60.683	1.054	7.025	60.683
5	.861	5.738	66.420			
6	.787	5.245	71.665			
7	.737	4.914	76.580			
8	.681	4.539	81.119			
9	.576	3.838	84.957			
10	.534	3.560	88.517			
11	.447	2.982	91.500			
12	.374	2.490	93.990			
13	.338	2.251	96.241			
14	.312	2.079	98.320			
15	.252	1.680	100.000			

Extraction Method: Principal Component Analysis.

c) Factor Analysis for Organizational Citizenship Behaviour

The measurement scales for organizational citizenship behaviour were subjected to factor analysis components. The results on table 4.33 showing principal component analysis indicate that there were three factors whose Eigen values exceeded 1.0. The Eigen value of a factor represents the amount of the total variance explained by that factor. For organizational citizenship behaviour, the three factors had Eigen values of 3.226, 1.569 and 1.087. The factors identified for organizational citizenship behaviour cumulatively explained 53.477 percent of the total variance as illustrated in table 4.33. Individually, the three factors explained 29.326 percent for first factor, the second factor explained 14.267 percent and the third factor explained 9.885 percent of the total variance.

Table 4.33: Total Variance Explained for Organization Citizenship Behaviour

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.226	29.326	29.326	3.226	29.326	29.326
2	1.569	14.267	43.592	1.569	14.267	43.592
3	1.087	9.885	53.477	1.087	9.885	53.477
4	.986	8.963	62.440			
5	.813	7.389	69.829			
6	.773	7.032	76.861			
7	.712	6.471	83.332			
8	.615	5.587	88.919			
9	.500	4.550	93.469			
10	.399	3.629	97.098			
11	.319	2.902	100.000			

Extraction Method: Principal Component Analysis.

d) Factor Analysis for Organization Ethics

The scales for organizational ethics were subjected to factor analysis components. The results of principal component analysis illustrated on table 4.34 indicate that there were three factors whose Eigen values exceeded 1.0. The Eigen value of a factor represents the amount of the total variance explained by that factor. For organizational ethics, the three factors had Eigen values of 2.319, 1.137 and 1.010. The factors identified for organizational ethics cumulatively explained 55.831 percent of the total variance as illustrated in table 4.34. Individually, the three factors explained 28.990 percent, the second factor explained 14.215 percent and the third factor explained 12.626 percent of total variance.

Table 4.34: Total Variance Explained for Organization Ethics

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.319	28.990	28.990	2.319	28.990	28.990
2	1.137	14.215	43.205	1.137	14.215	43.205
3	1.010	12.626	55.831	1.010	12.626	55.831
4	.946	11.822	67.653			
5	.788	9.851	77.504			
6	.758	9.473	86.976			
7	.583	7.288	94.265			
8	.459	5.735	100.000			

Extraction Method: Principal Component Analysis.

e) Factor Analysis for Organization Policies

The measurement scales for organization policies were subjected to factor analysis components. Table 4.35 gives the results of principal component analysis which indicate that there were three factors whose Eigen values exceeded 1.0. The Eigen value of a factor represents the amount of the total variance explained by that factor. For organizational ethics, the three factors had Eigen values of 3.461, 1.557 and 1.141.The factors identified for organization policies cumulatively explained 55.996 percent of the total variance as illustrated in table 4.35. Individually, the four factors explained 31.467 percent, the second factor explained 14.153 percent and, the third factor explained 10.376 percent of the total variance.

Table 4.35: Total Variance Explained for Organization Policies

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.461	31.467	31.467	3.461	31.467	31.467
2	1.557	14.153	45.620	1.557	14.153	45.620
3	1.141	10.376	55.996	1.141	10.376	55.996
4	.989	8.991	64.987			
5	.908	8.251	73.238			
6	.697	6.335	79.573			
7	.602	5.470	85.043			
8	.538	4.890	89.933			
9	.456	4.148	94.081			
10	.387	3.522	97.603			
11	.264	2.397	100.000			

Extraction Method: Principal Component Analysis.

f) Factor Analysis for Competitive Advantage

The measurement scales for competitive advantage were subjected to factor analysis components. The results illustrated in table 4.36 showing principal component analysis indicate that there were three factors whose Eigen values exceed 1.0. The Eigen value of a factor represents the amount of the total variance explained by that factor. For competitive advantage , the three factors whose values exceeded 1.0 had Eigen values of 5.895, 2.354 and1.052 respectively.The factors identified for competitive advantage cumulatively explained 54.715 percent of the total variance as illustrated in table 4.36. Individually, the three factors explained 34.679 percent, the second factor explained 13.848 percent, and the third factor explained 6.187 percent of the total variance.

Table 4.36: Total Variance Explained for Competitive Advantage

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.895	34.679	34.679	5.895	34.679	34.679
2	2.354	13.848	48.528	2.354	13.848	48.528
3	1.052	6.187	54.715	1.052	6.187	54.715
4	.939	5.521	60.236			
5	.884	5.198	65.434			
6	.831	4.888	70.322			
7	.741	4.358	74.680			
8	.669	3.938	78.617			
9	.644	3.786	82.403			
10	.532	3.130	85.533			
11	.471	2.773	88.306			
12	.442	2.599	90.905			
13	.364	2.140	93.045			
14	.345	2.030	95.075			
15	.334	1.967	97.042			
16	.282	1.657	98.699			
17	.221	1.301	100.000			

Extraction Method: Principal Component Analysis.

4.6 Regression Results

The regression results give an outline of all the findings in terms of goodness of fit model summary, regression coefficients of the variables against competitive advantage to give the contribution of each variable towards competitive advantage, and then ANOVA to test for significance. All these are done per variable and discussed also per variable.

4.6.1 Effect of Organization Competencies on Competitive Advantage of the Banking Sector in Kenya.

The goodness of fit model presented in table 4.37 involves organizational competencies (X_1) as the only independent variable. The outcome was: the coefficient of determination (R square) of .620. This indicated that the model explained only 62 percent of the variation or change in the dependent variable. The meaning is that when a deliberate effort is put to have strategies in place that support quest for competencies in an organization it positively drives and improves organization's competitive advantage. The remaining proportion of 38 percent can be explained by other factors other than organizational competencies. Adjustment of the R square did not change the results substantially, having reduced the explanatory behaviour of the predictor from 62 percent to 61.8 percent. This means that the model is fit to be used to generalize the findings.

Table 4.37: Goodness of Fit Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Durbin-Watson
1	.787[a]	.620	.618	.247	.620	

a. Predictors: (Constant), organization competencies
b. Dependent Variable: competitive advantage

The Analysis of Variance (ANOVA) of the relationship between organizational competencies and competitive advantage of the banking sector in Kenya, table 4.38. The results with a p-value of 0.000 being less than 0.05, indicates that the model is statistically significant in explaining the relationship between organization competencies and competitive advantage in the banking sector in Kenya. In this regard, we reject the null hypothesis that there is no significant relationship between organization competencies and competitive advantage in the banking sector in Kenya. The reflection about the factors that ensure competitiveness today reflects a movement that begins to consider competencies as a competitive differentiator (Allan & Leandro, 2012). This implies that the organization should diagnose and make consensual needs for competencies besides identifying individual competencies and apply them with a strategic focus to engender competitive advantage.

Table 4.38: ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	22.465	1	22.465	366.938	.000[b]
1	Residual	13.775	225	.061		
	Total	36.241	226			

a. Dependent Variable: Competitive advantage
b. Predictors: (Constant), Organization competencies

4.6.1.1 Regression Coefficients of Organization Competencies and Competitive Advantage

Table 4.39 presents the regression results of organization competencies on Competitive Advantage of banking sector in Kenya. With a constant (p-value = 0.000) of 1.791, the study concluded that even without strategic organization competencies, the banking sector seemed to display some form of Competitive Advantage. Nonetheless, the gradient coefficient of .565 indicated the extent to which a unit change in organization competencies (OC) caused a change in competitive advantage (CA). In this case, a unit change in OC leads to .565 units of positive change in CA of the banking sector. Therefore, the strategic organization competency and Competitive Advantage model can now be presented as follows:

$$Y = 1.791+.565X_1 + \varepsilon,$$

T-test was used to identify whether the predictor was making a significant contribution to the model. When the t-test associated with B value is significant then the predictor is making a significant contribution to the model. The results show that Organization Competencies (t =19.156, $P<0.05$). This means that organization competencies was significant (p-value = 0.000) in positively influencing the Competitive advantage of banking sector in Kenya.

Table 4.39: Coefficients of Organization Competencies and Competitive Advantage

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.791	.119		15.107	.000		
	OC	.565	.029	.787	19.156	.000	1.000	1.000

a. Predictors: (Constant), Organization Competencies
b. Dependent Variable: Competitive Advantage

4.6.2 Effect of Organization Resources on Competitive Advantage of the Banking Sector in Kenya.

The goodness of fit model presented in table 4.40 involves organization resources (X_2) as the only independent variable. The coefficient of determination (R square) of .633 indicated that the model explained only 63.3 percent of the variation or change in the dependent variable with the remainder of 36.7 percent being explained by other factors other than organization resources. Adjustment of the R square did not change the results substantially, having reduced the explanatory behaviour of the predictor from 63.3 percent to 63.2 percent.

Table 4.40: Goodness of Fit Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Durbin-Watson
1	.796[a]	.633	.632	.243	.633	

a. Predictors: (Constant), organization resources
b. Dependent Variable: competitive advantage

The Analysis of Variance (ANOVA) of the relationship between strategic organization resources and Competitive Advantage of the banking sector in Kenya is presented in table 4.41. The results give a p-value of 0.000 which is less than 0.05. This indicates that the model is statistically significant in explaining the relationship between organization resources and competitive advantage in the banking sector in Kenya. These findings are in line with the findings of Phusavat and Kanchana, (2007); Alimin, (2012) who also found a significant relationship between organization resources and competitive advantage. In this regard, we reject the null hypothesis that there is no significant relationship between organization resources and Competitive Advantage in the banking sector in Kenya. These findings are in line with the arguments that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage (Phusavat & Kanchana, 2007; Sirmon, Hitt & Ireland, 2007). This implies that organization resources remain fundamental in attaining and sustaining competitive advantage.

Table 4.41: ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	22.951	1	22.951	388.593	.000[b]
1	Residual	13.289	225	.059		
	Total	36.241	226			

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), Organization Resources

4.6.2.1 Regression Coefficients of Organization Resources and Competitive Advantage

Table 4.42 presents the regression results of organization resources on Competitive Advantage of banking sector in Kenya. With a constant of 1.813, and a p-value of 0.000, the study concluded that organization resources of the banking sector seemed to display some form of Competitive Advantage. The gradient coefficient of .542 indicated the extent to which a unit change in organization resources (OR) causes a change in competitive advantage (CA). In this case, a unit change in OR led to.542 units of positive change in CA of the banking sector. Therefore, the organization resources and Competitive Advantage model can be presented as follows:

$Y = 1.813 + .542X_2 + \varepsilon$,

T-test was used to identify whether the predictor was making a significant contribution to the model. When the t-test associated with B value is significant then the predictor is making a significant contribution to the model. The results show that organization resources (t =19.713, P<.05) was significant (p-value = 0.000) in positively influencing the Competitive advantage of banking sector in Kenya.

Table 4.42: Coefficients of Organization Resources and Competitive Advantage

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.813	.114		15.882	.000		
	OR	.542	.028		19.713	.000	1.000	1.000

a. Predictors: (Constant), Organizational Resources

b. Dependent Variable: Competitive Advantage

4.6.3 Effect of Organization Citizenship Behaviour on Competitive Advantage of the Banking Sector in Kenya.

The goodness of fit model presented in table 4.43 involves Organization Citizenship Behaviour (X_3) as the only independent variable. The coefficient of determination (R square) of.509 indicated that the model explained only 50.9 percent of the variation or change in the dependent variable. The remainder 49.1 percent may be explained by other factors other than Organization Citizenship Behaviour. Adjustment of the R square did not change the results substantially, having reduced the explanatory behaviour of the predictor from 50.9 to 50.7 percent. The value of the adjusted R square is close to the Value of R square, meaning that the model fits well and is good to use to generalize the results.

Table 4.43: Goodness of Fit Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Durbin-Watson
1	.714[a]	.509	.507	.281	.509	

a. Predictors: (Constant), organizational citizenship behaviour
b. Dependent Variable: competitive advantage

The Analysis of Variance (ANOVA) of the relationship between organizational citizenship behaviour and competitive advantage of the banking sector in Kenya is depicted on Table 4.44. The results give a p-value of 0.000 being less than 0.05 meaning that the model was statistically significant in explaining the relationship between organizational citizenship behaviour and competitive advantage in the banking sector in Kenya. In this regard, we reject the null hypothesis stating that there is no significant relationship between organizational citizenship behaviour and competitive advantage in the banking sector in Kenya, and take the alternative hypothesis stating that there is a significant relationship between organizational citizenship behaviour and competitive advantage in the banking sector in Kenya. Organization's human resource practices and policies play a role in citizenship behaviour which is a source of competitive advantage (Priyanka & Punia, 2013; Alahakone, 2014).

Table 4.44: ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.453	1	18.453	233.425	.000[b]
	Residual	17.787	225	.079		
	Total	36.241	226			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Organizational Citizenship Behaviour

4.6.3.1 Regression Coefficients of Organization Citizenship Behaviour and Competitive Advantage

Table 4.45 presents the regression results of Organizational Citizenship Behaviour when regressed on Competitive Advantage of banking sector in Kenya. The findings give a constant of 1.580 and a p-value of 0.000. The gradient coefficient of .605 indicated the extent to which a unit change in Organization Citizenship Behaviour (OCB) causes a change in Competitive Advantage (CA). In this case, a unit change in OCB leads to .605 units of positive change in CA of the banking sector. Therefore, Organizational

Citizenship Behaviour (OCB) and Competitive Advantage model can be presented as follows:

$Y = 1.580 + .605X_3 + \varepsilon,$

To identify whether the predictor was making a significant contribution to the model T-test was used. When the t-test associated with B value is significant then the predictor is making a significant contribution to the model. The results show that organization citizenship behaviour ($t = 15.278$, $P<.05$).This means that Organization Citizenship Behaviour (OCB) was significant (p-value = 0.000) in positively influencing the Competitive Advantage of banking sector in Kenya. The implication of this is that organizations should strives to improve human relations and employee morale so that they can all relate well, help each other in their work and have a positive attitude towards each other and towards the organization in general

Table 4.45: Coefficients of Organization Citizenship Behaviour and Competitive Advantage

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.580	.162		9.745	.000		
	OCB	.605	.040		15.278	.000	1.000	1.000

a. **Dependent Variable:** Competitive Advantage

4.6.4 Effect of Organization Ethics on Competitive Advantage of the Banking Sector in Kenya.

The goodness of fit model presented in Table 4.46 shows organization ethics (X_4) as the only independent variable. The coefficient of determination (R square) was .528 which indicated that the model explained only 52.8 percent of the variation or change in the dependent variable. This implies that organization ethics influences positively the competitive advantage of the banking sector in Kenya. The remainder of 47.2 percent can be explained by other factors other than organizational ethics. Adjustment of the R square reduced the results of the explanatory behaviour of the predictor from 52.8 percent to 52.6 percent.

Table 4.46: Goodness of Fit Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Durbin-Watson
1	.727[a]	.528	.526	.276	.528	

a. Predictors: (Constant), organization ethics
b. Dependent Variable: competitive advantage

The Analysis of Variance (ANOVA) of the relationship between organization ethics and competitive advantage of the banking sector in Kenya is illustrated in table 4.47. The results give a p-value of 0.000 which is less than 0.05, thus, indicating that the model is statistically significant in explaining the relationship between organization ethics and competitive advantage. In this regard, we reject the null hypothesis stating that there is no significant relationship between organization ethics and competitive advantage in the banking sector in Kenya, and take the alternative hypothesis stating that there is a significant relationship between organization ethics and competitive advantage of banks in Kenya. Companies that adhere to a strong ethics policy are likely to enjoy a long-term competitive advantage (Azmi, 2006; Ingram, 2018). Thus, the importance of building a strong ethical culture which is integral to the reputation, growth and sustainability of any organization remains necessary. Organization ethics builds a brand that attracts the best talent and creates trust among the stakeholders hence competitive advantage (Azmi, 2006; Triplett, 2015).

Table 4.47: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.141	1	19.141	251.873	.000[b]
	Residual	17.099	225	.076		
	Total	36.241	226			

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), Organization Ethics

4.6.4. Regression Coefficients of Organization Ethics on Competitive Advantage

Table 4.48 presents the regression results of organization ethics on Competitive Advantage of banking sector in Kenya. It gives a constant of 1.767, and a p-value of 0.000. The gradient coefficient of .538 indicated the extent to which a unit change in Organization Ethics (OE) caused a change in organizational competitive advantage (CA). In this case, a unit change in OE leads to .538units of positive change in CA of the banking sector. This means that organization ethics (OE) is significant (since the p-value is 0.000, and is therefore less than 0.05) in positively influencing the Competitive advantage of the banking sector in Kenya. Therefore, the Organizational Ethics (OE) and Competitive Advantage model can be presented as follows:

$$Y = 1.767 + .538X_4 + \varepsilon,$$

When the t-test associated with B value is significant then the predictor is making a significant contribution to the model. The results in table 4.48 show that Organization Ethics has a t =15.870, and a $P<.05$. This implies that organizational ethics has a significant effect on organizational competitive advantage.

Table 4.48: Coefficients of Organization Ethics and Competitive Advantage

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.767	.144		12.244	.000		
	OE	.538	.034		15.870	.000	1.000	1.000

a. Dependent Variable: Competitive Advantage
b. Predictor variable: Organization Ethics

4.6.5 Moderating effect of Organization Policies on the relationship between Strategic Corporate Social Responsibility and Competitive Advantage in Kenya.

Table 4.49 illustrates the model summary of multiple regressions showing that all the four predictors (Organization Resources, Organization Competencies, Organization Citizenship Behaviour and Organization Ethics) jointly explained 75.4 percent variation in competitive advantage. This showed that considering the four independent study variables, there is a probability of 75.4 percent (R^2=0.754) in predicting l competitive advantage. The model accounts for 75.4 percent of the variance without the effect of the moderating variable. However, with the moderator, the variables jointly explained 76 percent (R^2= 0.760) variation in Competitive Advantage.

The multiple regression coefficient known as the coefficient of determination, R^2 is the measure of the amount of variability in one variable that is explained by the other (Field, 2005). To find out how well the model fits well in generalizing the results, the adjusted $R^2$is used since it gives an idea of how well the model fits. The value of adjusted R^2 should be as close to the value of R^2. In the case of this study, the adjusted R^2 for the variables without a moderator was .750 while the inclusion of the effect of organization policies as the moderator changed the outcome result to .754. This implies that when banks embrace strategic Corporate Social Responsibilities and strategically align policies in support of CSR, then competitive advantage is likely to improve. Whether the assumption of independent errors is tenable is informed by the Durbin Watson statistic. Values less than 1 or greater than 3 should raise alarm, but the closer to 2 the value is, the better. The study gave a value of 1.911. This value is very close to 2 and therefore the assumption has been met.

Table 4.49: Goodness of Fit Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Durbin-Watson
1(without moderator)	.869[a]	.754	.750	.200	.754	
2 (With moderator)	.872[b]	.760	.754	.199	.005	1.911

a. Predictors: (Constant), OE,OR,OCB,OC
b. Predictors: (Constant), OE, OR, OCB, OC and OP
c. Dependent Variable: Competitive Advantage

Table 4.50 reveals an F-value of 170.440 and a p-value of 0.00 significant at 5 percent level of confidence, indicating that the overall regression model was significant. Hence, the joint contribution of the independent variables was significant in predicting competitive advantage. On the other hand, when organization policies is introduced to moderate the relationship between CSR and competitive advantage, an F-value of 139.661 and a p- value of 0.00 significant at 5 percent level of confidence is obtained, indicating that the overall regression model is significant, hence, the joint contribution of the independent variables was also significant in predicting competitive advantage with organization policies as a moderator. In this regard, we reject the null hypothesis stating that there is no significant moderating effect of organization policies on the relationship between the predictors of Corporate Social Responsibility and Competitive Advantage in the banking sector in Kenya. Instead, the alternative hypothesis will hold true; stating that there is a significant moderating effect of organization policies in the relationship between predictors of strategic Corporate Social Responsibility and Competitive Advantage of Banks in Kenya.

Table 4.50: ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1 (Without Moderator)	Regression	27.338	4	6.835	170.440	.000[b]
	Residual	8.902	222	.040		
	Total	36.241	226			
2 (Moderator)	Regression	27.528	5	5.506	139.661	.000[c]
	Residual	8.712	221	.039		
	Total	36.241	226			

a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), OE,OR,OCB,OC
d. Predictors: (Constant), OE,OR,OCB,OC and OP

4.6.5.1 Multiple Regression coefficients for Competitive Advantage

Results of the multiple regression coefficients presented in Table 4.51 show the estimates of B values and give an individual contribution of each predictor to the model. The magnitude of the beta coefficients associated with the independent variables can be compared to determine the strongest independent variable in predicting the dependent variable (Mugenda, 2008). The B value tell us about the relationship between competitive advantage with each predictor. The positive B values indicate the positive relationship between the predictors and the outcome. Table 4.51 shows that the B value for Organization Competencies as .122, Organization Resources .267, Organization Citizenship Behaviour .253 and Organization Ethics .097 were all positive. The model can then be specified as:-

$Y = 1.017 + .122X_1 + .267X_2 + .253X_3 + .097X_4 + \varepsilon$, without the moderating variable

Where:

X_1=Organization Resources

X_2=Organization Competencies

X_3= Organization Citizenship Behaviour

X_4= Organization Ethics

ε, = Error term

T-test was then used to identify whether the predictors were making a significant contribution to the model. The t-values test the hypothesis that the coefficient is different from 0. To reject this one needs a t-value greater than 1.96 for 95 percent level of confidence. T-values also show the significance of a variable in the model. When the t-test associated with B value is significant, it implies the predictor is making a significant contribution to the model. The results show that Organization Resources ($T = 2.243$, $P < .05$), Organization Competencies ($T = 5.204$, $P < .05$), Organization Citizenship Behaviour ($T = 5.886$, $P < .05$) and Organization Ethics ($T = 2.364$, $P < .05$) also made significant contributions to the model. These findings indicate that all the predictors of strategic Corporate Social Responsibility jointly significantly affect Competitive Advantage in the Banking Sector in Kenya with or without a moderator.

Table 4.51: Regression Coefficients of Competitive Advantage without a Moderator.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.017	.122		8.349	.000		
	OC	.122	.054	.170	2.243	.026	.192	5.210
	OR	.267	.051	.392	5.204	.000	.195	5.127
	OCB	.253	.043	.299	5.886	.000	.430	2.326
	OE	.097	.041	.131	2.364	.019	.360	2.779

Dependent Variable: Competitive Advantage

Table 4.52 shows results when organization policies as the moderator are introduced, the B values for Organization Competencies become .132, Organization Resources .223, Organization Citizenship Behaviour .237 and Organization Ethics .083 were also positive. The positive B values indicate the direction of relationship between predictors and outcome. From the results in Table 4.52 the model can then be specified as:-

$Y = .950 + .132X_1{*}Z + .223X_2{*}Z + .237X_3{*}Z + .083X_4{*}Z + \varepsilon$, with the moderating variable.

T-test was then used to identify whether the predictors were making a significant contribution to the model. The t-values test the hypothesis that the coefficient is different from 0. To reject this one needs a t-value greater than 1.96 for 95 percent level of confidence. T-values also show the significance of a variable in the model. When the t-test associated with B value is significant, it implies the predictor is making a significant contribution to the model. The results show that Organization Competencies ($T = 2.433$, $P < .05$), Organization Resources ($T = 4.081$, $P < .05$), Organization Citizenship Behaviour ($T = 5.462$, $P < .05$) and Organization Ethics ($T = 2.017$, $P < .05$) all made significant contributions to the model.

Table 4.52: Regression Coefficients of Competitive Advantage with a Moderator.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
2	(Constant)	.950	.125		7.628	.000		
	OC	.132	.054	.184	2.433	.016	.191	5.245
	OR	.223	.055	.327	4.081	.000	.169	5.920
	OCB	.237	.043	.279	5.462	.000	.417	2.399
	OE	.083	.041	.112	2.017	.045	.351	2.846
	OP	.085	.039	.108	2.195	.029	.448	2.230

Dependent Variable: Competitive Advantage

4.7 Tests of Hypotheses

Ho_{1}: Organization Competencies do not have Significant Effect on Competitive Advantage in the Banking Sector in Kenya.

The results of multiple regressions, as presented in Table 4.37 indicate that organization competencies explained 62 percent (R^2= 0.620) variation in competitive advantage. P value of 0.00 significant at 5 percent confidence level, indicate that the overall regression model is significant. This reveals that organization competencies have a significant influence on competitive advantage. Therefore, the null hypothesis was rejected, hence it is confirmed that for each unit increase in organization competencies there is 0.565unit increase in organization's competitive advantage as depicted in table 4.39. The influence of organization competencies was stated by the t-test value of 19.156, which implies that the standard error associated with the parameter warrants the rejection of the null hypothesis. T is simply the calculated difference represented in units of standard error. The greater the magnitude of T (it can be either positive or negative), the greater the evidence against the null hypothesis that there is no significant difference (Runkel, 2017).

The closer the T is to 0, the more likely there isn't a significant difference. These findings corroborates the fact that hiring competent employees and continuously developing those competencies through effective human resource practices, underpins organizational capability which begets organizational advantage. The rejection of the null hypothesis was underpinned by the findings of both the current study and findings of (Nimsith, Rifas & Cader, 2016; Sabah, Laith & Manar, 2012; Bani-Hani & Al-Hawary, 2009) who assert that core competence has a strong and positive impact on competitive advantage and organizational performance. This implies that organizations should adapt as well as craft the non-imitable competencies to match the dynamic environment in which they operate so that they can achieve competitive advantage. Therefore, this study submits that core competencies is and remains a vital determinant of competitive advantage.

Ho_2: Organization resources do not have significant effect on competitive advantage in the banking sector in Kenya

The results of the regression analyses in table 4.42 shows organization resources (t =19.713, P< .05). In table 4.40 Organization resources explained 63.3 percent (R^2= 0.633) variation in competitive advantage and a p-value of 0.00 significant at 5percent confidence level indicate that the overall regression model is significant. This provides support for the nullification of the hypothesized relationship between organization resources and competitive advantage, and adoption of the alternative hypothesis stating that organization resources have a significant influence on competitive advantage. The B values confirm that unit change in organization resources leads to .542 units of positive change in competitive advantage of the banking sector at < .05 significant level. T-test value of 19.713 implies that the standard error associated with the parameter warrants the rejection of the null hypothesis and acceptance of the alternative hypothesis that organizational resources have a significant effect on competitive advantage in the banking sector in Kenya.

These findings are in line with (Rohana, Roshayani, Nooraslinda, & Siti, 2015; Meutia & Ismail, 2012) who also found a positive and significant effect of organization resources on competitive advantage. The recourse on organization resources as a means of achieving competitive advantage is ascribed to the resource-based view (RBV) which emphasizes that firm resources are essential factors that influence competitive advantage and performance. This implies that the idiosyncratic, strategic resources should be effectively integrated and deployed by organizations to create value for customers and thus, leading to competitive advantage.

H_{O3}: Organization citizenship behaviour does not have significant effect on competitive advantage in the banking sector in Kenya

The results of the regression analyses in table 4.43 shows that Organization Citizenship Behaviour 50.9 % (R^2= 0.59) variation in competitive advantage. P value of 0.00 is significant at 5% confidence level indicate that the overall regression model is significant. This provides support for the rejection of the hypothesized relationship between organization citizenship behavior and competitive advantage, and adoption of alternative hypothesis. Thus, stating as: organization citizenship behaviour has significant effect on organization competitive advantage in the banking sector in Kenya. In table 4.45 the B value confirm that unit change in organization citizenship behaviour leads to .605 units of positive change in competitive advantage of the banking sector at less than .05 significant level of confidence. T-test value was 15.278 which imply that the standard error associated with the parameters, warrants the rejection of the null hypothesis.

This is in line with the findings of (Zeb & Asia, 2016; Happy, Umesh & Pooja, 2016; Eeman, Rabindra & Lalatendu, 2015) who also found a significant relation between OCB, employee outcomes and competitive advantage. The results therefore provide empirical evidence for positive and significant effect of OCB on competitive advantage. The findings elucidate the essence of embracing organization citizen behavior in acquiring and sustaining competitive advantage of organizations. This argument is corroborated by Zeb and Asia (2016) that extra role behavior becomes instrumental in improving employee performance which enhances organizations competitive advantage. This implies that OCB should not be considered as a side phenomenon but should be ingrained in strategic development of policies and procedures for the management of organizations in order to engender competitive advantage. In this regard organizations should constantly seek new and strategic ways of augmenting employee OCB for sustaining competitive advantage.

H_{O4}: Organization ethics does not have significant effect on competitive advantage in the banking sector in Kenya

Organizations that adhere to a strong ethics policy are likely to enjoy a long-term competitive advantage (Rania, 2006). The finding of this study is that Organization ethics as a predictor has a significant positive contribution to organizations' competitive advantage. The results in table 4.48 show that Organization Citizenship Behaviour ($t = 15.870$, $P < .05$), with B value of .538 is significant thus; the predictor is making a significant contribution to the model. Organization ethics contributes 52.8% ($R^2 = 0.528$) variation in competitive advantage as indicated in the model summary table 4.46.P value of 0.00 significant at 5% confidence levels, indicate that the overall regression model is significant. These provide grounds for the rejection of the null hypothesis that Organization ethics does not have significant effect on competitive advantage in the banking sector in Kenya, and the adoption of the alternative statement that organization ethics has a significant effect on competitive advantage in the banking sector in Kenya. This has been corroborated by the findings of (Rania, 2006; Emad, Yoshifumi & Abduhall, 2014; Poonam & Sonika, 2014) who also found a significan effect of organization ethics on competitive advantage. These findings are underpinned by the argument of Georges (2011) that a bird's eye view of the global economy today suggests that businesses have become highly competitive, and the management of corporate ethics has become a key strategic issue companies cannot afford to ignore. Thus, the importance of building a strong ethical culture is integral to the reputation, brand loyalty, attraction and retention of the best talent and creation of trust among the stakeholders. This implies that organization ethics remains a cornerstone in building and sustaining competitive advantage.

Ho_5: Organization policies do not have a significant moderating effect on the relationship between strategic Corporate Social Responsibility and competitive advantage in the banking sector in Kenya.

As a result of the company's key business policies, strategic CSR can be a source of opportunities for innovation and achievement of competitive advantage (Porter & Kramer, 2006). In table 4.52 the findings of the study results show that with a moderator organization competencies B= .132 (t =2.433, P<.05), organization resources B=.223 (t =4.081, P<.05), organization citizenship behaviour B= 237 (t =5.462, P <.05) and organization ethics B=.083(t =2.017, P <.05).

As depicted in table 4.49, with a moderator, the variables jointly explained 76 % (R^2= 0.760) variation in competitive advantage. With a P value of 0.00 significant at 5% confidence levels, it means the overall regression model is significant.

This implies that with a moderator the internal corporate social responsibility factors under study would jointly have a significant effect on competitive advantage. Since strategic ICSR is a policy issue in some organizations, and also based on the findings, the null hypothesis rejected. The study therefore adopts the alternative hypothesis that organization policies have a significant moderating effect on the relationship between strategic corporate social responsibility and competitive advantage in the banking sector in Kenya.

Strategic CSR practices refer to CSR practices which are directly related to the physical and psychological working environment of employees (Turker, 2009). According to Charles and Gareth (2009), competitive advantage has four building blocks which are: efficiency, quality, innovation and responsiveness to customers. These findings therefore imply that improvement and use of strategic organization Competencies, Organization Resources, Organization Citizenship Behaviour; Organization Ethics are all instrumental in improving employee morale and work environment, hence resulting in increased efficiency, quality, innovation and responsiveness to customers by banks.

This argument is grounded on the resource-based perspective which is inclined towards attraction and retention of human capital through ICSR which offers a strategic advantage for companies (Ployhart & Moliterno, 2011). Studies have shown that human resource management policies, many of which are now listed as ICSR standards, can foster performance and bring about competitive advantage (Aguilera, Rupp, Williams & Ganapathi, 2007; Cooper & Wagman, 2009; Van der Laan, Ees & Witteloostuijn, 2008).

Table 4.53: Summary of Hypotheses Testing

	Hypothesis	Findings	Decision
Ho_1	Organization Competencies do not have Significant Effect On Competitive Advantage in the Banking Sector in Kenya.	**R^2=**.620 **F=**366.938 T= 19.156 **p**<.05	Rejected
Ho_2	Organization Resources do not have significant effect on Competitive Advantage in the banking sector in Kenya.	**R^2=**.633 **F=**388.593 T=19.713 **p**<.05	Rejected
Ho_3	Organization Citizenship Behaviour does not have significant effect on Competitive Advantage in the banking sector in Kenya.	**R^2=**.509 **F=** 233.425 T=15.278 **p**<.05	Rejected
Ho_4	Organization Ethics does not have significant effect on Competitive Advantage in the banking sector in Kenya.	**R^2=**.528 **F=**251.873 T=15.870 **p**<.05	Rejected
Ho_5	Organization Policies do not have a significant moderating effect on the relationship between Strategic Corporate Social Responsibility and Competitive Advantage in the banking sector in Kenya.	**R^2=**.0.754 **F=** 139.661 T=(OC=2.433, OR=4.081, OCB=5.462, OE=2.017) **p**<.05	Rejected

4.8 Correlation Analysis

Correlation among the independent variables is illustrated by the correlations matrix in Table 4.54. Correlation is often used to explore the relationship among a group of variables (Pallant, 2010) in turn helping in testing for multi collinearity. That the correlation values are not close to 1 or -1 is an indication that the factors are sufficiently different measures of separate variables (Tabachnick & Fidell, 2013).The closer the outcome value is to 1 means a strong correlation. A negative value indicates an inverse relationship. It is also an indication that the variables are not multi collinear. Absence of multi collinearity allows the study to utilize all the independent variables.

Table 4.54 shows that the lowest correlation in this study was between competitive advantage and Organization Policy ($r=.681^{**}$, $p<0.01$), indicating a strong positive relationship. The highest correlation was between Organization Resources and Competitive Advantage ($r=.796^{**}$ $p<0.01$), also giving a very strong positive relationship. A correlation of above 0.90 is a strong indication that the variables may be measuring the same thing (Tabachnick & Fidell, 2013). The fact that all the correlations were less than 0.90 was an indication that the factors were sufficiently different measures of separate variables, and consequently, this study utilized all the variables.

Table 4.54: Correlations

	OC	OR	OCB	OE	OP	CA
OC	1					
OR	.886**	1				
OCB	.612**	.549**	1			
OE	.662**	.678**	.728**	1		
OP	.630**	.703**	.559**	.628**	1	
CA	.787**	.796**	.714**	.727**	.681**	1

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

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study which sought to investigate the effect of strategic Internal Corporate Social Responsibility on organization competitive advantage in the banking sector in Uasin - Gishu County, Kenya. The study was guided by specific objectives and hypotheses. This chapter therefore presents the summary of the research findings, conclusions drawn from the study, recommendations and areas of further research in relation to data analysis.

5.2 Summary

The summary of findings was derived from the original research objectives with their hypotheses. The way the hypothesis was tested for each variable is shown, and the eventual conclusion following the test findings was thus given.

5.2.1 Effect of Organization Competencies on Competitive Advantage in the banking sector in Kenya

From the findings based on training and development as one of the items for measuring and for achieving competencies, 75.4 percent agreed that the organization had Competitive Advantage because of organization’s pursuit of continuous employee training and development. Besides, 76.7 percent were in agreement that the firm had competitive advantage because of strategically having a policy on employee training and development. A proportion of 75.3 percent agreed that study leave given to its employees enhanced firm’s competitive advantage, and 78.8 percent agreed that planned management succession as a way of building competencies gives an organization competitive advantage. This implies that the organization should pay high premiums on development of competencies in order to set itself apart and secure competitive advantage.

In the context of knowledge /learning organization as a measure of competencies, from the results of the descriptive analysis most respondents agreed that: Staff development policy gave their firm competitive advantage, as depicted in a proportion of 83.3 percent. Many respondents agreed that recruitment of qualified employees enabled an organization to attain competitive advantage as indicated by endorsements of 73.1 percent responses; and 87.7 percent of the respondents supported the statement that when an organization encourages continuous learning it improves its competitive advantage. Seminars, conferences and workshops are often conducted as a way of employees learning new knowledge (74.8 percent). This implies that organization's learning culture is an imperative asset that a company can build, however it should be integrated with the organization's talent practice. The management‘s role in acquisition, conversion and application of Knowledge Management Capabilities is paramount.

Knowledge/learning in any organization is a strategic orientation that requires commitment of organization's resources. In line with capability skills from the results of the descriptive analysis most respondents agreed that recruitment policy favouring skilled applicants enhanced and organization's position of competitive advantage (76.7 percent). Majority of the respondents at 70.5 percent agreed that employee superior skills that are not easy to imitate gives the firm competitive advantage. A proportion of 70.5 percent of respondents agreed that when a firm recognizes and rewards competent employees it achieves competitive advantage, and 69.6 percent agreed that promotions given based on competence give a company competitive advantage.

Moreover from the analysis of variance carried out, it was clear that there was a significant relationship between the predictor variable organization competencies and competitive advantage and the relationship between the two variables existed with p-value of 0.000 which is less than 0.05. This implies the more banking sector improved on their organization competencies the higher the possibility of creating and sustaining competitive advantage. Moreover the findings of the regression models showed that organization competencies were significantly related to competitive advantage in the banking sector in Uasin - Gishu County. According to the model summary the model explained 62 percent of the variation or change in the competitive advantage with the remainder of 38 percent being explained by other factors other than organization competencies. These findings set the stage for the rejection of the null hypothesis and acceptance of the alternative hypothesis that organization competencies significantly affect competitive advantage.

5.2.2 Effect of Organization Resources on Competitive Advantage in the banking sector in Kenya

The findings of descriptive statistics showed that 67.2 percent of the respondents agreed that the quality of tools and equipment of their firm are not easily imitated, giving it competitive advantage. A proportion of 70.5 percent of research participants agreed that the expensive premises occupied by their company gave them competitive advantage. 69.6 percent agreed that office furniture which is modern and rare, made their organization to have competitive advantage. The respondents agreed with the earlier information gleaned from literature that indicated that for material resources to become a potential source of competitive advantage, they must be owned by only a small number of competitors and are costly to copy or difficult to obtain in the market. A proportion of 79.3 percent agreed that their firm's modern and superior technological equipment give it competitive advantage. 72.3 percent of the respondents agreed that their organization embraces new technology for competitive advantage. 75.3 percent are in agreement that the kind of technology used in their organization gives it competitive advantage over its competitors. This implies that the technology adopted remains lustrous in achieving and sustaining competitive advantage based on its compatibility, peculiarity and proper placement of time, money, and energy spent on it.

75.8 percent agreed that credit access enhances competitive advantage. A proportion of 70.5 percent agreed that high profits increase organization's competitive advantage. From the responses, it was evident that 67.9 percent agreed that financial standing gave an organization competitive advantage, while 77.6 percent agreed that high employee salaries give their company competitive advantage. On the other hand, 88.6 percent agreed that their organization has competitive advantage as a result of meeting its financial obligations.

This finding implies that the control of cash flow can be a strategic secret weapon for granting competitive advantage to an organization. 70.9 percent agreed that prompt remittance of employee contributions to relevant bodies placed their company at a position of competitive advantage. A proportion of 67.8 percent agreed that filling employment vacancies from within by promoting qualified staff makes a firm to be competitive. 86.3 percent agree that employee welfare facilities provided by the organization give it competitive advantage. 79.3 percent agree that perceiving employees as assets rather than liabilities give my firm competitive advantage. This implies that the competiveness of the human resources is based on the strategic orientation of the human resource practices of the organization.

The coefficient of determination (R square) of .633 indicated that the model explained only 63.3 percent of the variation or change in the dependent variable with the remainder of 36.7 percent being explained by other factors other than organizational resources. The P value was 0.00 which is less than 0.05. Statistically it means there is a significant relationship between organization resources and competitive advantage of the banking sector in Kenya. The regression coefficient was further proof that the predictor variable had a significant influence on the dependent variable which showed a P - value of 0.000 which is less than 0.05, significance level of 95 percent.

5.2.3 Effect of Organization Citizenship Behaviour on Competitive Advantage in the banking sector in Kenya

From the descriptive analysis Organization citizenship behaviour (Altruism) 81.1 percent agreed that helping other teammates if they fall behind in their work gives firm competitive advantage. 85percent agreed that they share their knowledge and expertise with other employees; thus making organization to get competitive advantage. 83.7 percent agree that they take time out of my day to help train/orient new employees. Organization citizenship behaviour (Sportsmanship), 85.9 percent agreed that they are always available when any of my colleagues need someone to speak out their problems. 89.4 percent agree that they try not to find fault with other employees. 96 percent agree that they focus on the positive aspects of my work. 87.7 percent keeping minor complaints to myself. Organization citizenship behaviour (Civic Virtue) 75.5 percent agrees that they focus on what's best for the firm 87.5 also agree that they always talk positive things about my organization. 71.8 percent agree that they attend work-related information sessions. 67.8 percent agree that they attend and participate in meetings.

5.2.4 Effect of Organization Ethics on Competitive Advantage in the banking sector in Kenya

In regards to Organization Ethics (Code of conduct) 70.5 percent of respondents agreed that an anti-corruption policy enhanced competitive advantage of an organization. 69.2 percent agreed that carrying out organization ethical audit improved competitive advantage. 76.4 percent agree that their company had an Ethics committee. 73.5 percent agreed that their organization had corporate ethical values. This implies that a solid code of ethics remains cardinal in guiding the company decisions that affect internal and external stakeholders, such as employees or residents in the local community hence develop their brand image which is a driver behind achieving competitive advantage.

On Organization Ethics (Organization behaviour) 70 percent of the respondents agreed that employee training on ethics give competitive advantage, while 81.1 percent agreed that punishing unethical actions give competitiveness. 75.3 percent agreed that company top management recognizes and rewards employees who behave ethically were better positioned to achieve competitive advantage. 75.5 percent agreed that when employees attend functions in their official capacity and surrendered the gifts they receive, the effect would be a good organization image leading to enhanced competitive advantage. The coefficient of determination (R square) of .509 indicated that the model explained only 62.5 percent of the variation or change in the dependent variable The Analysis of Variance (ANOVA) of the relationship between organizational citizenship behaviour and Competitive Advantage of the banking sector in Kenya revealed that p-value of 0.000 being less than 0. This indicates that the model was statistically significant in explaining the relationship between organization resources and Competitive Advantage in the banking sector in Kenya.

The coefficient of determination (R square) of .528 indicated that the model explained only 52.8 percent of the variation or change in the dependent variable with the remainder of 47.2 percent being explained by other factors other than organization ethics. The Analysis of Variance (ANOVA) of the relationship between organization ethics and Competitive Advantage of the banking sector in Kenya gave the results with a p-value of 0.000 being less than 0.05, indicated that the model was statistically significant in explaining the relationship between organization ethics and Competitive Advantage in the banking sector in Kenya. In this regard, we reject the null hypothesis that there is no significant relationship between organization ethics and Competitive Advantage in the banking sector in Kenya. Instead, we take the alternative hypothesis stating there is a significant relationship between organization ethics and competitive advantage in the banking sector in Kenya.

5.2.5 Moderating Effect of Organization Policies on the Relationship between Strategic Corporate Social Responsibility and Competitive Advantage in the banking sector in Kenya

In the model summary of multiple regression models, the results showed that all the four predictors, (Organization competencies, Organization resources and Organization citizenship behaviour and organization ethics) jointly explained 75.4 per cent variation in competitive advantage. This showed that considering the four study independent variables, there is a probability of 75.4 percent (R^2=0.754) in predicting bank competitive advantage. However with Organization Policies as a moderator the variables jointly explained 76 percent (R^2= 0.760) variation in organizational competitive advantage. This implies that when banks imbed Strategic Corporate Social Responsibilities in their organization policies then competitive advantage is likely to improve.

F-value of 139.661 with a p value of 0.00 significant at 0.05 indicate that the overall regression model is significant, hence, the joint contribution of the independent variables was significant in predicting organizations' competitive advantage with strategic CSR Organization Policies as a moderator. In this regard, we reject the null hypothesis that there is no significant moderating role of organization policy on the relationship between the predictors of strategic corporate social responsibility and Competitive Advantage in the banking sector in Kenya. We then take the alternative hypothesis stating that there is a significant moderating role of organization policy on the relationship between strategic CSR and Competitive Advantage in the banking sector in Kenya.

5.3 Conclusions

It is evident that strategic CSR practices contribute to competitive advantage, from the study findings. However, the strategic bundling and alignment of strategic CSR practices to organization policies remains cardinal in achieving competitive advantage. The strategic CSR practices under study jointly and individually significantly contributed to competitive advantage based on their beta values. The study established existence of strong organization competencies within the banking sector in Kenya. The banks have developed unique competencies in training, knowledge /learning organizations and capabilities/skills which have given them the ability to effectively fulfil their mandate. The study also showed that organization competencies are significantly related to competitive advantage of banking sector.

The study provides evidence that the factors associated organization resources such as human capital, capital and technology significantly affect competitive advantage. A strategic recipe which embeds these resources is evidently instrumental. Thus the banks are under obligation to ensure that the resources are rare, unique and non - imitable for sustained competitive advantage. However the resources should be bundled strategically and aligned consistently with organization policies to enhance their synergy in achieving competitive advantage. In fine, strategic orientation of resources remains the cornerstone for achieving competitive advantage.

OCB, considered as an extra role by the employee, was found to be essential in achieving competitive advantage. This hinges on the positive and significant effect of OCB on competitive advantage espousing from the findings of this study. It therefore remains incumbent upon banks to strategically orientate their human resource practices in order to influence Organization Citizenship Behaviour. In view of this it remains inordinately necessary for banks to analyze their ICSR practices as this would improve on OCB which is a source of opportunities, innovations and competitive advantage.

The finding of this study further provides evidence on the role of organization ethics in ensuring competitive advantage. Ethics provides a positive reputation which attracts unpaid sales agents who engage positive word of mouth about the organization which is an incarnation of competitive edge. Therefore a solid code of ethics should remain inherent in strategic components and processes of banks in order to secure and sustain competitive advantage through improvement of brand image. Conversely organizations which find themselves in the quick sands of unethical practices remain victims of wrath of the law and bad reputation hence competitive disadvantage. This study therefore submits that bundling of code of conduct and organization behavior should be a major concern for the banks as they are precursors of competitive advantage.

Organization ethics remained low in ranking followed by organization resources in terms of their contribution to competitive advantage. However this does not devalue role of organization ethics and organization resources in providing competitive advantage to the banking sector but could highlight the priorities of banking sector of Kenyas far as ranking these variables is concerned. Such outcomes could also be ascribed to contingent strategic CSR practices or other factors not considered in this study which could have a potential effect on organizational competitive advantage, responsible for the remaining 24.6 percent.In view of this argument there is a need for the banking sector to analyze and synthesize strategic CSR practices that when strategically aligned to organization policies occasion’s synergies that bring about competitive advantage. All the strategic CSR practices are products of organization policies hence moderating their effect on competitive advantage of the banking sector in Kenya.

5.3.1 Implications and Contributions of the Study Findings

The implications of these research findings are that the management of the banking sector has been enlightened on the need for strengthening strategic CSR practices in their organizations as a source of competitive advantage. In fine the findings have contributed to organizational management in terms of providing valuable input to awareness of the strategic CSR practices to consider with regard to attaining competitive advantage. This has been illustrated empirically that the management should strive to synergize their strategic CSR practices in order to gain competitive advantage. The management can therefore strategically engage strategic CSR components and processes to guarantee competitive advantage. In terms of policy the research findings have given eminence to strategic alignment of strategic CSR practices to organization policies as a strategy aimed at achieving competitive advantage.

This research has provided a technique of theory building that view environment as unstable and unpredictable thus developing a dynamic representation of strategic development (as opposed to looking at environment as stable). The theoretical implication of this study is that it supports and extends the resource based view, stakeholder theories and Michael Porter's theory on a longitudinal view as it has casted more light on use of strategic CSR as a strategic means through which an organization can attain a sustainable competitive advantage. This finding supports the essence of value, rarity, non-imitability and bundling of the strategic CSR practices for purposes of galvanizing competitive advantage.

The present research contributes to the strategic CSR knowledge by highlighting the strategic implementation of internal CSR practices as source of competitive advantage in the banking sector. The study has addressed the deficiencies in literature by extending studies on strategic CSR practices on competitive advantage in the Kenyan context as a developing country and specifically in the banking sector. Besides, the study has addressed a different outcome of strategic CSR practices which is competitive advantage, other than financial performance highlighted in a majority of studies. Finally the study asserts the centrality of organization policies in positively and significantly moderating the effect of strategic CSR practices on competitive advantage. In this regard the role of organization policies and strategic CSR practices in achieving competitive advantage cannot be undermined. These findings remain vital for policy makers and practitioners in embracing strategic CSR practices in their strategic policy formulations.

5.4 Recommendation

In view of the findings as well as the conclusion deduced from the study some recommendations were made.

5.4.1 Management Recommendations

Achieving competitive advantage is always one of the strategic objectives of every business and any other organization. To remain sustainable and competitive in today's turbulent and dynamic environments, firms are required to acquire strong capabilities by implementing a variety of competencies in organization activities. Therefore, the most important concern of senior management is to develop and effectively exploit such organization competencies to engender competitive advantage. This study attempts to provide a variety of practical recommendations for guiding banking sector executives on how to be successful in utilizing organization competencies to attain and sustain competitive advantage. The study suggests that organization should understand and develop a holistic approach of implementing overall organization competencies which include staff training and development strategies which focus on dynamic capabilities for sustained competitive advantage. Secondly fostering a learning organization culture coupled with talent management practices remain imperative for continuous competitive advantage.

Lastly the banking sector should hire and develop talent among their staff in order to synergize their contribution within the resource bundle of the firm for sustained competitive advantage. Correlated and complementary strategic CSR practices should not be considered in isolation but rather should be integrated and combined to leverage on, exploit and sustain competitive advantage. However this mandates organizations to assess their organization competencies gap through training needs assessment as a recipe for sustained competitive advantage.

The banking sector needs to further enhance their aggregate resources for continued sustainable dynamic capability. This calls for reconfiguration capabilities for continuous improvement for coping with the changing business environment. Knowledge, skills, and expertise that are lacking in the existing labour force should be in tune with the emergent demands of the market. Material resources should remain rare, unique and non-imitable for sustaining competitive advantage. However all the organization resources must be strategically synergised by capabilities owned by organization so as to allow the exploitation of opportunities and neutralize threats.

Banks should strategically orientate their human resource practices in order to affect Organization Citizenship Behaviour. Employee involvement and participation should be strengthened as a conduit of human resource development and a precursor of OCB. In view of this it remains inordinately necessary for banks to analyze their strategic CSR practices to synthesize OCB amongst their employee which is a source of opportunities, innovations and competitive advantage.

Banking sector is under obligation to strengthen their ethics policies besides other strategic CSR practices for positive brand image as a source of competitive advantage. Therefore a solid code of ethics should remain inherent in strategic components and processes of banks in order to guide employee in their decision making and action all in an effort to secure and sustain competitive advantage and improve the corporate image.

5.4.2 Policy Recommendations

Strategic re-configuration and alignment of strategic CSR practices to organization policies in order to achieve competitive advantage is recommended. Organizations are encouraged to strategically make comprehensive strategic CSR policies oriented towards achievement of competitive advantage.

5.5 Areas for Further Research

Arising from some of the implications and limitations of the study, recommendations for further research are made. While this study successfully examined the conceptual framework, it also presented a rich prospect for other areas to be researched in future. In terms of industry, the study was only confined to the banking sector. It would however be useful to carry out similar study across heterogeneous industries. Future research should therefore expand to other industries and contexts because strategic CSR practices vary according to sector and country. Future research may re-examine the conceptual model used in this research with a larger sample size so that the outcome can be generalized to a larger population. Besides, future studies may focus on the moderating effect of dynamic managerial capabilities on the relationship between strategic CSR and competitive advantage. Furthermore, future studies can consider ICSR practices that can be effectively bundled for enhancement of competitive advantage. However it problematizes the other strategic CSR practices which can be effectively bundled to synergistically secure and sustain competitive advantage.

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APPENDICES

Appendix 1: Questionnaire

Hello, I am Prisca J. Choge, a doctorate student at Jomo Kenyatta University of Agriculture and Technology. I am carrying out a survey of the banking sector in Uasin-Gishu County on the determinants of Strategic Corporate Social Responsibility (CSR) on Organization's competitive advantage. Your contribution by way of responding to the questions will help in achieving the objectives of the survey.

Your participation is anonymous and voluntary, and all your answers will be kept completely confidential.

Instructions

Kindly, indicate to what extent you agree with the following statements on strategic corporate social responsibility (CSR) and competitive advantage in your company. This information will be strictly for academic purposes only and information provided is confidential.

Do not write your name anywhere on this questionnaire

Circle or tick in the box as appropriate

Section A. Demographic Questions

Indicate your responses to the items below by putting a tick inside the boxes.

1. What is your Age bracket?

a) Less than 25 years ☐
b) 25–30 years ☐
c) 31–40 years ☐
d) 41–50 years ☐
e) More than 51 years ☐

2. Gender? Male ☐

   Female ☐

3. How many years have you worked in this organization?

a) 5 years or less ☐

b) 6–10 years ☐

c) 11–15 years ☐

d) 16–20 years ☐

e) More than 20 years ☐

5. Education Level?

   a) ☐ High school

   b) ☐ Diploma

   c) Undergraduate ☐

   d) Masters ☐

   e) Doctorate ☐

Section B

Please Tick inside the box, the choice that you feel suits your situation from the choices provided by the Likert scale (1-5)

5 = Strongly Agree (SA) 4 = Agree (A) 3 = Neutral (N) 2 = Disagree (DA) 1 = Strongly Disagree (SD)

Section I: Organization Competencies

This section covers the effect of organization competencies on competitive advantage. Please, indicate, in comparison to your competitors, the extent to which you agree that the competencies of your organization affect its competitive advantage.

ORGANIZATION COMPETENCIES			**5** **SA**	**4** **A**	**3** **N**	**2** **DA**	**1** **SD**
Training	1	My organization has competitive advantage because of continuous employee training and development					
	2	This firm has a competitive advantage because it has a policy on employee training and development					
	3	Study leave given to its employees places firm at a position of competitive advantage					
	4	Planned management succession gives company competitive advantage					
Knowledge/ Learning organization	1	Staff development policy gives my company competitive advantage					
	2	Recruitment of qualified employees gives firm competitive advantage					
	3	My organization encourages continuous learning for competitive advantage					
	4	Seminars, conferences and workshops are often conducted as a way of employees learning new knowledge					
Capabilities/ Skills	1	Recruitment policies that favour skilled job applicants give my organization competitive advantage					
	2	Our employees' superior skills that are not easy to imitate make our firm competitive					
	3	The firm recognizes and rewards competent employees.					
	4	Promotions given based on competence give my company competitive advantage					

Section II: Organization Resources

This section covers the effect of organization resources on organization's competitive advantage. Please, indicate, in comparison to your competitors, the extent to which you agree that the resources of your organization affect its competitive advantage.

ORGANIZATION RESOURCES			5 SA	4 A	3 N	2 DA	1 SD
Material resources	1	The quality of tools and equipment of my firm are not easily imitated, giving it competitive advantage.					
	2	The expensive premises occupied by my company give us competitive advantage					
	3	Office furniture is modern and rare, making my organization to have competitive advantage					
Technology	1	My firm's modern and superior technological equipment give it competitive advantage.					
	2	My organization embraces new technology for competitive advantage					
	3	The kind of technology used in my organization gives it competitive advantage over its competitors					
Money /Capital	1	Accesses to credit enhances my organization's competitive advantage					
	2	High Profits earned by my firm give it competitive advantage					
	3	My company's good financial standing gives it competitive advantage					
	4	High employee salaries give my company competitive advantage					
	5	My organization has competitive advantage as a result of meeting its financial obligations					
Human resources	1	Prompt remittance of employee contributions to relevant bodies put my company at a competitive advantage					
	2	Filling employment vacancies from within by promoting qualified staff makes firm competitive					
	3	Employee Welfare facilities provided by the organization give it competitive advantage					
	4	Perceiving employees as assets rather than liabilities give my firm competitive advantage					

Section III: Organization Citizenship Behaviour

This section covers the effect of organization citizenship behaviour on organization's competitive advantage. Please, indicate, in comparison to your competitors, the extent to which you agree that your organization citizenship behavior affect its competitive advantage.

ORGANIZATION CITIZENSHIP BEHAVIOUR			**5** **SA**	**4** **A**	**3** **N**	**2** **DA**	**1** **SD**
Altruism	1	Helping other teammates if they fall behind in their work gives firm competitive advantage					
	2	I share my knowledge and expertise with other employees; thus making organization to get competitive advantage					
	3	I take time out of my day to help train/orient new employees.					
Sportsmanship	1	I am always available when any of my colleagues need someone to speak out their problems					
	2	I try not to find fault with other employees					
	3	I focus on the positive aspects of my work.					
	4	I keep minor complaints to myself.					
Civic Virtue	1	I focus on what's best for the firm					
	2	I always talk positive things about my organization					
	3	I attend work-related information sessions.					
	4	I attend and participate in meetings.					

Section IV: Organization Ethics

This section covers the effect of organization's ethics on competitive advantage. Please, indicate, in comparison to your competitors, the extent to which you agree that your organization ethics affect its competitiveness.

ORGANIZATION ETHICS			**5** **SA**	**4** **A**	**3** **N**	**2** **DA**	**1** **SD**
Code of conduct	1	The existence of an anti-corruption policy gives this organization competitive advantage					
	2	Our firm publishes a social report and /or has an ethical audit					
	3	My company has an Ethics committee					
	4	My organization has corporate ethical values					
Organization Behaviour	1	Employees are trained on ethics					
	2	Unethical actions are punished					
	3	My company top management recognizes/rewards employees who behave ethically					
	4	When employees attend function in their official capacity they surrender the gifts they receive					

Section V: Organization Policies

This section covers the moderating effect of policies on association between social responsibility and competitive advantage. Please, indicate to what extent you agree that policies influence the relationship between social responsibility and competitive advantage of your firm.

		ORGANIZATION POLICIES	**5** **SA**	**4** **A**	**3** **N**	**2** **DA**	**1** **SD**
Organization culture	1	Company policies on CSR improve competitive advantage					
	2	Employees involve themselves in CSR to enhance competitive advantage					
	3	I make suggestions for improving the company's CSR policies and practices for competitive advantage					
	4	All employees know that the company undertakes CSR for competitive advantage					
	5	Policies that are used in our company enhance the image of the company and make it better than other companies.					
	6	Employees who practice CSR are rewarded by the organization					
Management Behaviour	1	The management endorses CSR policies for competitive advantage					
	2	Employees are involved in making suggestions to improve CSR policies and practices					
	3	Managers support CSR activities in the firm					
	4	Managers believe that CSR can improve the competitive advantage of the firm					
	5	CSR is seen as a strategic priority by the management					

Section VI: Competitive Advantage

This section covers organization's position of competitive advantage in comparison with its competitors. Please, indicate, in comparison to your competitors, the extent to which you agree with the following statements

COMPETITIVE ADVANTAGE			5 SA	4 A	3 N	2 DA	1 SD
Focus	1	Organization's focuses on employee ethical behaviour when serving customers is not easily substitutable					
	2	We concentrate on offering valuable and rare quality products					
	3	The superior competencies possessed by employees of my firm are not easily imitated and this enable the firm to outwit its competitors					
	4	My company controls a specific market share by offering a specialized service in this niche market					
	5	Our superior technological resources are costly to imitate					
	6	My company focuses on employee relations and wellbeing for greater productivity					
Differentiation	1	My firm possesses superior human resources that cannot be imitated.					
	2	The firm creates uniquely desirable products and services					
	3	We have unique product brands which are not easily duplicated					
	4	Our superior technological resources are not easily substituted					
	5	Other organizations envy our organization because of its unique resources					
	6	It is very difficult for other competitors to produce products whose quality and standards match our innovative products					
Cost leadership	1	My firm has the lowest cost of production in the industry					
	2	My company offers the cheapest credit facilities					
	3	The lowest interest rates charged by our company bars other companies from following suit					
	4	We have the lowest ratio of expenses to net profit which cannot be matched by others.					
	5	My company makes the highest profits because its costs of production are the lowest.					

Suggest any other factors in your organization that affect the competitive advantage of your organization

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Thank you for spending time telling us your views.

Appendix II: Course Work Completion Letter

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

KITALE CBD CAMPUS

P.O. BOX 3347 KITALE. TELEPHONE: 054-30800

Email: admin-kitale@jkuat.ac.ke, info-kitale@jkuat.ac.ke

Office of the Director, Kitale CBD Campus

REF: HD433-C008-1645/2013

DATE: 08TH NOV. 2016

TO WHOM IT MAY CONCERN

RE: PRISCA JEPKEMBOI CHOGE - HD433-C008-1645/13

The above named is a student at Jomo Kenyatta University of Agriculture and Technology, Kitale CBD Campus pursuing **PhD. in Business Administration**.

He has successfully completed the coursework and has proceeded to the field to collect data. The topic of her study is "Determinants of Strategic corporate social responsibility on organisation competitive advantage: a survey of the banking sector, Uasin Gishu County".

Please accord her the necessary assistance.

Yours faithfully

MR. PATRICK SICHANGI

DIRECTOR

pv

JKUAT is ISO 9001: 2008 Certified setting trends in Higher Education, Research and Innovation

Appendix III: Proposal Acceptance and Approval of Supervisors Letter

JOMO KENYATTA UNIVERSITY
OF
AGRICULTURE AND TECHNOLOGY
DIRECTOR, BOARD OF POSTGRADUATE STUDIES

P.O. BOX 62000
NAIROBI – 00200
KENYA
Email: director@bps.jkuat.ac.ke

TEL: 254-067-52711/52181-4
FAX: 254-067-52164/52030

REF: JKU/2/11/HD433-C008-1645/2013/2014

05TH OCTOBER, 2017

PRISCA JEPKEMBOI CHOGE
C/o KITALE CBD CAMPUS
JKUAT

Dear Ms. Jepkemboi,

RE: APPROVAL OF Ph.D. RESEARCH PROPOSAL AND OF SUPERVISORS

Kindly note that your Ph.D. research proposal entitled: **"EFFECT OF STRATEGIC INTERNAL CORPORATE SOCIAL RESPONSIBILITY ON ORGANIZATIONAL COMPETITIVE ADVANTAGE IN KENYA."** has been approved. The following are your approved supervisors:-

1. Prof. Gregory Namuonge
2. Dr. Elizabeth Nambuswa Makokha

PROF. MATHEW KINYANJUI
DIRECTOR, BOARD OF POSTGRADUATE STUDIES

Copy to: Dean, SEPM
/cm

JKUAT is ISO 9001:2008 certified
Setting Trends in Higher Education, Research and Innovation

Appendix IV: Research Authorization (NACOSTI)

NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION

Telephone +254-20-2213471,
2241349,3310571,2219420
Fax +254-20-318245,318249
Email dg@nacosti.go.ke
Website: www.nacosti.go.ke
when replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/16/60114/14820**

Date: **17th November, 2016**

Prisca Jepkemboi Choge
Jomo Kenyatta University of Agriculture
And Technology
P.O. Box 62000-00200
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "***Determinants of strategic corporate social responsibility on organization competitive advantage: A survey of the banking sector, Uasin-Gishu County,***" I am pleased to inform you that you have been authorized to undertake research in **Uasin-Gishu County** for the period ending **17th November, 2017.**

You are advised to report to **the County Commissioner and the County Director of Education, Uasin-Gishu County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Proceed
COUNTY COMMISSIONER
UASIN GISHU COUNTY

Copy to:

The County Commissioner
Uasin-Gishu County.

The County Director of Education
Usin-Gishu County.

National Commission for Science, Technology and Innovation is ISO 9001: 2008 Certified

Appendix V: Research Authorization (Ministry of Education)

REPUBLIC OF KENYA

MINISTRY OF EDUCATION

(State Department for Basic Education)

Telegrams: "**EDUCATION**", Eldoret
Telephone: **053-2063342** or **2031421/2**
Mobile : **0719 12 72 12/0732 260 280**
Email: [illegible]
When replying please quote:

Office of The County Director of Education,
Uasin Gishu County,
P.O. Box 9843-30100,
ELDORET.

Ref: No. MOE/UGC/TRN/9/VOL.2/253

Date: 28th November, 2016

Prisca Jepkemboi Choge
Jomo Kenyatta University of Agriculture and Technology
P.O Box 62000 - 00200
NAIROBI

RE: RESEARCH AUTHORIZATION

This office has received your letter requesting for an authority to allow you carry out a research on "***Determinants of strategic corporate social responsibility on organization competitive advantage: A survey of the banking sector, Uasin Gishu County.***"

We wish to inform you that the request has been granted for a period ending **17th November, 2017,** the authorities concerned are therefore requested to give you maximum support.

We take this opportunity to wish you well during this research.

Sammy K. Kagiri
COUNTY DIRECTOR OF EDUCATION
UASIN GISHU

SK/rl

Appendix VI: Research Clearance Permit (NACOSTI)

THIS IS TO CERTIFY THAT:
MS. PRISCA JEPKEMBOI CHOGE
of JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY, 2465-30100 ELDORET,has been permitted to conduct research in *Uasin-Gishu County*

on the topic: *DETERMINANTS OF STRATEGIC CORPORATE SOCIAL RESPONSIBILITY ON ORGANIZATION COMPETITIVE ADVANTAGE: A SURVEY OF THE BANKING SECTOR, UASIN-GISHU COUNTY*

for the period ending:
17th November,2017

Permit No : NACOSTI/P/16/60114/14820
Date Of Issue : 17th November,2016
Fee Recieved :Ksh 2000

Applicant's Signature

Director General
National Commission for Science, Technology & Innovation

CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit.
2. Government Officer will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one (1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice

REPUBLIC OF KENYA

National Commission for Science, Technology and Innovation

RESEACH CLEARANCE PERMIT

Serial No.A 11950

CONDITIONS: see back page