

Effect of Economic Responsibility on Community Engagement: A Study of Wings to Fly Equity Group Foundation in Nyamira County

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Abstract— This study sought to examine the effect of economic responsibility on community engagement by Wings to Fly Equity Group Foundation in Nyamira County. The study was guided by the stakeholder and Carroll's Pyramid of Corporate Social Responsibility Model theories. The study used a descriptive research design, and collected data from sample size of 133 participants drawn from the community members who had directly or indirectly benefitted from the program of Wings to Fly in the five sub-counties in Nyamira; Nyamira North, Nyamira South, Borabu, Masaba North, and Manga by Equity in Nyamira County. The data was analysed descriptively and through inferential statistics with findings presented in tables, graphs and charts. The findings revealed a positive correlation between economic responsibility and community engagement. While the community overwhelmingly appreciated the bank's presence and supported its projects, opinions varied on certain aspects of community engagement practices. The conclusions underscored the pivotal role of economic responsibility in shaping positive community engagement. Recommendations included having tailored community engaged strategies, sustainable economic empowerment programs, long-term commitment to CSR and a mandatory CSR reporting Standard.

Index Terms—Corporate Social Responsibility (CSR), Community Engagement, Equity Bank, Wings to Fly Program, Community Development.

1. Introduction

Corporate Social Responsibility (CSR) has emerged as a management principle through which businesses integrate ethical and environmental considerations into their operations and engagements with stakeholders (Omboto, 2014). The necessity for CSR initiatives has grown as corporations recognize the impact of their activities on various parties. Organizations are now seen as socially responsible to all involved stakeholders, though not required to meet all their expectations (Turker, 2008; O'Riordan & Fairbrass, 2008). Balancing the economic and social expectations of shareholders and governments is crucial for both societal and business success (Ocran, 2011). This balancing act is central to creating value, as a growing number of corporations prioritize environmental, ethical, and charitable concerns despite some reluctance due to perceived conflicts with profitability goals

(Jenkins, 2014).

Engaging with consumers and other partners while fostering inter-group collaboration can provide a competitive advantage for organizations (Agyei et al., 2020). Each stakeholder contributes to the focal firm's knowledge base, enhancing collaboration and interest (Oberoi, 2021). This approach leads to practices such as developing desirable products and services, creating attractive employment opportunities, maintaining beneficial supplier relationships, and being good community citizens. Corporations benefit from the goodwill associated with socially responsible behavior, often incorporating it into marketing campaigns. Given the benefits and costs of non-compliance, many corporations actively monitor and participate in CSR efforts (Lai et al., 2010).

Community engagement (CE) is a dynamic relational process that fosters communication, interaction, and involvement between an organization and stakeholders to achieve social and organizational outcomes (Johnston & Lane, 2018). CE seeks to dismantle power barriers, enable people to participate in issues affecting their lives, and express values of fairness, equality, accountability, and mutuality (Federation of Community Development Learning, 2009). It is not limited to Africa but is widely utilized in community-based projects globally, enhancing project sustainability, local knowledge integration, and community acceptance (Michener et al., 2012; Pratt et al., 2015). Effective community engagement increases information flow, community awareness, collaboration, and environmental justice, contributing to more successful and sustainable interventions (Muraguri, 2011; Witkin, 2004).

A. Statement of the Problem

The Constitution of Kenya mandates community engagement for both private and public organizations, requiring them to inform the community about the potential benefits and harms of proposed projects (Mbithi et al., 2018). Despite this, organizations often treat community engagement as a mere legal formality, resulting in communities becoming passive recipients rather than active participants in decision-making (USAID, 2018). Critics argue that corporate social responsibility (CSR) initiatives are primarily public relations

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strategies aimed at enhancing brand reputation rather than genuinely addressing community needs (Haltzhausen & Zerfass, 2015). However, CSR is also seen as a reciprocal relationship where businesses contribute to society to gain benefits in return (Odowu *et al.*, 2017). In the capitalist context, CSR aims to ensure responsible business practices that generate financial returns for shareholders and societal benefits through humanitarian actions (Smith, 2017). This study examines the impact of economic responsibility on community engagement, Equity Bank's Wings to Fly program.

Limited studies have been conducted on the impact of economic responsibility on community engagement. Kimani (2014), Wachuka (2016), Veronica and Rugami (2017) carried out studies on CSR and bank performance. None of the studies have looked at how economic responsibilities by banks affects community engagement. This study, therefore, filled this gap and added to the limited literature on the topic..

2. Theoretical Review

This study was based on stakeholder theory and Carroll's Four-part model of CSR.

A. Carroll's Pyramid of Corporate Social Responsibility Model

This model was pioneered by Archie Carroll in 1991 (Baker & Hart, 2008).

Carroll sees CSR as a multi-layered notion that can be broken down into four interconnected ideas; economic, legal, ethical, and philanthropic. These duties are presented in the form of tiers within a pyramid, and complete CSR accomplishment happens only when all four layers are satisfied in order (Jobber, 2007).

Baker, (2000) and Jobber, (2007) noted that a firm's primary purpose was to create products and services that customers desired while remaining as lucrative as feasible, using Carroll's model. Maintaining a strong competitive position, operating at high levels of efficiency and effectiveness, and aiming for continuously high levels of profitability are all economic obligations. The other three would be superfluous if economic duties were not met, as the company would go out of business.

Carroll holds that firms must pursue their economic obligations within the framework of the law when it comes to legal responsibilities. Laws are enforceable in the courts and represent society's ideals and norms. The desire to increase profits can occasionally clash with the law. As a result, meeting legal obligations is a crucial element of CSR (Jobber, 2007).

3. Literature Review

A. Economic Responsibility on Community Engagement

Economic spending component is an important responsibility to stakeholders for example customers, societies, and employees (Ramasamy & Yeung, 2009). This is fundamental for business growth (Shahin & Zairi, 2007). Previous studies, Lindgreen *et al.* (2009), Lantos (2002) and Swaen and Chumtaz (2008) have revealed that economic spending responsibilities are done through producing quality products

and services for customers with reasonable prices and providing good jobs for employees.

When a company or institution engages in activities that benefit both the society in which it operates and the company as a whole, it is referred to as corporate social responsibility (Khanifar *et al.*, 2012). CSR operates on four levels of accountability: economic, legal, ethical, and philanthropic, which must all be met in order of priority. Economic responsibilities include making a profit, providing good and safe working conditions, and providing quality products; legal responsibilities include following the law; ethical responsibilities include doing what is right beyond the law by conducting their businesses in a just, accountable, and transparent manner; and philanthropic responsibilities include voluntarily supporting society by contributing resources to improve their well-being (Chebet & Muturi, 2018).

The economic spending dimension considers the direct and indirect economic spending impacts that the organization's operations have on the surrounding community and the company's stakeholders. That is what makes up corporate economic spending responsibility (Uddin, 2008). Economic spending responsibility activities fuel the local service industry, government programs and community activities. This multiplier effect becomes all the more important if the company is one of the largest employers in the communities.

The economic spending aspects of CSR consist of understanding the economic spending impacts of the company's operations. Economic spending issues have long been overlooked in the discussion on corporate social responsibility. For many years, the aspect has been widely assumed to be well managed. It is, however, the least understood by many of those shaping the corporate and public policy agendas and underrepresented by the corporate responsibility agenda.

The main concern of a business is to make profits. Traditionally this was the main concern of a given business organization. The owners of a concern are also interested in getting value for their investments. The profit motive acts as the basis for expanding the firms' activities, remunerating the workforce, and providing other services to both the employees and the customers (Saleemi, 2010). A firm which has high profits *i.e.* favourable economic spending conditions is more likely to engage in social activities. The economic spending perspective of the firm is the main determinant of whether or not a business should undertake CSR, and the forms that should be adopted. According to the neo-classical view, the firm is responsible for the provision of employment and payment of taxes, thus forming the basis of acting in a socially responsible manner.

4. Research Methodology

A. Research Design

This study employed a mixed research design using both qualitative and quantitative approaches. The qualitative approach used the descriptive survey research design while the quantitative approach helped collect and analyze numerical data

B. Sampling Frame

Given that it was hard for the researcher to access the entire population; a sampling frame helped to ensure that all elements were well represented in the chosen sample. The sampling frame was a list of the beneficiaries of the Wings to Fly program in Nyamira County. The list of beneficiaries was obtained from the local Chief's office and the Equity Bank Wings to Fly reports.

C. Sample Size

Proportionate stratified sampling techniques were used to sample the 133 respondents for the questionnaire of this study.

Table 1
Sampling frame

Sub-County	Population	Beneficiaries
Borabu	73,167	37
Manga	94,209	40
Masaba	111,860	36
Nyamira North	167,267	42
Nyamira South	159,073	45
Total	605,576	200

Every stratum had members of the same characteristics. The researcher then was able to pick, randomly, from every stratum and form a sample size for the study. This technique helped to sample the population in the five sub-counties in Nyamira County. Subjects were then proportionally selected from different strata (sub-counties). This sampling technique enabled the researcher to select samples in smaller groups from the population. The researcher used Yamane (1973) formulae to determine the sample size.

Using Yamane (1973) formulae,

$$n = N / (1 + N * e^2)$$

Where;

n = sample size

N = the population size

e = the acceptable sampling error (5%) at 95% confidence level

Thus

$$n = 200 / (1 + 200 * 0.05^2)$$

$$n = 133$$

The population was proportionally be picked from each sub-county as shown in table 2 using proportionate stratified sampling technique.

Table 2
Sample Size

Sub-County	Population	Beneficiaries	Sample
Borabu	73,167	37	16
Manga	94,209	40	21
Masaba	111,860	36	25
Nyamira North	167,267	42	37
Nyamira South	159,073	45	35
Total	605,576	200	133

D. Data Collection Methods and Instruments

The data collection was aided by the use of questionnaires and interviews. Questionnaires were structured with both open-

and closed-ended questions. The open-ended questions were used to elicit the respondents' feelings towards the subject under investigation, while the closed-ended questions helped limit the respondents in giving their answers in a precise manner (Gupta & Gupta, 2009). The questionnaires were administered to the direct beneficiaries of the Wings to Fly program and their parents or guardians. The questionnaires were self-administered based on drop and pick-up later for three days. This gave enough time for the respondents to answer the questionnaires appropriately. In instances where there were respondents who couldn't read and/or write, questionnaires were administered in the form of an interview.

The researcher also used semi-structured interviews to carry out the study. The interviews were mainly used to collect qualitative data from parents or guardians of the Wings to Fly beneficiaries. Open-ended questions were used to elicit detailed responses, capturing nuanced insights about the impact of the program on individuals, families, and the community.

E. Data Collection Procedures and Ethical Considerations

The researcher obtained authority to conduct the study from the University. This was followed by a research permit from the National Commission for Science, Technology, and Innovation. Five data research assistants were recruited, one for each sub-county, to help in the collection of data from every sub-county. The researcher then trained the assistants on data collection before embarking on data collection. Respondents were informed about the aim of the study and how the data they provided would be used.

The research assistants physically delivered the questionnaires to participants and also helped them understand their requirements. In instances where there were respondents who couldn't read and/or write, questionnaires were administered in the form of an interview. The research adhered to all ethical standards in the course of the study by protecting the sources of the information which were critical and sensitive. The anonymity of the respondents was maintained, and the researcher ensured that the data would not leak to be used in other activities apart from the research.

F. Data Analysis and Presentation

After the data was gathered, it was edited to find and remedy mistakes and omissions. Coding came next, in which the surveys were allocated numbers to classify responses into a restricted number of categories. The classification was then performed to reduce raw data into homogeneous groups to get meaningful associations. The data was keyed into a spreadsheet and then analyzed using SPSS version 21. The analysis included both descriptive and inferential statistics, with the findings provided in tabular and graph form. This was followed by interpretation and discussion.

Qualitative data was obtained through interviews was coded and analyzed for themes. There were six steps in analyzing and interpreting qualitative data: (1) organizing and preparing the data for analysis by transcribing data, (2) reading through all the data to get a general sense of the information and reflecting on its overall meaning, (3) coding all the data into relevant

themes and sub-themes, (4) coding to generate a description of the setting or participants as well as categories and themes of analysis, (5) making a decision on how the description and themes would be presented in a narrative, and (6) making an interpretation of the results by finding the lessons that had been learned.

5. Results

A. Demographic Information of Respondents

The data analysis in table 3 revealed the distribution of participants across different age groups, with 15 years old being the most represented (26.6%), closely followed by 17 years old (22.7%). The cumulative percent indicated that, 90.6% of the total participants were covered. The older age groups, 18 and 19 years old, contributed to the remaining 9.4%. Overall, the data provided insights into the age composition of the sample, showcasing a progressive decrease in participant numbers in the older age categories, with 18 and 19-year-olds comprising 9.4% of the total sample size.

B. Effect of Economic Responsibility on Community Engagement by Wings to Fly Equity Group Foundation in Nyamira County

The research sought to know the effect of economic responsibility on community engagement by the bank. A Likert Scale was used to collect data from the respondents. The following results in table 4 were obtained.

The obtained results in table 4 reveal a highly positive community perception of how economic responsibility initiatives by Wings to Fly Equity Group Foundation in Nyamira County might impact product extensions and market penetration. Respondents, on average, express a strong

agreement that the bank's efforts in educating the community on entrepreneurship and business development (mean=4.00, std deviation=1.042) are positively perceived. Similarly, there is a high level of agreement regarding the bank's role in helping community members identify and create business opportunities (mean=4.16, std deviation=0.894). Furthermore, the provision of tailored loans to community members (mean=4.28, std deviation=0.996), the bank's arrangements with local businesses to foster growth (mean=4.27, std deviation=0.951), and the accessibility of loans for local businesses (mean=4.30, std deviation=0.993) are all highly positively perceived. The overall positive perceptions suggest that Wings to Fly Equity Group Foundation's economic responsibility initiatives are well-received by the community, fostering positive attitudes towards business development, entrepreneurship, and market expansion. These findings align with the concept that a socially responsible approach to economic development can create a mutually beneficial relationship between businesses and the communities they serve.

The interview responses revealed that Wings to Fly's economic responsibility initiatives positively influenced the community's engagement and economic well-being. 20 respondents remarked, "...the Bank has made efforts to ensure that the sponsored students are also economically empowered." This was noted as having taken place through the bank ensuring that at the completion of the studies, the students get employment. These responses harmonize with the descriptive findings, which portray how economic responsibility acts as a catalyst for community engagement by fostering economic empowerment.

Further, the obtained results reveal a highly positive community perception of how economic responsibility initiatives by Wings to Fly Equity Group Foundation in

Table 3

Demographic information of respondents					
Age	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	13	2	1.6	1.6	1.6
	14	23	18.0	18.0	19.5
	15	34	26.6	26.6	46.1
	16	28	21.9	21.9	68.0
	17	29	22.7	22.7	90.6
	18	9	7.0	7.0	97.7
	19	3	2.3	2.3	100.0
Total	128	100.0	100.0		

Table 4

Effect of economic responsibility on community engagement

	N	Mean	Std. Deviation
The bank educates the community members on entrepreneurship and business development	128	4.00	1.042
The bank helps the community members identify existing/create business opportunities	128	4.16	.894
The bank offers tailored made loans to the community members	128	4.28	.996
The bank makes arrangements with local businesses to help them grow	128	4.27	.951
Local businesses can easily get loans from the bank	128	4.30	.993
Valid N (listwise)	128		

Table 5

Correlation Analysis

		Bank Economic Responsibility	Community Engagement
Bank Economic Responsibility	Pearson Correlation		
	N	128	
Community Engagement	Pearson Correlation	.693**	
	Sig. (2-tailed)	.000	
	N	128	128

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

Nyamira County might impact product extensions and market penetration. Respondents, on average, express a strong agreement that the bank's efforts in educating the community on entrepreneurship and business development are positively perceived. This concurs with Kipruto (2014), who noted that, highly profitable institutions have long invested heavily in CSR activities, whereas those that have always reported losses regard CSR as an unnecessary expense.

C. Correlation between Economic Responsibility and Community Engagement by Wings to Fly Equity Group Foundation in Nyamira County

The researcher to find out how the bank's economic responsibility correlate with the engagement of Nyamira County. The findings are shown in table 5.

The results in table 5 reveal a strong and highly significant positive correlation (Pearson Correlation = 0.693, $p = 0.000$, $N = 128$). This finding suggests a robust positive relationship between the level of economic responsibility demonstrated by the bank and the degree of community engagement. The correlation coefficient of 0.693 indicates that as economic responsibility increases, there is a substantial tendency for community engagement to also increase. The significance level of 0.01 (2-tailed) underscores the robustness of this correlation, indicating an extremely low likelihood that the observed relationship is due to chance. This result implies that the bank's commitment to economic responsibility plays a pivotal role in fostering a high degree of positive community engagement within the study context.

6. Conclusion

There is a strong appreciation for the Wings to Fly Equity Group Foundation's CSR initiatives in Nyamira County, with respondents expressing high satisfaction with the bank's presence and support for its projects. Economic Responsibility emerges as a cornerstone of the community's positive perception, with strong agreement on the bank's role in entrepreneurship education, business development, and providing tailored financial support. The correlation further illuminates the substantial positive impact of economic responsibility on community engagement. Interviews align with survey results, showcasing the tangible benefits experienced by community members through the bank's initiatives like affordable loans, business education and empowering the Wings to Fly Program beneficiaries to get employment.

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