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The Effect of Ethical Corporate Social Responsibility on Consumer Identification in Safaricom Limited Company: A Case of Kajiado County

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Abstract
Studies on the determinants of Corporate Social Responsibility (CSR) have identified several factors like economic, philanthropic, ethical and legal. Little is known about consumer identification with these factors more so with the ethical factor. Furthermore these relationships have lacked evidence on consumer's ability to appreciate these programs, which may well depend on consumers personality trait, the surface trait that affect their everyday choices. To fill this gap the study hypothesizes that Ethical CSR has no significant effect on Consumer Identification. Personality trait may also not moderate the above relationship hypothesized. The world business council (2000) looks at ethics and economic issues, in that majority of the council members are concentrating on economic development in emerging nations, CSR is therefore focusing on development agendas. Sustainability is seen as a replacement of CSR in the world commission on environment and development report, where CSR is defined as a term to mean that the needs of the present generation are satisfied as well as the protection of the future generations needs. Marrewijk, (2003) argues that a debate among consultants, academicians and corporate executives, on the definition of CSR is a more humane, ethical and a transparent way of looking at issues in the organization. These individuals have coined concepts such as sustainable development, corporate citizenship, sustainable entrepreneurship, triple bottom line, business ethics and corporate social responsibility. This study sought to establish the effect of ethical corporate social responsibility on Consumer identification among Safaricom Company limited n Kajiado County. Cluster sampling was used to obtain a sample size of 325 respondents who were used in the data collection procedure by use of administering questionnaires. The study found out that there was a strong positive correlation between ethical CSR and consumer identification rejecting the applied Hypothesis.
Keywords: ethical corporate social responsibility, consumer identification, Safaricom limited, ethics, stakeholder.

Introduction

The word ethics comes from the Greek word ethos which means character or custom. The study of ethics is recognized as the study of morality. Thus CSR is looked at as a moral agent, ethics is also seen as a driver of stakeholder interest, and it is instrumental in underpinning of CSR programs (Dimitriades, 2007).

The meaning of ethics is very ambiguous to non-philosophical academicians, corporate world and others who look to the meaning in the branch of philosophy called ethics. Ethics is interwoven at various stages of a human life. Ethics is also interwoven with morality (Jayanthi, et. al., 2013). Majority of MNC (Multi National Corporations) contradict ethical and legal practices incorporated in their CSR programs, these corporations interpret the grey areas to accommodate their interest purposes, whims and caprices at the detrimental of sustainable development. This at times end up backfiring on them, looking at corporations such as Enron, MacDonalds and Shell. Unethical behavior such as cheating, greed and deceit on the executives' part is a main cause of their collapse. Academic debate since the 1930 has looked at US companies as entities that owe society and shareholders at large, this is known as a traditional model. Developing countries and developed countries are facing different challenges in terms of CSR; developing countries are poor, lack social amenities, philanthropic aspects are lacking and ethical issues are not given a lot of attention while legal and ethical CSR are more prone in the US and UK, these countries therefore insist on consumer protection, fair trade, green marketing, climatic changes and social responsibility investment. (IKejiaku, 2012).

Bhattacharya and Elsbach (2002), argue that disidentification occurs when conflict between the attributes of the stakeholder and the firm are present in a situation. Consumers are most likely to identify with a firm whose programs are most conspicuous or remarkably positive to consumer identity and this may take the shape of CSR activities in the firm. Furthermore, identity is well seen when in-group or out-group is distinct and this becomes clearer when a firm is targeting a particular group, in its CSR programs and activities whether positive, negative or indifferent across consumers thereby suggesting that identification to social goods are all different. Conceptually, social norms have a characteristic of perceptions on the character and content of particular social sentiment, whereas personal norm is one's belief system. This in effect is the argument in the social identity theory which was originally developed to explain the cognitive and motivational basis of intergroup differences. This theory that was developed by Tajfel and Turner (1979) to understand the psychological basis of intergroup discrimination and tried to identify the minimum conditions that would indeed prompt members of one group to discriminate in favor of the in-group which one belonged as opposed to another out-group. The basic assumption was that an individual has several selves, and different social concepts trigger people's individual self concept that could be triggered from the membership of a particular group.

Branco and Rodrigues (2007) look at pure profit making view and agree that business people have a low set of moral standards and an amount of dishonesty is acceptable. These authors draw comparison of business ethics to a poker game. Accordingly business should make profit as long as the rules of the game are legally set up. However authors have diluted this view to mean that shareholder value maximization is just one of the objectives as well as social responsibility by organizations. , some of these authors argue that to engage in more than one objective brings confusion to decision makers. They therefore draw a difference between the primary and the secondary stakeholders, the primary stakeholders are those without which corporation cannot do without, while secondary are those organizations can do without.

Olu-Owolab (2009) argues that CSR is a balance between short term economic egos and altruism of ethics, the author alludes to the fact that CSR should show interest in stakeholders, employees, the host community and the entire humanity in general. Organizations therefore should evaluate what they do to stakeholders to ensure that employees are treated fairly, transparently and honestly between shareholder and manager relationships, donations to charity, serious environmental issues in order to sustain intergenerational equity. Correct tax payment by corporations; honest and transparent declaration of stocks, adequate disclosure of information on safety and hazardous products to consumers.

Accordingly Freeman (1998) advocated for the rights of stakeholders, the people living within the area of operation are individuals or groups who benefit or are harmed or whose rights could be violated by the corporations. This study looked at ethical issues as a moral norm and that is in a standard way in which individuals should behave, according to philosophers of the exchange theory norms are compelled to behave reciprocally.

Materials and Methods

The study was carried out in Kajiado County covering the seven administrative divisions of central, Loitokitok, Magadi, Mashuru, Namanga and Ngong divison. The study used the explanatory survey design; that minimizes biasness and gives an opportunity for probability sampling. Manoj and Varun (1998) agree that explanatory survey can be done to explain hypothesized relationships.

The population of Safaricom clients in Kajiado County was the target population. Cluster sampling was applied, as it provides a practical sampling frame. A sample size of 325 was therefore used. Primary data was collected from sampled Safaricom clients who were teachers of primary schools in Kajiado County. The secondary data was obtained from internet, journals, library and the organization's published work.

Questionnaires were administered to all those Safaricom clients included in the sample. The choice of this instrument allowed the study objective to be attained.

Results

Pearson two- tailed correlation statistic was used to correlate the variables that relate to Corporate Social Responsibility. These variables included economic, philanthropic, ethical and legal factors, one (ethical) of which was the major consideration for this study. The results indicated that predictor variables in the study were significant as shown in table 1. The associated variables were significant at 0.01 and 0.05 levels; all the direct hypothesized relationship developed was found to be statistically significant at level $p< 0.01$. In other words, ECONC ($r= .273$, $p<0.01$,), PHILC($r= .425$, $p<0.01$), ETHC ($r= .445$, $p<0.01$) and LEGC ($r= .405$, $p<0.01$) were correlated to consumer identification significantly and positively. The highest correlation coefficient was 0.517 as shown in table 1.

Table 1: Correlation

	ECONC	PHILC	ETHC	LEGC	PCT	SEET	SEFT	MACT	CONID
ECONC	1								
PHILC	.459**	1							
ETHC	.406 **	. 489 **	1						
LEGC	.364 **	.501 **	.517 **	1					
PCT	-.079	-.001	.052	.039	1				
SEET	.319**	.264 **	.297 **	.323**	-.009	1			
SEFT	.168**	.232**	.279 **	.344**	.193**	.310 **	1		
MACT	.115*	.139*	.201 **	.201**	.359**	.253 **.	.346**	1	
CONID	.273**	.425**	.445 **	.405*	.079	. 224 *.	189 **	.149**	1

** Correlation is significant at 0.01 level (2-tailed):
* Correlation is significant at 0.05 level (2-tailed

Note: CONID – Consumer Identification,
ECONC – Economic CSR
ETHC- Ethical CSR
PHILC- Philanthropic CSR
LEGC- Legal CSR
PCT- Perceived Control
SEET- Self Esteem
SEFT- Self Efficacy
MACT- Machiavellianism

Conceptual Model key Effects on Hypotheses

H_{01}: Ethical CSR has no significant effect on Consumer Identification.

Multiple regression was used to test the hypotheses. According to Hair *et al.* (2006) multiple regression is used to analyze a single dependent variable and various independent variable. This method was selected as an appropriate method for this study.

Five models were used to test hypothesis with Model 4 representing the ethical CSR as shown in table 2 below, the coefficient of determination R^2 change .065, therefore ethical CSR explained 6.5% variation in consumer identification. This was significant at 95% confidence level. The null hypothesis was therefore rejected.

Table 2: Model Summary Main Effect

Model	1	2	3	4	5
	Control	**Economic**	**Philanthropic**	**Ethical**	**Legal**
R .	.158	.319	.464	.529	.543
R^2	.025	.102	.215	.280	.295
Adjusted R^2	.010	.085	.198	.262	.275
Std. error of Estimate	10.652	10.239	9.5864	9.195	9.1168
R^2 Change	.025	.077	.113	.065	.014
F change	1.630	27.223	45.806	28.544	6.461
Df1	5	1	1	1	1
Df2	319	318	317	316	315
Sig F Change	.152	.000	.000	.000	.012

Source: Research (2014)

Discussion

This study sought to establish the effect of ethical CSR on consumer identification based on the hypothesis that Ethical CSR has no significant effect on consumer identification. Ethical CSR is indications that correct disclosure of information about the organizations products are sufficient and correct. Consumer rights are protected by clear warning of hazardous goods. The study found out that ethical CSR has an effect on consumer identification. There was a positive significant relationship between the predictor and the criterion variable. The null hypothesis was found to be significant when tested at 95% confidence level for ANOVA implying that the model was fit. The R^2 change was 0.065 and significant at 95% confidence level. Therefore the null hypothesis was rejected. This study concluded that ethical CSR significantly contributes to consumer identification. Prior studies have been supported, according to Maignan (2005) and Jamali (2008) an individual business is considered responsible towards other stakes that they interrelate, Ethical responsibility is not written in the law books but members of society respecting one another as citizens of the universe and a human rights issue. The stakeholder theory is supported by this study. The duty of care ought to be extended to the local communities. Social identity theory allows individuals to position themselves in their social environment. Social identification is therefore bearing in mind that members of a social group, individuals identify themselves with these groups. They indeed partially belong to these groups (Perez, 2009). This theory has been supported by the study.

The study found out that there was a strong positive correlation between ethical CSR and consumer identification (Table 1). Previous studies found out that consumers relating positively to higher levels of CSR (Visser, 2006). On the introduction of personality traits as a moderator in this relationship, self esteem personality trait was found to moderate the relationship. The other personality traits did not moderate this relationship.

Conclusion

The study objective was to establish the effect of ethical CSR on consumer identification. The study results indicated a very strong correlation between ethical CSR and consumer identification (Table 2). The study agrees with the findings of (Okeahalam, 2004; Ikejiaku, 2012) that organizations that ignore ethical issues are doing so at their own peril, unethical behavior such as cheating, greed cause collapse of companies. Organizations will be evaluated between short term economic egos and unselfishness of ethics. The results of regression indicated a very strong significant effect on the relationship between ethical CSR and consumer identification.

Recommendation

Consumers should be exposed to different dimensions of CSR programs besides the ethical in order to achieve maximum return on their CSR strategies. Organizations should try to maintain a personalized and very close relationship with their consumers through CSR programs. Consumer that closely identify with an organization will act as agents of that organization and will spread positive word of mouth about the company and its products, in the process therefore recruiting customer.

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