

IMPACTS OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ON FIRM REPUTATION OF RABAI POWER LIMITED COMPANY, KENYA

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Abstract

As businesses face growing expectations to contribute to societal well-being, Corporate Social Responsibility has emerged as a pivotal strategy for building corporate reputation and advancing sustainable community development. This study examines the social impacts of Corporate Social Responsibility (CSR) activities implemented by Rabai Power Company (RPC) between 2018 and 2024 and evaluates their influence on corporate reputation among key stakeholders. A descriptive research design was employed, targeting community members, local leaders, employees, and government representatives within Rabai Sub-County. From a population of 200 stakeholders, a sample of 120 was selected through purposive and stratified sampling. Data were collected using document analysis, semi-structured interviews, and secondary reports, and analysed through thematic analysis and descriptive statistics. Findings revealed that CSR interventions in education, health and safety, water provision, employment, and community engagement improved school infrastructure, enhanced health services, expanded water access, and created employment opportunities. These outcomes contributed to poverty reduction, strengthened community integration, and enhanced stakeholder trust and collaboration, thereby boosting RPC's corporate reputation. The study concludes that well-structured CSR strategies foster mutual benefits for corporations and communities. Recommendations include developing an Environmental, Social, and Governance (ESG) policy aligned with the United Nations Sustainable Development Goals (SDGs) and enhancing sustainability mechanisms for completed projects.

Keywords: Corporate Social Responsibility, Social Impact, Firm Reputation, Stakeholders

INTRODUCTION

Corporate Social Responsibility has evolved into a strategic imperative for modern businesses seeking to align their operations with societal expectations and enhance long-term sustainability. Globally, CSR encompasses activities through which firms integrate social, environmental, and ethical concerns into their business models while pursuing economic growth. In developed economies, CSR is increasingly tied to stakeholder engagement, environmental stewardship, and transparent governance, which have proven instrumental in shaping corporate reputation and stakeholder trust. In Africa, CSR is gaining significance as private enterprises are called upon to address persistent socio-economic challenges, including poverty, inadequate infrastructure, and limited access to education and health services. However, the implementation of CSR in developing economies often faces challenges of alignment, transparency, and sustainability. Stakeholder expectations in such contexts are typically high, and the perceived success of CSR initiatives depends on their ability to deliver long-term social value and foster community trust.

In many developing countries, including Kenya, CSR is often implemented in contexts marked by socio-economic inequalities, limited infrastructure, and heightened community expectations. In such environments, CSR serves both as a tool for corporate legitimacy and as a vehicle for addressing critical social needs. Despite this, debates persist over whether CSR initiatives in these regions deliver meaningful and sustainable impacts or merely serve as token gestures to appease stakeholders. In Kenya's energy sector, companies are under increasing scrutiny due to their environmental footprint, land use implications, and their direct interaction with host communities. Rabai Power Company (RPC) play a significant role in Kenya's energy sector and is expected to contribute to local development through well-structured and targeted CSR initiatives. These include investments in education, healthcare, infrastructure, youth empowerment, and local enterprise support. However, the effectiveness of these activities is often debated, as the mere existence of CSR programs does not guarantee positive stakeholder perceptions or improved corporate reputation. Rabai Power Company (RPC), a significant player in this sector, allocates approximately KES 15 million annually for CSR projects targeting education, healthcare, infrastructure, youth empowerment, and water access. Between 2018 and 2024, the company successfully executed 35 projects, directly benefiting over 3,000 community members. Despite these efforts, there remains limited empirical evidence on how such initiatives influence stakeholder perceptions or enhance the company's corporate reputation. The problem arises from the disconnect between the scale of CSR investments and the persistence of community dissatisfaction, mistrust, and allegations of superficial engagement. Many energy companies in Kenya face similar challenges where the success of CSR is judged less by the financial resources committed and more by the alignment with community priorities, inclusivity, transparency, and the sustainability of outcomes.

Rabai Power Company is a trusted partner in development of the local Community and the Region at large, it continually supports education, water and health projects within the Rabai community of Kenya with an initial emphasis on education. With a yearly budget of approximately KES 15 million set aside for CSR Activities, Rabai Power Company has successfully accomplished 35 projects that benefited over 3000 locals directly. However, an analysis of the impact of the CSR activities on sustainable community development and corporate reputation still lacks attention. This shows an evident need of elaboration on such issues as CSR and corporate reputation. The study is anchored on the premise that a firm's reputation is not built solely on its financial performance or operational output but is increasingly tied to its ability to respond to community needs, engage stakeholders in decision-making, and maintain transparency in its social initiatives. This is especially critical in regions where socio-economic expectations from corporate entities are high, and historical underdevelopment demands active participation of the private sector in social upliftment. This study focuses on examining the social impacts of CSR activities implemented by Rabai Power Company between 2018 to 2024 and how these impacts influence the firm's reputation among its key stakeholders, including host communities, employees, and local leaders. By exploring this relationship, the study aims to provide actionable insights into how CSR can be designed and communicated to yield meaningful reputational benefits and long-term trust.

Despite the increasing implementation of Corporate Social Responsibility activities by energy companies in Kenya, the actual impact of these initiatives on corporate reputation remains insufficiently understood. Many firms allocate substantial resources to CSR but face persistent reputational challenges, including community dissatisfaction, mistrust, and allegations of superficial engagement. This is particularly evident in regions with high socio-economic expectations, where the success of CSR is judged not only by the amount spent but also by its alignment with local needs, transparency, inclusivity, and lasting social outcomes. Rabai Power Company has implemented various CSR activities over the years, including and not limited to education support, health initiatives, and infrastructure development. However, these activities have not been documented and there is limited empirical evidence on whether these initiatives have been translated into improved stakeholder perceptions or enhanced trust in the company. Therefore, a critical gap exists in understanding how the social impacts of CSR activities influence corporate reputation in the Kenyan energy sector. As such the current study intended to examine the impact of corporate social responsibility activities on firm reputation of Rabai power limited company, Kenya.

METHODOLOGY

The study employed a descriptive research design, which facilitated the systematic collection and analysis of both qualitative and quantitative data to assess the social impacts of Rabai Power Company's Corporate Social Responsibility activities on community welfare and corporate reputation. The descriptive design was deemed appropriate because it allowed the researcher to obtain detailed information about existing CSR interventions and their perceived outcomes without manipulating any variables. While the study incorporated elements of both qualitative and quantitative approaches, it remained fundamentally descriptive in nature, focusing on documenting and interpreting existing phenomena.

The target population comprised stakeholders directly and indirectly impacted by Rabai Power Company's Corporate Social Responsibility initiatives between 2018 and 2024. These included school administrators, teachers, students, healthcare professionals, local community leaders, government representatives, and company CSR managers. The total estimated population was 200 individuals drawn from Rabai Sub-County, where the CSR interventions were implemented.

A sample size of 120 respondents was selected to ensure representativeness and data adequacy. Purposive sampling was employed to identify stakeholders with direct knowledge of CSR interventions, such as school heads and healthcare facility managers, while stratified sampling ensured proportional representation from each stakeholder category, including education, health, water, and community sectors.

Data were collected using three primary tools: Document analysis of company CSR reports, government records, and project documentation; secondary data review from educational

institutions, healthcare facilities, and company human resource records to quantify the reach of interventions; and semi-structured interviews to capture qualitative stakeholder feedback. These tools provided both contextual and experiential data for a comprehensive analysis.

Quantitative data from secondary records were analyzed using descriptive statistics (frequencies, percentages, and averages) to illustrate the scale and impact of CSR activities. Qualitative data from interviews were subjected to thematic content analysis, enabling the identification of recurring themes, stakeholder sentiments, and perceived impacts on corporate reputation and community welfare.

RESULTS

Background Characteristics of Respondents

The study sought to examine the demographic characteristics of the respondents. The characteristics examined included the following: gender distribution, stakeholder group and age bracket.

With Regards to gender distribution, more than a half (58.3%) of the respondents were male, while 41.7% of them were female.

By stakeholder group, 16.7% were school administrators, 15.0% were teachers, 18.3% were students, 12.5% were healthcare professionals, 20.8% were local leaders, 8.3% were company CSR managers, and 8.3% were government representatives.

In terms of age, 25.0% of the respondents were aged 18–30 years, 37.5% were aged 31–40 years, 25.0% were aged 41–50 years, while 12.5% were 51 years and above.

Social Impacts of CSR Activities on Firm Reputation

The study sought to determine how RPC's CSR activities across five domains education, health and safety, water provision, employment, and community engagement affected its corporate reputation among stakeholders. Quantitative findings are summarized in Table 1.

Table 1

Perceived Impact of CSR Activities on RPC's Reputation (N = 120)

CSR Domain	High Impact (%)	Moderate Impact (%)	Low Impact (%)
Education	85.0	12.5	2.5
Health & Safety	78.3	15.8	5.9
Water Provision	73.3	20.0	6.7
Employment	80.8	14.2	5.0
Community Engagement	82.5	12.5	5.0

Note. High impact = greatly improved RPC's reputation; Moderate impact = somewhat improved; Low impact = minimal or no impact.

The study revealed that CSR activities had varying effects on RPC's corporate reputation across different domains. In education, 85.0% of respondents perceived a high impact, 12.5% reported a moderate impact, while 2.5% indicated a low impact. Qualitative findings reinforced these results, with a school administrator stating:

...The construction of the ICT lab and classroom blocks has transformed our school's learning environment and strengthened our relationship with RPC. Such investments in education were recognized as critical drivers of RPC's positive image within the Rabai community and beyond (KII 1).

In the domain of health and safety, 78.3% of respondents perceived a high impact, 15.8% a moderate impact, and 5.9% a low impact. Qualitative evidence supported these findings through testimonies highlighting the construction of a new ward and diagnostic laboratory at Rabai Hospital. The matron of the hospital explained that these facilities upgraded the hospital to a Level 3 sub-county facility, reducing referrals to Mariakani or Mombasa and improving access to essential services. A healthcare professional further remarked:

With the new diagnostic lab and 20-bed ward, patients no longer travel to Mombasa for basic tests. This has enhanced our trust in the company's commitment to our welfare (KII 3).

Water provision also demonstrated strong influence, with 73.3% of stakeholders reporting a high impact, 20.0% a moderate impact, and 6.7% a low impact. Beyond the quantitative data, qualitative feedback indicated that RPC's water initiatives were highly valued, with community leaders highlighting improved trust and visibility of the company through "sponsorship of sports events, fencing of communal cemeteries, and regular advisory meetings." These projects not only addressed pressing community needs but also elevated RPC's visibility and reputation.

Employment-related CSR activities were also well-received, with 80.8% reporting a high impact, 14.2% a moderate impact, and 5.0% a low impact. Stakeholders highlighted that RPC's engagement in employment creation was associated with increased attendance and positive endorsements during community and stakeholder meetings. Local leaders acknowledged that "RPC's initiatives have attracted additional support from other companies, non-governmental organizations (NGOs), and Kilifi County Government to complement ongoing community development programs." A school administrator similarly remarked: "As a result of Rabai Power's initiative, other companies, NGOs, and Kilifi County have joined hands to support our community."

Community engagement emerged as another critical domain, with 82.5% of respondents perceiving a high impact, 12.5% a moderate impact, and 5.0% a low impact. Qualitative testimonies confirmed this perception, with evidence of appreciation letters received from schools, hospitals, and local leaders recognizing RPC's contributions to social development. Testimonials from healthcare beneficiaries further reinforced this finding. For instance, a patient at Rabai Hospital stated:

The services at Rabai Hospital have improved because of Rabai Power Company's efforts. Such endorsements illustrate the company's growing trust and credibility among key stakeholders (KII 5).

DISCUSSION

The story that emerges from this study is not simply that Rabai Power Company invested in education, health, water, and jobs. It is that each of these investments leaned on the others to create a ripple effect of change. For example, when water points were installed, women and children were relieved of the heavy task of walking long distances to fetch water. That single change had direct effects on education, because girls could remain in school more consistently, and indirect effects on health, because families were less exposed to waterborne diseases. Geere and Cortobius (2017) note that time spent fetching water is not just lost time, it is lost opportunity, especially for women and girls. In the same way, Gross et al. (2021) show that hours saved from water collection can translate into meaningful social gains. This linkage helps us see why community members not only appreciated the water projects but also associated them with wider improvements in their lives.

Education, in turn, connected directly back to health and employment. Classrooms and ICT resources did more than provide learning spaces; they gave children tools for navigating the future. When schools are supported with resources and when attendance is made possible by improvements in health and water, learning outcomes naturally rise. Evans and Popova (2016) have shown that physical inputs in schools are closely tied to achievement. What was striking in

this study is how RPC's educational support was not done in isolation. For example, the provision of digital storybooks with health content created a natural bridge between what children were learning and how they lived, demonstrating that knowledge about nutrition, hygiene, and safety could be reinforced in class. This blending of health and education explains why parents spoke about the company in terms of both learning and wellbeing.

The health projects themselves added another layer to this web. With a diagnostic lab and additional wards, families no longer needed to travel long distances for basic care. Healthier children stayed in school; healthier adults could take up employment opportunities. This mirrors Jamali and Karam's (2018) argument that corporate health interventions enhance not only trust but also the community's human capital. The boda boda safety trainings went further, recognizing that safety is part of health, and that young people who are safe on the roads are more likely to remain engaged in both education and employment.

Employment provided perhaps the clearest evidence of how all these strands tied together. By giving priority to local hires, RPC sent a strong message that education, health, and water improvements were not ends in themselves, but stepping stones toward economic inclusion. Mutua and Kiarie (2022) emphasize that when local communities are deliberately included in corporate employment structures, trust grows and skills transfer becomes visible. The internships for young people also showed that CSR can look forward, preparing the next generation to carry forward the benefits of the present.

The fencing of cemeteries, support for sports, and open dialogues through advisory committees were not "extras" but the glue that bound everything together. Kiptoo (2018) observed that CSR in Kenya gains legitimacy when it is sustained through genuine interaction, not one-time handouts. This was true in Rabai: people saw the company not only as a provider of services but as a partner in their daily lives. That explains why RPC's reputation strengthened not just among direct beneficiaries but also among government agencies and NGOs that began partnering with it. CSR works best when it is seen as a system rather than a set of separate projects. Water supports education; education builds capacity for employment; health underpins both; and community engagement sustains trust. This web of relationships illustrates what integrated CSR can look like in practice. It moves the conversation away from philanthropy toward genuine co-creation of social value. For energy companies operating in Africa, this approach offers a practical way to secure social license to operate while contributing to national development priorities such as Vision 2030 and the Sustainable Development Goals.

CONCLUSION

This study assessed the social impacts of Rabai Power Company's (RPC) Corporate Social Responsibility activities between 2018 and 2024 and their influence on corporate reputation. The findings demonstrated that well-structured CSR programs in education, health and safety, water provision, employment, and community engagement significantly enhanced community welfare and fostered trust between RPC and its stakeholders. Beyond immediate improvements in infrastructure, service delivery, and employment, the initiatives contributed to poverty reduction, strengthened social cohesion, and improved the company's corporate image.

The study concludes that CSR, when implemented strategically and inclusively, serves as both a developmental tool and a corporate branding mechanism. Importantly, the holistic integration of CSR into a company's operational strategy not only addresses community needs but also reinforces corporate sustainability and legitimacy within its operating environment.

Based on the findings, the study recommends that Rabai Power Company should develop a comprehensive Environmental, Social, and Governance (ESG) policy aligned with the UN Sustainable Development Goals (SDGs). Incorporate capacity-building initiatives such as skills training and entrepreneurship development. Diversify CSR investments to include climate action, digital literacy, and women's empowerment. Establish robust monitoring and sustainability mechanisms for completed projects. Engage in policy advocacy and partnerships to scale impact. Given the increasing demand for healthcare services, RPC should collaborate with county and national health agencies to ensure a sustainable supply of essential medical reagents and equipment at Rabai Hospital. Complementary measures, such as introducing modest user charges for the maintenance of hospital equipment and ICT laboratories, can help secure the continuity of these services. Further, the study recommends future studies to explore the long-term sustainability of CSR projects, the economic return on CSR investments, and the comparative effectiveness of different CSR models across sectors. Longitudinal and multi-site studies could provide deeper insights into how CSR influences corporate reputation over time.

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