EFFECTS OF MULTINATIONAL COMPANIES ON COMMUNITY DEVELOPMENT IN KENYA: CASE OF EASTERN PRODUCE KENYA LIMITED (EPK), NANDI COUNTY

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DECLARATION

This research project is my original work and has not been submitted to any other University for the award of a degree

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ABSTRACT

The role of multinationals in community development cannot be overemphasized. Corporate Social Responsibility (CSR) is an important aspect of integrating the community and the companies that are within a given community. It is fundamental that corporate take into consideration the needs of the community beyond the growth of their organizations. Governments in developing countries are faced with great challenge to provide fundamental services to the people and this has left gaps in the community development. The government efforts in development of infrastructure, social amenities, health care, education among others has not been sufficient. It is these gaps that the multinationals are required to fill through initiatives that support the development of communities. However their role in community development is not always understood especially in Africa where they are involved in the production and processing of valuable commodities in agriculture, oil and gas industries. In Nandi County the presence of multinationals dealing with tea production has been very prominent. These multinationals include Eastern Produce Kenya Limited (EPK), James Finlay and Unilever Tea. Eastern Produce Kenya limited is the largest of these multinationals in Nandi East Sub county Chepkunyuk ward with fifteen tea estates and seven tea factories. This study was motivated by the increasing conflict between communities and the multinationals. There have been continued conflicts between the two and the study aims at assessing what role the MNCs play in community development and this assessed their contribution to community development as the main objective of the study. The specific objectives were based on their role in education, social welfare and infrastructural development. The study adopted two theories, the stakeholders’ theory and the theory of legitimacy. The study adopted a descriptive research design which was appropriate to bring out the reality on the role of EPK in community development. The data collected was analyzed and presented in topical discussions, tables and graphs as appropriate. From the study it was found that EPK has played a fundamental role in the community development in Chepkunyuk ward. In education it was evident that EPK has offered bursaries and sponsorship and also taken part in the infrastructure development of the schools. Under the social amenities EPK has played a crucial role in the construction of health facilities, taken part in the construction of churches and social halls. Finally, EPK has been involved in various projects under infrastructural development which include provision of water, maintaining roads and maintenance of playing grounds for various schools. EPK has therefore played an important role in ensuring the development of the community in Chepkunyuk ward.
# LIST OF ABBREVIATIONS AND ACRONYMS

<table>
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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>BAT</td>
<td>British American Tobacco</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>EPK</td>
<td>Eastern Produce Kenya Ltd</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FMCGs</td>
<td>Fast Moving Consumer Goods</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>LDCs</td>
<td>Less Developed Countries</td>
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<td>MNCs</td>
<td>Multinational Companies</td>
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DEFINITION OF OPERATIONAL TERMS

Community  A group of people living within or around multinational companies. They may be living there as residents or as workers of the companies.

Company  This is an institution that has been created for specific and calculated objectives. In this context refers to the multinational companies.

Development  Systematic change and transformation of a region depending on the needs and the priority needs of the region. Change that has been deliberately planned and worked for.

Economy  An household or an area of production that has a specific goal or strategy to develop.
CHAPTER 1: INTRODUCTION

1.1 Background of the Study

Corporate Social Responsibility (CSR) has played a key role in the development of communities through promotion of individual wellbeing, group and community growth and development that are promoted through initiatives of corporations within communities. In the recent past there has been a widespread demand by communities for relevant direct and sustained benefit from Multinational Corporations (MNCs). The government has failed in many developing countries to respond to the needs of communities and this gap has been passed to various Multinational Corporations that have been set up within communities in developing countries. Due to the limited capacity of developing countries to utilize their resources especially in the mining industries and other industries such as coffee and tea industries MNCs have become widespread in developing countries as they seek to fill the gap in the utilization of the resources in the developing countries (Culverwell, Lee, & Koziell, 2003).

In Africa there are various MNCs that exist within the communities. In Nigeria due to the existence of the oil and gas mining the presence of MNCs has been increasing by the decade. In Cameroon there are several MNCS in the Fast Moving Consumer Goods (FMCGs) that have been set up including MTN, British American Tobacco (BAT) among other MNCs. East Africa has an increasing number of MNCs that run across various industries in the economy. In Kenya MNCs can be traced back to the colonial period and this have continued to set base in Kenya in a bid to take advantage of the rich resource base in the country. The tea and coffee industry are among the industries that have attracted MNCs in various parts of the country and their presence has been felt in all tea growing regions, (Buchholz and Rosenthal, 2004).
The World Bank in its annual report in 1995 recognized that beyond capital investment it is important for MNCs to get involved in human capital investment. The World Bank holds that human capital investment is important for the overall economic as well as social development. It is therefore important to note that MNCs are not only important for capital investment but they hold a key role in global development through investing in human capital and providing the local people with tools to drive their own economic development (Nelson, 2006).

It has therefore been argued that corporations have a responsibility and obligation to help in solving problems of public concern (Monsen, 1974; Quinn & Jones, 1995). This therefore is a matter of the corporations going beyond self-interest of profit maximization and looking into the needs of the local people who are critical stakeholders of the corporations, (Velasque, 1996).

According to Ojala (2004), social responsibility has three major facets: operating within the given law (legal), having and abiding by the common ethical and moral standards, and giving philanthropically. He defines social responsibility as the obligation of both business and society to operate legally, uphold the moral-ethical standards, and philanthropic actions that takes care of interests of both parties their welfare as a whole, all of which has to be attained within their economic structures and capabilities of the society and the business.

Having good corporate practices by any corporations not only MNCs goes beyond the legal requirement. This has to be voluntary from corporations and generally acceptable as well as beneficial to the social communities surrounding the corporation. MNCs can therefore have direct participation in societal governance that is not limited to within the surrounding of the business but as far as the entire society in general. MNCs may from time to time be asked to take up extra responsibilities especially in circumstances where mechanisms regulating free market are not effective or not yet fully developed. Thus the MNCs have the extra challenge in trying
to address social responsibility matters especially where legal framework is not in place, lack of societal infrastructure or prior existing traditions and inexperience in the market economy from the host country (Moon, Crane, and Matten, 2005).

**Eastern Produce Kenya Ltd**

Eastern Produce Kenya Ltd (EPK) has been rated as one of the biggest multinational tea producers in Kenya. Reports from the county government of Nandi shows that EPK has 15 tea estates covering a total area of approximately 20,000 acres within Nandi East Sub county. The report also shows that EPK have established 7 tea factories within Nandi East Sub County. These tea estates are; Kapsumbeiywo, Kibabet, Chemomi, Kipkoimet, Savani, Kepchomo, Sitoi, Kipkeibon, Kaprochoge, Siret and Kibwari. From the list, EPK manages Siret, Kipkeibon, Kaprochoge and Kibwari on behalf of various private investors. EPK also owns 40% of NSE-listed Kakuzi Ltd that owns the entire 1500-acre Kaboswa tea estate. EPK is 70% owned by Camellia PLC which is an international group operating across 12 countries and the second largest private produce of tea globally.

**1.2 Statement of the Problem**

The impact of multinational companies on community development is not always clear. There has been continued pressure for corporations to be more open and accountable and to report publicly on their undertakings economically, socially and environmentally. A worldwide debate fueled by perceived double standards, corporate scandals and significant decline in social, economic and environmental developments in host communities by MNCs, has raised questions on commitment of the MNCs in supporting community development beyond pushing for their main agenda of profit generation for themselves.
This has led to continued pressure globally for MNCs to demonstrate their social accountability especially MNCs that are established in regions that have political sensitive environment worldwide. The continued involvement of multinationals companies in community and development initiatives has lead to the World Business Council for Sustainable Development (1998) definition of social/community involvement (issues) as: varied range of activities that includes community assistance programs; supporting education matters; nurturing a shared vision of a corporation’s role in the community; involvement in community health and safety; inculcating the culture of voluntary community work in employees; philanthropic giving; sponsorship;

1.3 Objectives of the Study

This study was guided by the following objectives:

1. To determine how EPK has contributed to promotion of Education in Chepkunyuk Ward.
2. To ascertain the contribution of EPK to Social welfare initiatives in Chepkunyuk Ward.
3. To examine how EPK has taken part in infrastructural development in Chepkunyuk Ward.
4. To establish the challenges faced by EPK in promoting community development in Chepkunyuk Ward.

1.4 Research Questions

The study was guided by the following questions:

1. What has the existence of EPK in Chepkunyuk Ward played in the promotion of Education?
2. How does EPK contribute to Social welfare initiatives in Chepkunyuk Ward?
3. What has been the contribution of EPK to infrastructural development in Chepkunyuk Ward?

4. What challenges is faced by EPK in Chepkunyuk Ward in promoting community development?

1.5 Research Premises of the study

The study was undertaken under the premise that:

1. The EPK has promoted Education by contributing to construction of schools in Chepkunyuk Ward.

2. The EPK has contributed to the Social welfare development through construction of social halls in Chepkunyuk Ward.

3. The EPK has contributed to infrastructural development through the building of stadia in Chepkunyuk Ward.

4. The EPK has faced challenges in the promotion of community development in Chepkunyuk Ward.

1.6 Justification and Significance

This study was based on the background that MNCs have a responsibility to support community development in one way or the other. The findings of this study were instrumental in bringing out the effects that the MNCs bring on community development and thus this will be fundamental for the government to understand these effects and keep the MNCs accountable where necessary. The study will also be important to the MNCs as this will bring out the expectations of the community to the MNCs and thus creating room for the MNCs to plan their CSR activities to respond to the expectations of the communities. The study will also be helpful
to the local community in Chepkunyuk Ward as this will be a communication tool for them on what the EPK have contributed in the development of their community and how they would want EPK to farther support them in development.

1.7 Scope and Limitations

The study was conducted in Chepkunyuk Ward, Nandi East Sub County in Nandi County. The Sub County was purposively selected due to the heavy presence of MNCs that have invested on thousands of acres of tea in the region. The study was also limited to the tea industry and in particular EPK company in Chepkunyuk Ward. This study was limited by the minimal research that has been done locally on MNCs. Very few scholars have conducted studies on MNCs and this thus poses a challenge to the researcher due to lack of a grounded reference point for the study. The researcher however overcame this by relying on studies from other regions especially developing countries and this were used as reference points to develop a Kenyan context.
CHAPTER 2: LITERATURE REVIEW

2.1 Theoretical review of literature

In Less Developed Countries (LDCs), Multinational companies (MNCs) as part of their corporate social responsibility, the host community expects them to take part in provision of social services and welfare programs far from their core mandate of economic activities. Eweje 2006, says that these services and programs that are expected from MNCs includes; provision education through scholarships and learning facilities, building clinics, provision drugs for AIDS/HIV patients, and offer medication and vaccination for malaria and other diseases in developing countries. In economic terms, the stated activities are not what the MNCs are established for but in LDCs they are expected to take part in. (Eweje, 2006).

This study applies two main theories to help in explaining the role of MNCs in aiding communities: legitimacy theory, and stakeholder theory.

2.1.1 Theory of Legitimacy

Companies, as one kind of social arrangement, require legitimacy to exist harmoniously with long-term relationships with various host communities. The theory of Legitimacy was advocated by Davis’s (1973) iron law of responsibility. It postulates that business is a social institution that must use its’ power responsibly, failure to which the society may revoke it. He stated that the society grants legitimacy and power to business and in the long run, those who seem to have failed to use it in a manner considered by the society to be responsible they will tend to lose it. Further, according to Dowling and Pfeffer (1975), a business is said to be legitimate when it is judged to be “just and worthy of support”. Businesses that lose legitimacy face a variety of challenges, ranging from punitive legislation to challenges in hiring qualified personnel. The advantages associated with legitimacy, coupled with social pressures toward conformity,
generally compelled managers of illegitimate businesses to work towards improving the legitimacy of their companies (Nasi, Phillips & Zyglidopoulos 1997). Sethi (1979) postulated that in an event where corporations turns a blind eye to social expectations, they are liable to lose control over their internal decision making and external dealings. He postulates that legitimacy problems occur when the expectations of the society for a corporate behavior differ from societies’ perceptions of a corporation’s behavior. This disposition could be applied to the cases developed in this study.

2.1.2 Stakeholder Theory

The stakeholder theory states that for effective management, legitimate interests of all the stakeholders are required to be put into account and well considered (Freeman, 1984). Hasnas (1998) defines stakeholder as anyone who has a stake in or a claim on the firm. He interpreted this to include any group or individual who is affected by or can affect the corporation. The narrow and familiar definition of stakeholder groups is limited to shareholders, employees, customers, management, suppliers as well as the local community. Therefore, stakeholder theory asseverates that a corporate’s financial success is best be achieved by putting forth the interests of the corporate’s shareholders, employees, customers, management, suppliers as well as the local community proper consideration and coming up with policies that will achieve an optimal balance among all the interested parties (Hasnas, 1998).

2.2 Empirical review of Literature

2.2.1 MNCs contribution to social welfare initiatives

Social Issue Life Cycle; This theory states that social issues follow a predictable evolutionary path (Mahon and Waddock, 1992). The number of periods or stages through which an issue follows while evolving varies. Mahon and Waddock (1992) established four stages. Most of the
social issue theorists concur that social issues gradually advance from a period in which the issue was unthought-of to a period of a more increasing awareness and expectations for action all through to a period where new standards or ways of dealing with the issue become radicated in the day to day functioning of the company (Nasi, Phillips & Zyglidopoulos, 1997). The most influential versions of the life cycle theory were propagated by Ackerman (1975). He explored a number of instances of the gradual evolvement of the responses of business organizations to social issues. He discovered that, generally, the responsiveness of business organizations to social issues develops or advances through a three-phase path: policy, learning, and commitment.

As mentioned above, the trends that can be identified are four, according to Nasi, Phillips & Zyglidopoulos (1997): There is increased organizational commitment geared towards social action, increased transition of organizational behavior from mere state of inaction to concrete action, increased organizational habitual acquaintance with the social issue and with ways to deal with it and increased standardization of the responses towards environmental and social issues at the operational level.

Eweje (2006) examined critically the Role of Multinomial Enterprises (MNEs) in Community Development Initiatives in the developing countries. His study used the Nigeria oil industry and the South African mining industry as case study. Specifically, the study assessed the usefulness of MNE-supported community development projects as a means of demonstrating corporate social responsibility. From the study, he found that expectations for most of the community development based projects are much greater in developing countries. The study established that the community development initiatives and investments are important for the establishment of a amiable relationship between Multinomial Enterprises and their local communities in LDCs. Top of the issues raised was that of expectations from the host community. Above all, the
communities want social development projects that are aimed at providing hope of a prosperous and a stable. On the other hand, the companies have embraced development initiatives primarily in an effort to justify that they are socially responsible. They have done this through provision of services such as scholarships, learning facilities, and hiring of teachers for local school. The study also interrogated critically the fundamental reason for social welfare provision. At the end, it was found that through provision of social welfare initiatives for host communities, the MNEs act as a surrogate for governments in LDCs that often ignore the social and economic welfare programs that contributes to both economic and social development of the host communities. Furthermore, the argument in favor of infrastructure and small business development to enhance the business knowledge and skills of local people also came up. In the past, the host governments had never provided such services that the host communities were currently enjoying yet the companies had to still convince the host communities that their social programs were not merely aimed at satisfying a public relations agenda but rather were carefully planned to reduce underdevelopment, poverty and unemployment.

2.2.2 MNCs promotion to Education, Infrastructural development and poverty reduction

Kaaya, Ng’eni., Bukwimba and Kwesigabo (2015) carried out a study on The Role of Corporate Social Responsibility (CSR) in Community Development in Tanzania. The study used desktop and library methodology to investigate and present the Tanzanian context of existing literature and actual facts on the role of Corporate Social Responsibility (CSR) in community development. It revealed that between 2001 and 2005 the mining Transnational Corporations (TNCs) alone spent close to US$ 20.94 million towards various community development projects through CSR. Further, it revealed that in the year 2008 and the year 2009 different companies across industries spent approximately US$ 23.8 million towards CSR initiatives of
which 48.4% towards health, welfare and education and in addition a cumulative amount close to US$ 6.7 million was used by five selected companies for five years. Moreover, it disclosed that the most activities that took a significant amount of Corporate Social responsibility expenditure was in education, healthcare and infrastructure and relatively on the lower side of expenditure was on microfinance, electricity, Youth and HIV AIDS programs. The findings suggested that government actions alone will not be able to achieve poverty reduction and sustainable development. It calls for helpful hands from all stakeholders including the business entities through the CSR initiatives and the like. With this reality, particularly in developing countries, they should work closely and institute policies that are environmental friendly, all inclusive and those that encourage CSR activities among corporation.

Makinde (2013) carried out a study that dwelt on the inevitability of multinational corporations in the sustainable development of developing economies, using Nigeria as a case study. The study used secondary data from the National Bureau of Statistics and Central Bank of Nigeria statistical bulletin between 1970 and 2011. The study had Gross Domestic Product (GDP) as its dependent variable and Foreign Direct Investment (FDI) as its explanatory variables. Using the Ordinary Least Square (OLS) multiple regression techniques; the study findings was that there was a strong positive relationship between Foreign Direct Investment (FDI) and Nigerian Gross Domestic Product (GDP). That is, FDIs presence have greatly impacted positively and significantly on the Nigerian economy given the period of study. This was true to apriori and theoretical propositions.

Tirimba and Macharia (2014) carried out a study on Economic Impact of MNCs on development of Developing countries. The research adopted descriptive research design. The findings keenly looked unto the three objectives of the study, which are creation of employment, poverty and
dependence reduction and lastly transfer pricing. The study established that the MNCs create employment opportunities in the country that lead to poverty and dependency reduction though much of the benefits are again lost through transfer pricing to the main branches of this MNCs in the developed countries. The study also established that many of these MNCs do have a multiplier effect towards reduction of poverty through their contribution to non-profit based organizations like the Red Cross scheme and other social corporate responsibilities. For instance, most of the managers in the General Motors Corporation are satisfied with their employment benefits in the sales, procurement and publicity department. The employment criteria is basically based on both academic qualification where majority of the managers are employed with a post graduate qualifications and putting in place work experience as also a benchmarking qualification to secure employment. The corporation have significantly lowered the poverty levels through creating employment opportunities to the locals and also substantially by their active schemes of contributions to the poor that they reveal. Based on the facts presented by the study, the MNC has outlived the usefulness as a development agent. The role of MNCs should be redefined in the context of the less developed countries in which they operate in lastly LDCs should work towards systems that are stable politically to ensure sound economic policies. On conclusion the study suggested that the government should take a fundamental role in supporting MNCs activities since they have proved their importance in economic development of the developing countries with a drive towards full employment. However, the government should avoid at all cost the over-dependence on these MNCs.

2.2.3 Challenges faced by MNCs in their host environments

MNCs do face a lot of challenges in the countries they establish in. These countries and their markets are highly unstable, unpredictable and sometimes less profitable. It is therefore
mandatory for such MNCs to try and understand their contemporary challenges to make them more profitable and stable in these markets. This section of literature review explains some of the challenges.

Kell & Ruggie (1999) says that globalization may be a fact of life, but it remains highly fragile. They allude that embedding global market forces in shared values and institutionalized practices, and bridging the gaps in global governance structures are among the fundamental challenges facing corporate leaders and policy makers alike.

MNCs also face the challenge of their ability to adapt to cultural differences of the host community, their living standards and other practices from them. (Sauvant, Maschek, & McAllister 2009).

MNCs based on less developed or emerging countries face the challenge of political instability which is traditionally associated with them LDCs. On the other hand MNCs based on developed nations or countries consider economic risk such as exchange rate risk as a greater challenge.

Appropriate market segmentation, relating to the low spending power of the majority part of the market and developing effective marketing strategies to apply in different sections of the transforming society are key issues facing MNCs in emerging markets. This can be attained through careful balancing of price and quality; understanding the influence of key institutions such as judicial system, education system, political system and mixes of traditional or local/modern culture (Zainulbhai, 2005).

Characteristics of emerging markets are limited purchasing power, high price sensitivity and local needs (Prahalad and Lieberthal, 1998). Khanna (2005) says that absence of specialized
intermediaries, contract-enforcing mechanisms and regulatory systems are other critical issues in emerging markets.

Corporate social responsibility has been put forth as one of the emerging challenge for the MNCs operating in emerging countries. MNCs are expected to strike a balance between their role in economic development and that of social responsibilities toward the country in which they operate (Sauvant, Maschek, & McAllister 2009).

2.3 Conceptual framework

The conceptual framework below indicates the interaction between the dependent, independent and the intervening variables. The diagram indicates that the independent variables which are educational initiatives, social welfare initiatives and infrastructural development have an effect on community development. Community development here is the dependent variable as its dependent on the other variables which are the independent and the intervening variables. The interaction between the dependent and the independent variable have an effect on the community development. The intervening variables as indicated in the diagram below are those factors that affect the outcome which is the dependent variable but are beyond the control of the players. These include the policies by the government, cultural practices of the people and the attitudes of the people which the players have no direct control on.
Conceptual Framework

**Dependent Variable**

**Independent Variables**

- Educational Initiatives
  - Bursaries and sponsorships to students
  - Building schools

- Social Welfare initiatives
  - Construction of markets
  - Building of social halls
  - Hospitals and churches support

- Infrastructure
  - Road construction and maintenance
  - Piped water
  - Building Stadia

- Challenges

**Intervening Variables**

- Government policies
- Cultural practices
- People’s attitudes
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses how the study was conducted, this are the methods that were used to undertake the study. It discusses the design that the research took, the target population for the study, how the sample to take part in the study was selected, the data collection techniques, the instrument for data collection and how the data was analyzed and presented.

3.2 Research design

Based on the nature of the study the researcher chose to use a descriptive study design. This design was selected since it is appropriate for indicating the real situation on the ground and giving inferences on the subject of study. The descriptive survey design was also appropriate because it was able to yield a large and diverse array of information from the area of study.

3.3 Location of study

The study was carried out in Nandi East Sub County, Chepkunyuk ward within the Eastern Produce Limited companies. The location was purposively selected due the high presence of multinational companies especially in the tea industry. The Eastern Produce Limited was also purposively selected due to its heavy presence in the region. There are 14 estates each with about 1500 employees. Chepkunyuk Ward has 7 tea estates with two factories.

3.4 Target Population

The residents of Chepkunyuk Ward were the target population of this study. These residents doubled up as the employees and also as residents of the ward. According to the statistics from
the County Government of Nandi the population of Chepkunyuk Ward is approximately 36,775, and of this about 15,000 are the ones who are above the age of 18 years who are the group of interest to the study. From the report, employees of EPK are approximately 7000 comprising half of the total adult population. It is therefore difficult to separate the employees from the residents as this are the same people who are employed by the company.

3.5 Sampling and Sampling Design
The researcher selected a sample that took part in the study from the population of adults which is 15000. A census was not tenable for the study due to the high number of the residents in the ward. Selection of Eastern Produce Kenya (EPK) employees were selected using a multi stage sampling technique. The residents were clustered into the various estates and factories of EPK in Chepkunyuk Ward. The researcher selected the estates that took part in the study purposively based on their relevance to this study. EPK owns 7 tea estates with 2 tea factories in the ward. From this the regions within were clustered in the 7 estates and a proportional sample selected to take part in the study. From the selected estates 10% of the employees from each cluster were selected to take part in the study. Clustering was based on their line of duty starting from tea pickers and their leadership to the top management officers of the company.

The sample size of the residents of Chepkunyuk Ward was selected using the Morgan and Krejcie formula of sample size calculation for a finite population.

\[ n = \frac{X^2NP(1-P)}{d^2(N-1)+X^2P(1-P)} \]

Where;

- \( n \) is the sample size
- \( N \) - Population Size (15,000)
X² - the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

P-population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05).

n = 251

Therefore, the sample will be approximately 251 respondents.

3.6 Data collection Techniques

Data was collected from both secondary and primary sources. Questionnaires were administered to collect primary data which was carefully structured to respond to the objectives of the study. The questionnaire had both closed and open-ended questions. Closed questions have predetermined responses that are crucial largely for the collection of quantitative data. Closed ended questions gave the respondents an opportunity to give their views without getting any leads on the issues that the researcher is queering on this yield qualitative data. The use of questionnaire by the researcher ensured collection of data from several respondents within a short period of time and respondents were free to give relevant information because they were assured of their anonymity (Mugenda & Mugenda, 2003). Secondary data was collected from already existing material which included reports from the estates and factories, government reports, internet sources, scholarly articles, books and journals among other relevant material that the researcher came across.

3.7 Validity and Reliability

To test the validity and reliability of the research instrument, the researcher undertook broad literature review on related study. This review enabled the researcher to understand the type of
questions that he needs to ask to yield the desired results. The researcher also undertook to get expert advice from the supervisor and professionals from the field.

3.8 Data analysis and presentation

Data from the field was collected through research assistants. These research assistants underwent briefing and training to explain to them the details of the project and also to train them on data collection for the project. The research assistants recorded responses directly to the questionnaires and the data were entered into Microsoft excel.

The main objective of this study was to find out the effects of MNCs on community development. The study having adopted a descriptive design focused on assessing the real situation on the ground. The analysis was based on the critical realism approach which was looking at the natural situation as related to the social world. The analysis of the data was based on the premises of the research in chapter 1 and focused on responding to the premises. The analysis was based on the four objectives of the study and the situation of each of the variables analyzed in relation to the effects of MNCs on community development in the region.

The qualitative data that was collected from the study was used to obtain the measures of central tendency and measures of dispersion. Qualitative data was used for the discussion of results and drawing of conclusions for the study. Data presentation was done using frequency tables, pie charts, percentages bar graphs, topical discussions of issues arising from the qualitative data.

The study will adopt the following model:

\[ Y = Bo + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon \]
Where;

\[ Y = \text{Community development} \]
\[ X_1 = \text{Educational Initiatives} \]
\[ X_2 = \text{Social Welfare initiatives} \]
\[ X_3 = \text{Infrastructure} \]
\[ Bo = \text{constant} \]

\( \beta_1 - \beta_3 \) is the regression coefficient of the independent variables.

**3.9 Ethical Considerations**

Informed consent was sort from all respondents. The objectives of the study were clarified to all respondents to ensure they are aware of the purpose of the findings. The researcher also sort an official permit to undertake the research from County Director of Education and also acquire an introductory letter from the University research department.
CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter presents the analysis and the results of the study. The study had four objectives:

i. To determine how EPK has contributed to promotion of Education in Chepkunyuk Ward.
ii. To ascertain the contribution of EPK to Social welfare initiatives in Chepkunyuk Ward.
iii. To examine how EPK has taken part in infrastructural development in Chepkunyuk Ward.
iv. To establish the challenges faced by EPK in promoting community development in Chepkunyuk Ward.

The analysis and the interpretation of the data have been done based on the understanding of the theory of legitimacy and the stakeholders’ theory. The assessment views EPK as a company that has a responsibility to the community to ensure they contribute to the development of the community that they operate within.

4.2 Response Rate

The analysis was based on the data collected through administration of questionnaires to the residents of Chepkunyuk Ward and interviews with the management of EPK. The study targeted to collect data from a total of 251 members of the public of which 180 responded making it about 72% response rate. Finchman (2008), indicates that a response rate of 70% and above is a very good response rate for a study and thus can be used for generalization.
Table 1: Response Rate

<table>
<thead>
<tr>
<th>Target Population</th>
<th>Actual Responses</th>
<th>Actual response percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>251</td>
<td>180</td>
<td>72%</td>
</tr>
</tbody>
</table>

*Source: Researcher 2018*

4.3 Demographic statistics

4.3.1. Gender of the respondents
The respondents were asked to indicate their gender and 43.6% were female while 56.4% were male.

![Gender Distribution](image)

*Figure 1: Gender of the respondents*
*Source: Researcher 2018*

4.3.2 Age of the respondents
Out of the 180 respondents that responded to the questionnaires, their age groups are summarized as indicated in the figure below. The responses revealed that 9.26% were below
20 years, 16.67% were between 20-25 years, 25% were 26-30 years, 23.15% were 31-35 years, 13.89% were 35-40 years while 12.03% were over 40 years.

Figure 2: Age of respondents

Source: Researcher 2018

4.3.3 The level of education

The respondents were asked to indicate their level of education, the highest level of qualification. 34% of the residents indicated they had secondary education as the highest level of education, 23% primary certificate, 18% college certificate, 15% college diploma, 7% first degree while 3% of the respondents indicated they had a masters’ degree.
4.3.4 Employment by the EPK

The residents were also asked to indicate whether they are currently employed by any EPK. 65% indicated they are employed while 35% indicated they are not employed by any EPK.
4.4 EPK and education

The first objective of the study was to assess whether EPK has contributed to the promotion and development of education in the ward.

The residents were asked a general question on whether in their assessment EPK has contributed to development of education in Chepkunyuk ward. 67% of the respondents indicated EPK has contributed to education development in the ward while 33% indicated EPK had not contributed to education in the region.

The residents were farther asked to rate various statements relating to EPK support to education on a scale of 1 to 5 with 1 being strongly disagree and 5 being strongly agree. The responses are as summarized in the table below.
<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPK in the region has been involved in the construction of schools.</td>
<td>3.89</td>
<td>0.64</td>
</tr>
<tr>
<td>There has been involvement of the EPK in the development of education</td>
<td>4.2</td>
<td>0.27</td>
</tr>
<tr>
<td>infrastructure in the ward.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPK has provided bursaries for education in the region and have been</td>
<td>3.99</td>
<td>0.56</td>
</tr>
<tr>
<td>actively involved in access to education.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPK is involved in education days in the region and they offer career</td>
<td>2.23</td>
<td>0.43</td>
</tr>
<tr>
<td>guidance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learners are offered internships and professional employment in the</td>
<td>2.61</td>
<td>0.45</td>
</tr>
<tr>
<td>EPK</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the statements above the involvement of EPK in the construction of schools was rated at a mean of 3.89 and a standard deviation of 0.64. Involvement of EPK in the development of education infrastructure was rated at a mean of 4.2 and a standard deviation of 0.27. EPK provision of bursaries for education in the region was rated at a mean of 3.99 and standard deviation 0.56. EPK involvement in education days in the region and career guidance was rated at a mean of 2.23 and a standard deviation of 0.43. The offering of internships and employment opportunities to the learners in the region was rated at a mean of 2.61 and a standard deviation of 0.45.
4.5 EPK and social welfare initiatives

The second objective of the study was to assess the contribution of EPK to social welfare in different aspects.

Asked generally if they feel EPK has contributed to the social welfare of the residents, 71% of the respondents indicated they had contributed while 29% indicated there was no contribution to social welfare by EPK.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The EPK in the region has been involved in improvement and development of market areas in the region.</td>
<td>1</td>
<td>0.1</td>
</tr>
</tbody>
</table>
EPK is involved in the development of health centers and is involved in initiatives to promote access to health for the community.

| EPK involvement in improvement of markets in the region was rated at 1 with a standard deviation of 0.1. EPK involvement in the development of health centers and initiatives was rated at 4.13 and a standard deviation of 0.34. Development of social halls supported by EPK was rated at a mean of 3.89 and a standard deviation of 0.45. The support to the development of sports and sponsoring sports events was rated at a mean of 3.75 and a standard deviation of 0.34. |
|---|---|---|
| EPK involvement in improvement of markets in the region | 1 | 0.1 |
| EPK involvement in the development of health centers and initiatives | 4.13 | 0.34 |
| Development of social halls supported by EPK | 3.89 | 0.45 |
| EPK support sports development and sponsor sports activities in the region | 3.75 | 0.34 |

**4.6 EPK and contribution to infrastructural development**

The third objective of the study was assessing the contribution that EPK has made to infrastructural development.

Asked in general their opinion on the contribution of EPK to infrastructure, 69% indicated EPK had contributed to infrastructure while 31% indicated EPK had not contributed to infrastructure development in Chepkunyuk Ward.
<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPK has contributed to the development of infrastructure such as piped water in the ward.</td>
<td>4.01</td>
<td>0.34</td>
</tr>
<tr>
<td>EPK has been a major stakeholder in influencing government to develop road infrastructure in the region.</td>
<td>3.50</td>
<td>0.43</td>
</tr>
<tr>
<td>Infrastructural development has been key on the growth of the EPK in the region.</td>
<td>4.1</td>
<td>0.52</td>
</tr>
<tr>
<td>Infrastructural development in the ward has been a collaboration of the companies and the community.</td>
<td>3.1</td>
<td>0.31</td>
</tr>
</tbody>
</table>
The contribution of EPK to infrastructure development was rated at mean of 4.01 and a standard deviation of 0.34. EPK being a major stakeholder in the development of roads infrastructure in the region was rated at a mean of 3.5 and a standard deviation of 0.43. Infrastructural development has been key on the growth of EPK in the region was rated at a mean of 4.1 and a standard deviation of 0.52. Infrastructural development in the ward in collaboration with companies and the community was rated at a mean of 3.1 and a standard deviation of 0.31.

4.7 Challenges of EPK in community support and implementation of community support

It’s not an easy road for EPK as they engage in community support. They have various challenges including:

Government interference; EPK projects have faced interference from the government especially where politicians have wanted to be identified with EPK projects which they have not made contribution to. EPK has also faced challenges when there is need for approvals to support health facilities and also road networks that are looked at as the preserve of the government.

Expectations of the society; the community has very high expectation of EPK and keeps on asking for support from EPK something that is not sustainable for the company. Managing the expectation of the community has thus been a great challenge.

Heavy financial investment needed for some of the projects. EPK has a limited budget for their Corporate Social Responsibility projects thus it becomes challenging to finalize some of the projects they begin without support from other partners like the government. EPK has experienced this in completion of a multi-million science Laboratory at KTGA secondary school.

EPK has supported healthcare programs in the ward but has not managed to have a structured medical scheme for their staff apart from paying for their NHIF.
There have been challenges in advancing financial services to their staff directly due to financial constraints and also lack of mandate to give loans to employees directly. They have however supported their employees through guarantorship of loans from financial institutions through their salaries.

4.8 Regression analysis

4.8.1 Model Summary

From the findings the value of R squared was 0.626, an indication that there was variation of 62.6% on community development in Chepkunyuk Ward due to changes in educational initiatives, social welfare initiatives and infrastructure at 95 percent confidence interval. This shows that 62.6% changes could be accounted to changes in educational initiatives, social welfare initiatives and infrastructure. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above is notable that there exists a strong positive relationship between the study variables as shown by 0.791.

Table 4.2: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.791</td>
<td>.626</td>
<td>.594</td>
<td>.867</td>
</tr>
</tbody>
</table>

4.8.2 Analysis of Variance

The study established the regression model had a significance level of 0.01% an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 5%. The F calculated value was greater than the F critical
value (16.543 > 2.65) an indication that educational initiatives, social welfare initiatives and infrastructure all affect community development in Chepkunyuk Ward. The P-value was 0.001 which was less than the significance level of 0.05 thus the model fitted the data.

Table 4.3: Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>13.423</td>
<td>3</td>
<td>4.474333</td>
<td>16.54306</td>
<td>.001</td>
</tr>
<tr>
<td>Residual</td>
<td>47.602</td>
<td>176</td>
<td>0.270466</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>61.025</td>
<td>179</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Critical value =2.65

4.8.3 Beta Coefficients

The beta coefficients compare the strength of the effect of each independent variable to the dependent variable. It was revealed that holding educational initiatives, social welfare initiatives and infrastructure to a constant zero, the community development in Chepkunyuk Ward would be at 0.764. A unit increase in educational initiatives would enhance the community development in Chepkunyuk Ward by a factor of 0.823. A unit increase in social welfare initiatives would enhance the community development in Chepkunyuk Ward by factors of 0.429 and a unit increase in infrastructure would increase the community development in Chepkunyuk Ward by a factor of 0.514. All the variables were significant as their significant value was less than (p<0.05).
Table 4.4: Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-.764</td>
<td>.191</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational initiatives</td>
<td>.823</td>
<td>.142</td>
<td>5.7958</td>
<td>.000</td>
</tr>
<tr>
<td>Social welfare initiatives</td>
<td>.429</td>
<td>.097</td>
<td>4.4227</td>
<td>.001</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>.514</td>
<td>.135</td>
<td>3.8074</td>
<td>.002</td>
</tr>
</tbody>
</table>

From the data in the above table the established regression equation was:

\[ Y = -0.764 + 0.823X_1 + 0.429X_2 + 0.514X_3 \]
CHAPTER 5: DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter looks at the analysis of the results, discusses the results of the study, the conclusion and the recommendation.

5.2 EPK and the support to education in Chepkunyuk Ward

The first objective of the study was an assessment of the level of support to education from EPK. From the previous chapter it is evident that EPK has been involved in various projects that relate to education in the ward. A look at the reports of EPK one can identify various projects that EPK has been involved in within the education sector. There are various bursaries and sponsorship programs that EPK has been involved in and specifically for the children of their employees. EPK runs a program that offers scholarships and bursaries for the children of their very needy employees. A study on the motivation of employees showed that organization that showed concern on the education of their employee’s children enjoyed high levels of employee motivation. The employees were motivated to work and were loyal to the organization as beyond their direct employment benefit there was something extra they were getting from the organization (Hughes, 2012). Besides the bursaries EPK has been involved in infrastructural development in schools around the ward. Among the projects they have been involved in are building laboratories in St John Secondary, Kaptien Secondary, Siwo Secondary and KTGA secondary. In addition to the labs they have also offered support in the construction of two classrooms in KTGA Secondary and a power generator word Kshs 2 million. EPK also on an annual basis does an assessment of the desk needs for the local schools and provides desk based
on the needs of the schools. Annual reports from EPK shows that since the inception of the desks program in 2010 they have donated over 1000 desks to various schools within Nandi County in which schools within Chepkunyuk ward have benefitted.

The findings of this study are consistent with the findings of a report published on the role of business in creating shared value. The study assessed the role that private businesses had played in the promotion of education in different regions and the outcome was that the companies that were involved in community education programs enjoyed a positive response in their work from the community (Porter, 2011).

5.3 EPK Support to social welfare initiatives

The second objective of the study was an assessment of the support that EPK gives to social welfare programs in the ward. From the findings it was evident that EPK has offered support to the various social welfare initiatives whose details the researcher got from the annual report of EPK. EPK has built two social halls in the ward that is the Kapchorua Social hall and the Khartoum social hall. There has also been involvement in the construction of hospitals and churches. EPK offered a donation of KES 2Million towards the construction of Kaptien dispensary, there was also a contribution towards construction of Nandi Hills Doctors scheme hospital and construction of the Nandi Hills district hospital maternity wing. The researcher found that EPK support to churches is on a need basis and when they are called upon to support churches they offer building materials such as timber. What EPK does is undertake an assessment of the needs of the various churches and offer the necessary support to the churches.

When one assesses programs that are referred to as social welfare programs then one thing you note is that this are what bring communities together and are the main points of interaction in
communities. People leaving in a community will either meet in a social hall, hospitals, markets or churches. What this then means is that when one wants to have an impact on the wellbeing of a community social welfare programs cannot be ignored.

The findings of this study are consistent with a study conducted in Kenya that assessed the corporate social responsibility as it relates to Safaricom and Delmonte in various aspects looking into the reflection and implication of CSR. Safaricom and Delmonte were both found to have greater impact on the communities through their involvement in social welfare related programs in communities (Cheruiyot & Kipkiron, 2016).

5.4 EPK support to infrastructural development

The third objective of the study was to assess the involvement and the support that EPK has offered to the development of infrastructure in the ward. From the findings in the previous chapter it is evident the residents were satisfied and cognizant of the support EPK has given to infrastructure. Some of the projects in the ward supported by EPK include

Construction of water reservoirs at St Elizabeth secondary and Kepchomo estate that the local community has tapped water from. EPK also have constructed a 20,000L water tank at Nandi Hills District hospital to serve the hospital.

Playing fields within EPK estates such as Khartoum, Kepchamo, Kipkoimet and Kapchorua primary schools are maintained courtesy of EPK. They have also engaged themselves in maintenance of small feeder roads within EPK estates and local community which include the
Taito- Siret- Cheptabach road, Kaputi – Sile road, Mokong, Kaptien road and Kapsumbeiywo – Sarah Boit road

Just as the social welfare programs infrastructural development projects also touch directly on the communities and are major points of interaction for the communities and thus are fundamental projects for the private companies to be involved in. EPK has supported infrastructure development in the region has been indicated above. The report earlier referred to on Safaricom and Delmonte also assessed involvement in infrastructural development and this was identified as one of the ways that a brand became more respected and known within communities. The findings of this study are thus consistent with the Safaricom and Delmonte assessment as one of the contributions to brand recognition for EPK has been their involvement in infrastructure development.

5.5 Conclusion

The study was conducted under the following premises;

i. The EPK has promoted Education by contributing to construction of schools in Chepkunyuk Ward.

ii. The EPK has contributed to the Social welfare development through construction of social halls in Chepkunyuk Ward.

iii. The EPK has contributed to infrastructural development through the building of stadia in Chepkunyuk Ward.

iv. The EPK has faced challenges in the promotion of community development in Chepkunyuk Ward.
Based on the findings of the study the following conclusion can be drawn as per the various objectives of the study:

EPK has contributed to education in Chepkunyuk ward in more ways than contributing to the construction of schools. EPK has provided bursaries and scholarships to the children of their employees from very needy families. There has also been involvement in the construction of school laboratories and classrooms. This thus leads to the conclusion that EPK has contributed to the development of education in the ward.

The contribution of EPK to social welfare has also been evident in this study with it being beyond the social halls to contribution to the hospitals and churches. This thus leads to the conclusion that EPK has been substantially involved in social welfare development in Chepkunyuk ward.

The contribution of EPK in infrastructural development has also been evident in the findings of the study. Beyond stadia or playing grounds EPK has been involved in provision of water services and maintenance of roads in various sections of the ward. It is therefore correct to conclude that EPK has a positive effect in infrastructural development in Chepkunyuk ward.
5.6 Recommendations

From the study the researcher would wish to make various recommendations:

It is important for the government both the national and the county government to collaborate with private institutions or multinational companies willing to support community projects so as to compliment each others’ efforts.

Community responsibility is fundamental for the growth and thriving of any business. Businesses need to factor in the role of their stakeholders beyond their core business of profit making.

Organizations need to do needs assessment for the communities they operate in to identify what are the immediate needs of the communities that they could make meaningful impact on rather than take up many projects that create small impact in each sector.
REFERENCES


Davis K. (1973).“The case for and against business assumption of social responsibilities.” Academy of Management Journal, 16, 312-322.


APPENDICES

APPENDIX 1: QUESTIONNAIRE FOR RESIDENTS

Part 1: Demographic Profile

1. What is your gender?
   - Male □
   - Female □

2. Age in years (tick appropriately)
   - Below 20 years □
   - 20-25 □
   - 26-30 □
   - 31-35 □
   - 36-40 □
   - Over 40 years □

3. What is your highest level of education?
   - Primary certificate □
   - Secondary certificate □
   - College certificate □
   - College diploma □
   - First degree □
   - Masters degree □
   - Other (please specify) ________________________________

Part 2: Multinationals and education

4. In your opinion have EPK contributed to the development of education in Chepkunyuk Ward?
   - Yes □
   - No □

   Explain what their contributions ________________________________
EPK and their relation to education are concerned with the following statement, Tick as appropriate and on a scale: 1-strongly disagree, 2 disagree, 3 Neutral, 4 Agree, 5 strongly agree

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPK in the region has been involved in the construction of schools.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There has been involvement of the EPK in the development of education infrastructure in the ward.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPK has provided bursaries for education in the region and have been actively involved in access to education.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPK is involved in education days in the region and they offer career guidance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learners are offered internships and professional employment in the EPK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Part II: Multinationals and social welfare initiatives**

5. In your opinion have EPK contributed to the development of social welfare in Chepkunyuk Ward?

Yes ☐              No ☐
MNCs and their relation to social welfare are concerned with the following statement. Tick as appropriate and on a scale: 1 - strongly disagree, 2 - disagree, 3 - Neutral, 4 - Agree, 5 - strongly agree

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The EPK in the region has been involved in improvement and development of market areas in the region.</td>
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<tr>
<td>EPK is involved in the development of health centers and is involved in initiatives to promote access to health for the community.</td>
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<tr>
<td>There are social halls in the ward that have been supported and developed by the EPK.</td>
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<tr>
<td>EPK support sports development and sponsor sports activities in the region.</td>
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</tbody>
</table>

**Part 3: Multinationals and infrastructural development**

6. In your opinion has EPK contributed to the development of infrastructure in Chepkunyuk Ward?
   
   Yes [ ]     No [ ]

Explain what their contributions________________________________________________________
MNCs and their relation to infrastructure are concerned with the following statement, Tick as appropriate and on a scale: 1-strongly disagree, 2 disagree, 3 Neutral, 4 Agree, 5 strongly agree

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
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<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>EPK has contributed to the development of infrastructure such as piped water in the ward.</td>
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</tr>
<tr>
<td>EPK has been a major stakeholder in influencing government to develop road infrastructure in the region.</td>
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<tr>
<td>Infrastructural development has been key on the growth of the EPK in the region.</td>
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<tr>
<td>Infrastructural development in the ward has been a collaboration of the companies and the community.</td>
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</tr>
</tbody>
</table>

7. Do you think that Corporate Social Responsibility (CSR) enhances the relationship of the communities that corporation are located within and the corporation? What role does CSR play? …………………………………………………………………………………………..
   …………………………………………………………………………………………..
   …………………………………………………………………………………………..

8. What are the challenges that the EPK are going through especially in supporting community development? ………………………………………………..
   …………………………………………………………………………………………..
   …………………………………………………………………………………………..

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APPENDIX 2: QUESTIONNAIRE FOR SENIOR MANAGEMENT OF EPK

GENERAL INFORMATION

Part 1: Demographic Profile

1. What is your gender?
   Male ☐ Female ☐

2. Age in years (tick appropriately)
   Below 20 years ☐ 20-25 ☐ 26-30 ☐ 31-35 ☐ Over 35 ☐

3. What is your highest level of education?
   Primary certificate ☐
   Secondary certificate ☐
   College certificate ☐
   College diploma ☐
   First degree ☐
   Masters degree ☐
   Other (please specify) ________________________________

4. Are there any health care schemes for the employees of EPK?
5. Does EPK provide loans and financial facilities to its employees?
6. Are the employees of EPK paid according to the accepted labor rates and laws?
7. Do the EPK employees have a union that voices their concerns?
8. What would you want EPK to do for its employees to improve the lives of the employees that work for them?
9. What are some of the weaknesses of the employee and organization relationship where EPK are involved?
<table>
<thead>
<tr>
<th>Activity Description/Time in Months</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
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</thead>
<tbody>
<tr>
<td>Research topic formulation and research gaps identification</td>
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<tr>
<td>Literature review and formulation of research methodology</td>
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<td>Proposal development and defense</td>
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<tr>
<td>Correction of proposal and submission to graduate school for research approval.</td>
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<td>Data collection</td>
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<td>Report writing and consultation with supervisor.</td>
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</tr>
<tr>
<td>Thesis submission to Dept/School</td>
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</tbody>
</table>
APPENDIX 4: NANDI COUNTY
KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School
TO: Edwin Bor Cheror
     C/o Public Policy & Administration Dept.

DATE: 12th October, 2017
REF: C153/CTY/PT/33520/2014

SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your revised Research Proposal as per our recommendations raised by the Graduate School Board of 27th September, 2017 entitled "Effects of Multinational Companies on Community Development in Kenya: Case of Eastern Produce Kenya Limited Nandi County".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

HARRIET ISABOKE
FOR: DEAN, GRADUATE SCHOOL

C.c. Chairman, Department of Public Policy and Administration

Supervisors:

1. Dr. Patrick Mbataru
   C/o Department of Public Policy and Administration
   Kenyatta University
APPENDIX 6: AUTHORIZATION LETTER TO NACOSTI

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 8710901 Ext. 57530

Our Ref: C153/CTY/PT/33520/2014
DATE: 12th October, 2017

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR EDWIN BOR CHEROR – REG. NO.

I write to introduce Mr. Edwin Bor Cheror who is a Postgraduate Student of this University. He
is registered for MPPA degree programme in the Department of Public Policy and
Administration.

Mr. Edwin Bor intends to conduct research for a MPPA Project Proposal entitled, “Effects of
Multinational Companies on Community Development in Kenya: Case of Eastern Produce
Kenya Limited Nandi County”.

Any assistance given will be highly appreciated.

Yours faithfully,

[Signature]

MRS. LUCY N. MBABBU
FOR: DEAN, GRADUATE SCHOOL

[Signature]
APPENDIX 7: AUTHORIZATION LETTER FROM COUNTY EDUCATION OFFICE

MINISTRY OF EDUCATION
STATE DEPARTMENT OF BASIC EDUCATION

SUB COUNTY EDUCATION OFFICE
NANDI EAST
P.O. Box 13
NANDI HILLS

20TH NOVEMBER, 2017

REF: NED/ADM/R/267/VO/49

EDWIN BOR CHEROR
KENYATTA UNIVERSITY

RE: RESEARCH AUTHORIZATION.
Following your authorization by the national commission for science, technology and innovation vide letter ref NACOSTI/ p/17/52164/19771 dated 14/11/2017 to conduct research on “Effects of Multinational companies on community development in Kenya, case of Eastern Produce of Kenya in Nandi County,” you are hereby granted permission to conduct the said research in Nandi East sub county between 20th November, 2017 to 13th November, 2018.

During your research programme you are expected to observe ethics of the institutions you will visit and the general professional ethics in carrying out your activities.

G.P. Lagat
For Sub County Director of Education
NANDI EAST.

CC
The County Director of Education
NANDI COUNTY
APPENDIX 8: AUTHORIZATION LETTER FROM NACOSTI

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: 020 400 7000,
0713 796767/47/35448254
Fax: +25420354825358234
Email: dsp@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

Ref No: NACOSTI/P/17/52164/19771 Date: 14th November, 2017

Edwin Bor Cheror
Kenyatta University
P.O Box 43844-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Effects of multinational companies on community development in Kenya: Case of Eastern Produce Kenya Limited, Nandi County” I am pleased to inform you that you have been authorized to undertake research in Nandi County for the period ending 13th November, 2018.

You are advised to report to the County Commissioner and the County Director of Education, Nandi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nandi County.

The County Director of Education
Nandi County.
# APPENDIX 9: PLAGIARISM REPORT

<table>
<thead>
<tr>
<th>Originality Report</th>
<th>Similarity Index</th>
<th>Internet Sources</th>
<th>Publications</th>
<th>Student Papers</th>
</tr>
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## PRIMARY SOURCES

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<thead>
<tr>
<th>Source</th>
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<tbody>
<tr>
<td>1</td>
<td>Submitted to Kenyatta University Student Paper</td>
</tr>
<tr>
<td>2</td>
<td><a href="http://www.cim.org">www.cim.org</a> Internet Source</td>
</tr>
<tr>
<td>3</td>
<td><a href="http://www.ijsrp.org">www.ijsrp.org</a> Internet Source</td>
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<tr>
<td>4</td>
<td>Gabriel Eweje. &quot;Environmental Costs and Responsibilities Resulting from Oil Exploitation in Developing Countries: The Case of the Niger Delta of Nigeria&quot;, Journal of Business Ethics, 11/06/2006 Publication</td>
</tr>
<tr>
<td>5</td>
<td>ir.cuea.edu Internet Source</td>
</tr>
<tr>
<td>6</td>
<td>article.sapub.org Internet Source</td>
</tr>
<tr>
<td>7</td>
<td>Submitted to University of Liverpool Student Paper</td>
</tr>
</tbody>
</table>

www.emeraldinsight.com