



# From Profit To Purpose: How Corporate Social Responsibility Transforms Rural Communities In Kenya

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**Abstract:** Corporate Social Responsibility (CSR) has evolved globally from philanthropic acts to strategic initiatives with social, environmental, and economic implications. In Kenya, CSR is often applied philanthropically, with limited integration into long-term development strategies, especially in rural areas. This study investigates the social impacts of Rabai Power Company's (RPL) CSR initiatives on sustainable rural development and corporate reputation in Kilifi County, Kenya. It aims to assess how CSR activities influence community beneficiaries and shape the company's legitimacy and stakeholder perceptions. A qualitative case study approach was used. Data were collected through four key informant interviews and one focus group discussion. The study was guided by Stakeholder Theory, Legitimacy Theory, and the Triple Bottom Line (TBL) framework. The data were thematically analyzed to identify recurring patterns related to CSR impacts. The CSR initiatives by RPL significantly contributed to education, healthcare, water provision, socio-cultural development, and youth empowerment. Beneficiaries reported enhanced well-being and greater trust in the company. However, challenges such as the sustainability of services, equitable resource distribution, and governance issues were identified. Strategic CSR, when aligned with local needs and supported by participatory governance, enhances both community development and corporate legitimacy. Communities perceive RPL not merely as a business entity but as a development partner. The study recommends institutionalizing CSR through cross-sectoral partnerships, capacity building, and sustainable funding. The research contributes to CSR theory by contextualizing its application in a rural African setting and reinforces its relevance to the Sustainable Development Goals (SDGs).

**Keywords:** Corporate Social Responsibility, Community Development, Corporate Reputation, Education, Healthcare, Youth Empowerment, Sustainable Development Goals

## 1. Introduction

The purpose of a company extends beyond profit generation to encompass its broader role in society (Ouragini & Ben Hassine Louzir, 2024). The essence of corporate purpose lies in defining why a company exists and how it justifies the significant privileges of perpetual succession and limited liability granted by law. In this view, corporations are expected to demonstrate that their activities yield tangible social and environmental benefits, ensuring that profit-making does not occur at the expense of communities or ecological systems. Mayer (2022) further contends that corporate constitutions, ownership structures, governance, and performance metrics should be aligned with this broader purpose. This perspective reframes corporations as not merely private profit-driven entities but as social institutions entrusted with responsibilities toward the collective good.

In recent decades, societal expectations regarding the role of business in development have evolved substantially. Modern societies increasingly expect corporations to contribute actively to social welfare and sustainable development, a shift that is encapsulated in the concept of Corporate Social Responsibility (CSR). CSR is broadly understood as an organization's commitment to aligning its operations and values with societal needs (Meinhold, 2021). The European Commission defines CSR as an approach through which companies integrate social, environmental, and economic concerns into their business operations and stakeholder interactions (Vanclay, 2020). These conceptualizations underscore CSR as a framework for reconciling economic objectives with inclusive and sustainable development imperatives.

The adoption of CSR has been widely associated with both internal and external benefits (Rehman, 2022). Internally, it enhances employee motivation, commitment, innovation, and organizational learning; externally, it fosters corporate reputation, stakeholder trust, and community well-being. Conversely, neglecting CSR often results in tension, mistrust, and in extreme cases, conflict between corporations and their host communities (Nwoba & Michael, 2016; Šontaitė-Petkevičienė, 2015). Consequently, CSR has evolved from being a purely moral or philanthropic concern into a strategic necessity and a core component of responsible corporate governance.

Globally, CSR practices have been shaped by experiences that demonstrate the far-reaching consequences of corporate neglect. Historical industrial disasters and environmental crises have underscored the necessity for firms to embed CSR within their governance and risk management structures (Bouten et al., 2011). As a result, CSR has transitioned from peripheral philanthropy to a strategic tool for mitigating risks, enhancing resilience, and fostering sustain-

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-able community development. However, when applied to the Kenyan context, this strategic transformation reveals a persistent gap.

In Kenya, CSR engagement is widespread but remains predominantly philanthropic in nature. Many corporations focus on charitable donations and community support in areas such as education, healthcare, and infrastructure (Cheruiyot & Tarus, 2015). While these efforts reflect commendable corporate benevolence and align with cultural expectations of communal responsibility, they often lack strategic integration into core business models. The institutionalization of CSR as a governance practice remains weak, with limited industry-wide frameworks or enforcement mechanisms to ensure systematic implementation (Cheruiyot & Tarus, 2015).

The Kenyan context offers a compelling setting to explore how CSR can be harnessed as a vehicle for rural transformation. Despite notable economic progress, Kenya continues to grapple with persistent inequalities, particularly in rural areas where access to quality education, healthcare, clean water, and sustainable livelihoods remains limited. In such settings, CSR holds significant potential to catalyze social change when designed as a long-term, participatory, and capacity-building mechanism. For example, Rabai Power Company in Kilifi County allocates approximately KES 12.5 million annually to more than 35 CSR initiatives spanning education, healthcare, and water provision (Rabai Power Limited, 2024). These interventions have benefited over 2,300 residents, illustrating CSR's potential to alleviate pressing social needs.

Nevertheless, critical knowledge gaps persist concerning the impact and efficacy of CSR in the Kenyan context. Specifically, there is limited empirical evidence assessing the long-term community impacts, the sustainability of CSR initiatives, and the influence of these practices on corporate reputation within rural and underdeveloped regions (Cheruiyot & Tarus, 2015). Kilifi County, and specifically Rabai Constituency, provides a pertinent case study for addressing these gaps. The region faces persistent socio-economic challenges, including high poverty rates, infrastructural deficits, and limited access to essential services (County Government of Kilifi, 2023; Ngugi et al., 2020). These vulnerabilities heighten the need for strategic CSR interventions that are inclusive, sustainable, and aligned with local priorities.

The shift from profit to purpose underscores the growing expectation for corporations to advance human welfare and environmental stewardship. Corporate Social Responsibility (CSR) provides a strategic avenue for businesses to demonstrate legitimacy, accountability, and long-term commitment to societal progress. In rural Kenya, CSR holds potential to transform marginalization into empowerment through sustainable community initiatives. This study examines how CSR influences community development and corporate reputation in rural contexts, focusing on Rabai Power Company in Kilifi County. It addresses existing gaps by assessing the sustainability, social impact, and value of CSR as a driver of inclusive rural transformation. Thus, the study aims to address the following research questions:

- a) What are the social impacts of Rabai Power Company's CSR practices on community beneficiaries in Rabai Constituency?
- b) How can Rabai Power Company's CSR initiatives be enhanced to more effectively promote sustainable community development in Rabai Constituency?
- c) In what ways do Rabai Power Company's CSR practices influence its corporate reputation among stakeholders

## 2. Literature Review

Corporate Social Responsibility (CSR) is increasingly recognized as a multidimensional practice that transcends profit maximization to embrace social, environmental, and economic responsibilities (Breitbarth et al., 2015). Empirical evidence demonstrates that CSR enhances trust, strengthens corporate legitimacy, and contributes to long-term sustainability, whereas neglect of responsibility often generates reputational risks and social conflict (Šontaitė-Petkevičienė, 2015). Contemporary debates underscore the need to reframe the purpose of corporations within this broader societal context. The Future of the Corporation programme, for instance, argues that businesses should be restructured to meet global challenges through two interrelated objectives: The *Purpose Objective*, where enterprises should generate profitable solutions to the problems of people and the planet; and the *Do No Harm Objective*, where enterprises should avoid profiting from activities that create or exacerbate such problems (Palombo, 2022).

This framework positions companies not only as profit-making actors but also as agents of sustainable development. In rural communities, particularly in developing contexts such as Kenya, CSR offers pathways for improving access to education, healthcare, and basic infrastructure while fostering empowerment and resilience. Yet questions remain about the sustainability and transformative capacity of such initiatives. This study, therefore, investigates how CSR in Kenya shifts the corporate mandate from profit to purpose, with specific attention to its role in rural community development.

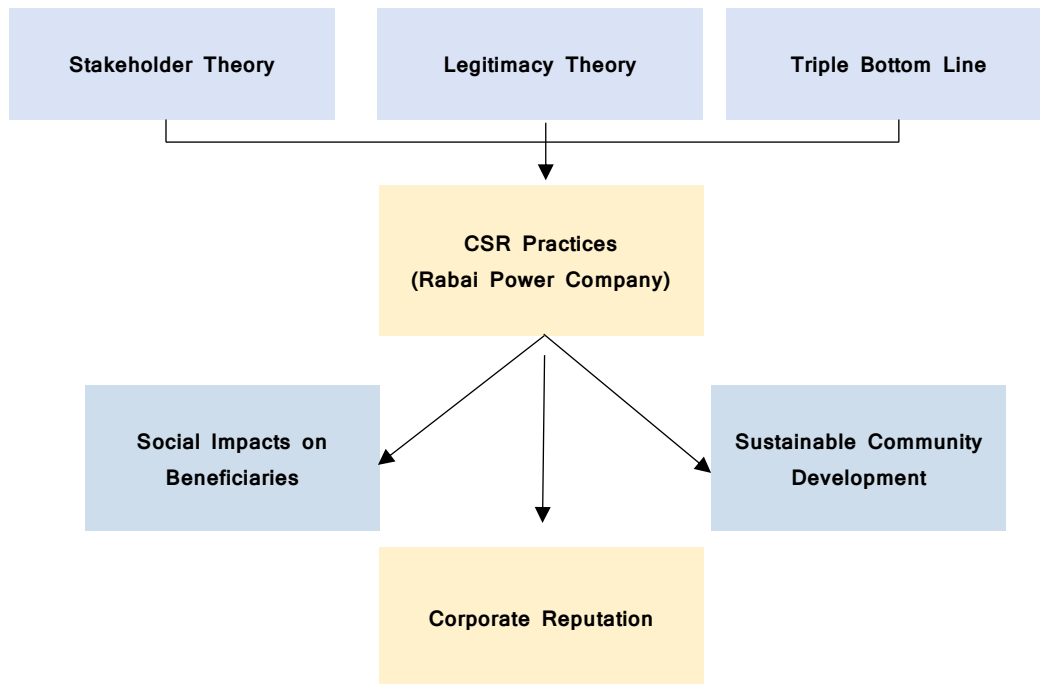
### 2.1. Theoretical Framework

This study draws on Stakeholder Theory, which posits that corporations have responsibilities not only to shareholders but also to a wider network of stakeholders who influence and are influenced by their operations (Agara & Stainbank, 2023; Harrison et al., 2019; Kim & Kim, 2016). In this view, CSR activities are integral to meeting community expectations, strengthening trust, and fostering long-term partnerships. For Rabai Power Company, stakeholders include local residents, schools, community organizations, and county authorities, all of whom evaluate the relevance and effectiveness of CSR programs in addressing social needs.

Complementing this perspective, Legitimacy Theory suggests that organizations engage in CSR to align with societal norms and values, thereby maintaining legitimacy and securing their "license to operate" (Deegan, 2019). CSR interventions in health, education, infrastructure, and environmental protection allow Rabai Power Company to demonstrate accountability and reduce potential conflicts with the community. Similarly, the Triple Bottom Line (TBL) framework (Slaper & Hall, 2011) emphasizes balancing social, environmental, and economic outcomes, framing CSR as a driver of sustainable development rather than isolated philanthropic gestures.

The Integrated Theoretical and Conceptual Framework (Figure 1) combines these three perspectives to illustrate how Rabai Power Company's CSR practices influence community outcomes. Stakeholder Theory explains the relational accountability to beneficiaries, Legitimacy Theory highlights CSR's role in reinforcing trust and approval, while TBL

emphasizes the sustainability of outcomes. Together, these perspectives clarify how CSR activities shape social impacts on beneficiaries, sustainable community development, and the company's corporate reputation.



**Figure 1:** Integrated Theoretical and Conceptual Framework

## 2.2. Social Impacts of CSR on Beneficiaries

Corporate Social Responsibility (CSR) is widely acknowledged as a multidimensional practice that delivers direct benefits to communities, including improved access to education, healthcare, clean water, and infrastructure (Vanclay, 2020). In African contexts, CSR has been linked to reducing inequalities and improving living standards in underserved rural areas. However, poorly designed interventions can exacerbate dependency, fuel discontent, or reinforce inequalities when projects are externally imposed or disconnected from local priorities (Nwoba & Michael, 2016). Research underscores that participatory approaches in CSR planning foster ownership and sustainability, while top-down approaches often undermine trust.

The debate on the social impacts of CSR is closely tied to broader discussions about corporate purpose. The doctrine of shareholder primacy, which emphasized profit maximization, has increasingly been challenged (Strohle, Soonawalla & Metzner, 2022). Systemic crises such as climate change, inequality, and financial instability have prompted calls for corporations to reorient toward a purpose-driven model (Mayer, 2018). However, measuring a company's performance against the Purpose and Do No Harm objectives remains a significant challenge. Conventional accounting frameworks prioritize financial health while overlooking intangible assets such as communities, social capital, and natural resources.

To address this limitation, firms and investors are increasingly incorporating environmental, social, and governance (ESG) criteria into reporting and decision-making (Strohle, Soonawalla, & Metzner, 2022). Concepts such as single and double materiality attempt to capture both financial risks and broader social impacts, highlighting that corporate purpose and performance are interdependent. Despite extensive research on CSR's, there is a gap in understanding how CSR initiatives in rural Kenya empower communities.

## 2.3. Enhancing CSR Practices for Sustainable Community Development

The effectiveness of Corporate Social Responsibility (CSR) depends not only on the initiatives undertaken but also on the institutional structures that support them. Bouten et al. (2011) emphasize that comprehensive reporting should capture corporate intentions, concrete actions, and measurable outcomes, thereby narrowing the gap between rhetoric and reality. Transparent reporting with both qualitative and quantitative indicators strengthens accountability and enables stakeholders to assess tangible impacts (de Villiers & van Staden, 2010). Without such mechanisms, CSR risks being perceived as symbolic rather than transformative (Gray, 2006).

For CSR to foster sustainable community development, it must be embedded within long-term strategies aligned with local priorities rather than implemented as one-off philanthropic gestures. Linking initiatives to global frameworks such as the Sustainable Development Goals (SDGs) enhances coherence and relevance across sectors. Empirical evidence demonstrates that investments in education, healthcare, environmental conservation, and social inclusion strengthen resilience and improve development outcomes (Vanclay, 2020). In South Africa, mining companies that integrate CSR into community development strategies have mitigated social tensions (Hamann & Kapelus, 2004). While in Nigeria, participatory CSR practices have enhanced local ownership and sustainability (Amaeshi et al., 2006).

In Kenya, CSR has increasingly become a complement to government and donor programs, particularly in rural areas facing persistent development deficits. For example, Safaricom Foundation's initiatives in health and education have provided mobile health clinics, scholarships, and ICT centers, demonstrating measurable social impact (Waruru, 2013). East African Breweries Limited (EABL) has supported water and sanitation projects, directly addressing community needs (Otieno & Fatoki, 2021). Similarly, Kenya Power's rural electrification CSR programs have improved livelihoods through access to energy for households, schools, and businesses (Kirubi et al., 2009). By embedding accountability and aligning initiatives with local development priorities, Rabai Power Company's CSR can serve as a transformative driver of sustainable development in Rabai

Constituency, advancing both corporate legitimacy and community empowerment. However, understanding how accountable, locally aligned CSR initiatives like those of Rabai Power Company can drive sustainable development and community empowerment remains limited.

#### 2.4. CSR and Corporate Reputation

Corporate Social Responsibility (CSR) plays a pivotal role in shaping corporate reputation, stakeholder trust, and organizational legitimacy. Transparent and credible reporting strengthens a company's social license to operate, builds reputational capital, and enhances long-term stakeholder relationships (Adams, 2004; Šontaitė-Petkevičienė, 2015). Stakeholders, including NGOs, advocacy groups, and shareholders, increasingly rely on CSR disclosures to evaluate accountability and credibility (O'Dwyer, Unerman & Hession, 2005).

Nevertheless, CSR reporting is often criticized for prioritizing narrative statements without sufficient evidence of measurable outcomes. Narrative-driven disclosures may function as impression management, raising doubts about authenticity and potentially damaging corporate credibility (Hopwood, 2009). Bouten et al. (2011) argue that companies adopting comprehensive reporting frameworks capturing intentions, actions, and results are more likely to enhance reputation in a credible and enduring manner.

Empirical studies further highlight the reputational value of CSR. Eweje (2006) demonstrates that transparent CSR communication in the service sector significantly increases consumer trust and loyalty. Du, Bhattacharya, and Sen (2010) similarly find that stakeholder awareness mediates the link between CSR initiatives and reputational gains, underscoring the importance of clear and accessible communication. In emerging economies, high-quality CSR disclosure mitigates skepticism and builds legitimacy, especially where regulatory systems are weak (Michelon, Pilonato & Ricceri, 2015).

In Kenya, Waruru (2013) shows that Safaricom's CSR investments in education and health not only improved community welfare but also reinforced its corporate image as a socially responsible brand. Such evidence demonstrates that when CSR is embedded in organizational values, supported by credible outcomes, and aligned with local priorities, it becomes a powerful tool for enhancing reputation and sustaining stakeholder trust. Consequently, few studies explore how such locally aligned CSR approaches operate in rural contexts like Rabai and how they contribute to enhancing corporate image.

### 3. Methodology

#### 3.1. Research Design

This study adopted a qualitative case study design to provide in-depth insights into complex social phenomena and enable a nuanced understanding of participants' experiences, practices, and perspectives (Braun & Clarke, 2021; Musyimi, Malechwanz, & Luo, 2018). The design was appropriate for examining the social impacts of RPL's Corporate Social Responsibility (CSR) practices on sustainable community development and corporate reputation in Rabai Constituency, Kilifi County. Data were collected through key informant interviews, focus group discussions, and direct observations. These methods allowed for the probing of emerging themes and clarification of participant perspectives. To ensure trustworthiness, participants' statements were quoted directly, while methodological triangulation was employed to cross-check data from different sources, thereby strengthening the depth, accuracy, and reliability of the findings.

#### 3.2. Theoretical Sampling

A purposeful sampling strategy was employed to identify participants directly involved in or benefiting from RPL's CSR activities, as this approach enables the selection of information-rich cases for qualitative inquiry (Patton, 2014). Four key informants were chosen for in-depth interviews: a student beneficiary (Participant A, KII), a school head (Participant B, KII), a health officer (Participant C, KII), and an RPL CSR officer (Participant D, KII). Nine representatives of the Rabai Advisory Committee (RAC), including the Deputy County Commissioner of Rabai Sub-County, a school principal, a school Board of Management chairperson, a representative of the Member of Parliament, a religious leader, a woman leader, an opinion leader, a law enforcement representative, and a health officer were selected to form the focus group discussion team. In addition, Kombeni Girls' School and Rabai Dispensary were purposively sampled for site visits to facilitate direct observation.

These participants were purposively identified for their professional expertise and direct involvement in the design, implementation, and evaluation of CSR projects, ensuring that the information gathered was both authoritative and contextually grounded. The group setting also encouraged participants to interact, challenge, and build upon each other's views, thereby generating insights unlikely to surface in individual interviews (Guest, Namey & Chen, 2020). To further enhance validity, direct observation of selected CSR projects was conducted to corroborate reported initiatives and triangulate interview and focus group data with field evidence.

#### 3.3. Data Collection Procedures

Based on the research questions, the researchers developed a set of semi-structured interview questions, discussion prompts, and an observation guide, as recommended by Vaterlaus (2011). Probes and prompts were used to elicit deeper responses, enrich the data, and clarify participants' perspectives (Musyimi, Malechwanz & Luo, 2018). Each informant was contacted by telephone to schedule interviews and site visit at convenient times, which were conducted primarily face-to-face, supplemented by follow-up phone calls for further clarification. Semi-structured questions, asked in a flexible order, guided both interviews and discussions, allowing for in-depth exploration of the influence of RPL's CSR practices on sustainable community development in Rabai.

During the sessions, researchers paid close attention to verbal and non-verbal cues, including facial expressions, to construct meaning from participants' narratives. Field notebooks were used to capture detailed notes and direct quotations, ensuring accuracy in the presentation of participants' voices (Stuckey, 2013). To preserve anonymity, participants were coded systematically according to the interview order (e.g., "Participant A"), and all recordings were securely archived for analysis. Direct observation was conducted, and supporting evidence was documented through still photographs to complement the data obtained from interviews and focus group discussions (FGDs).

All stages of the research were conducted in adherence to ethical standards as approved by the Institutional Review Board of Pwani University (PURB). Informed consent was obtained from all participants, participation was voluntary, and strict adherence to non-discrimination, gender sensitivity, and confidentiality was maintained throughout the process to safeguard participants' rights and dignity.

### 3.4. Qualitative Coding and Analysis

All interviews and focus group discussions were audio-recorded and supplemented with field notes, then transcribed verbatim, as recommended by Sutton and Austin (2015), to ensure accuracy and preserve participants' voices. The transcription process was undertaken with careful attention to context, allowing researchers to remain faithful to the meanings conveyed by informants. Each transcript was reviewed against the recordings to confirm completeness and accuracy. Further, observation notes were coded thematically and triangulated with interviews and FGDs, with photographs used as supporting evidence, thereby strengthening the credibility and trustworthiness of the findings (Nowell et al., 2017).

Data collection, particularly in the focus group discussions, continued until thematic saturation was reached, that is, when no new significant insights emerged, a recognized marker of adequacy in qualitative research (Hennink, Kaiser & Marconi, 2017; Saunders et al., 2018). The data were coded systematically and analyzed thematically in line with the research questions. Following Braun and Clarke's (2021) iterative approach, analysis involved identifying recurring patterns, clustering related concepts, and developing themes that reflected participants' perceptions and lived experiences. The process was conducted manually by reading, coding, and interpreting data by hand using printed transcripts, field notebooks, and digital documents such as Word and Excel.

## 4. Results and Discussion

The study examined the social impacts of Rabai Power Company's CSR practices on sustainable community development in Rabai Constituency. Data collected through four key informant interviews (KIIs), a focus group discussion (FGDs) with nine participants, and observation schedules revealed three major thematic areas aligned with the study questions.

### 4.1. Social Impacts of CSR Practices on Community Beneficiaries

The findings indicate that Rabai Power Company's (RPL) corporate social responsibility (CSR) initiatives generated substantial social impacts across multiple sectors, including education, healthcare, water provision, socio-cultural development, and youth empowerment. These initiatives were widely recognized by community members as life-changing, particularly in contexts where state resources were limited. CSR has been described as a crucial mechanism for addressing community needs, particularly in developing country settings where state institutions face capacity deficits (Carroll & Shabana, 2010; Nwoba & Michael, 2016).

Beyond meeting immediate needs, CSR projects also contributed to social cohesion and community resilience by creating spaces for collective participation and reinforcing trust between corporations and beneficiaries. Evidence from other African contexts suggests that participatory CSR fosters local ownership, reduces dependency, and ensures sustainability of interventions (Amaeshi et al., 2006; Hamann & Kapelus, 2004).

In Kenya, studies have highlighted how CSR interventions in rural constituencies often act as a supplement to state and donor efforts, thereby bridging critical service delivery gaps (Otieno & Fatoki, 2021). When implemented transparently and aligned with local priorities, CSR can therefore transform rural communities not only through material contributions but also by enhancing dignity, empowerment, and long-term development prospects. Figures 2–7 present field photographs capturing RPL's CSR initiatives in Rabai Constituency (Field data, 2024), complementing interview and FGD findings through direct observational evidence.

The figures collectively document Rabai Power Limited's (RPL) comprehensive Corporate Social Responsibility (CSR) program across essential community sectors. Investments include improving water security through the installation of supply tanks (Figure 2) and supporting youth development via donations of soccer equipment and uniforms (Figure 3). Furthermore, RPL actively engaged in risk mitigation by conducting road safety awareness campaigns for schoolchildren (Figure 4) and facilitating stakeholder dialogue at community outreach forums (Figure 5). Crucially, the program extended to social welfare through the sponsorship of needy students (Figure 6) and by enhancing local healthcare infrastructure with support for the Rabai Dispensary's diagnostic lab and medical ward (Figure 7).



**Figure 2:** Sample water tank installed to boost local water supply



**Figure 3:** Sample soccer ball and team uniforms donated to a local club



**Figure 4:** RPL conducting road safety awareness for school children



**Figure 5:** RPL team engaging community members during an outreach forum



**Figure 6:** Sponsored beneficiary sampled among needy students



**Figure 7:** RPL supports Rabai Dispensary with diagnostic lab and medical ward

One of the most transformative initiatives was the student sponsorship programme through the Palm House Foundation. Between 2012 and 2022, RPL sponsored ninety-two students from the Coast region, both boys and girls, based on merit and need. The program enabled them to attend national schools, coupled with structured mentorship sessions held every term. This not only enhanced academic achievement but also expanded career opportunities, with many graduates securing employment in sectors such as engineering, nursing, and computer science. Furthermore, an endowment fund of €105,000, established in 2016, ensured the sustainability of the scholarship by financing at least two students annually into the future. This institutionalization of educational support demonstrates how CSR can create intergenerational impacts by equipping young people with skills for upward mobility (Bouten et al., 2011; Meinhold, 2021). Participants consistently described the scholarship as life-changing, noting that it enabled many learners to complete secondary and tertiary education in fields such as engineering, nursing, and computer science, opportunities otherwise inaccessible without external support.

*“The scholarship was life-changing. It enabled me to finish school and now I am studying computer science at university”* (Participant A, KII).

Beyond scholarships, RPL introduced the Hiding Hyena educational project targeting primary school pupils. In partnership with stakeholders such as the Ministry of Education, 10,000 manuals were distributed across 65 schools, and over 330 teachers were trained as trainers of trainees. The project directly reached over 33,000 pupils, raising awareness on HIV/AIDS, sexual and reproductive health, and nutrition. The intervention was credited with shifting attitudes and fostering positive behavioral changes. Such initiatives resonate with Stakeholder Theory, which emphasizes how companies contribute not only through financial support but also through innovative knowledge dissemination (Muthuri, Moon & Idemudia, 2012).

*“The Hiding Hyena as a manual was very effective in raising knowledge of learners, changing their attitude and possible adoption of positive behavior”* (Participant B, KII).

Healthcare interventions were equally significant. The construction of a 20-bed ward and a diagnostic laboratory at Rabai Dispensary upgraded the facility to a level 3 hospital, reducing referrals to distant Mariakani and Mombasa hospitals. However, this upgrade led to higher hospital fees, prompting some residents to shift to Ribe Dispensary. RPL responded by constructing another 20-bed ward at Ribe, benefiting approximately 1,000 patients annually. During the COVID-19 pandemic, RPL provided protective equipment, fumigation machines, and food relief to schools and health centers, directly benefiting over 38,000 pupils, teachers, and community members. These initiatives align with evidence that CSR in health can bridge gaps in public provision, especially in underserved rural areas (Eweje, 2006).

*“Annually, over 1,000 patients benefit from these facilities. In addition, complementary health initiatives were implemented, including the distribution of COVID-19 relief items such as thermometers, sanitizers, masks, and fumigation equipment to Rabai Health Centre and surrounding institutions. These efforts directly benefited more than 38,000 pupils, teachers, and community members in 2020”* (Participant C, KII).

Water provision emerged as another impactful CSR focus. RPL constructed water tanks, ensuring free supply to local schools and health centers. The accessibility of clean water contributed to improved sanitation, reduced absenteeism among

learners, and better health outcomes. This intervention resonates with Sustainable Development Goal (SDG) 6, which emphasizes equitable access to clean water.

Socio-cultural and community initiatives were also supported. RPL sponsored sports clubs, fenced cemeteries, organized community events such as the Rabai cultural festival and Rabai education day, and contributed to police station amenities and road traffic awareness programs. These initiatives fostered community pride, strengthened cohesion, and offered platforms for youth engagement, directly benefiting over 500 residents. In a Focused Group Discussion, a participant noted that:

*“These activities strengthened social cohesion, fostered community pride, and provided meaningful opportunities for youth engagement, bringing people together, reducing tension, and offering the youth constructive activities”* (Participant B, FGD).

Additionally, RPL offered internships and industrial attachments to college students, with priority given to beneficiaries of the scholarship program. This continuity between secondary school sponsorship and professional training created a holistic educational pathway, positioning young people for gainful employment. Community support extended further to vulnerable groups through donations to WEMA Children’s Home and food relief during the COVID-19 pandemic. Together, these interventions illustrate the broad spectrum of social impacts attributable to RPL’s CSR practices.

#### 4.2. Enhancing CSR Practices for Sustainable Community Development

While RPL’s CSR practices produced visible benefits, the findings highlight opportunities for enhancing sustainability. Respondents expressed concerns regarding the maintenance of donated facilities, noting that ICT laboratories required recurrent resources for equipment maintenance, and hospitals faced persistent shortages of reagents and staff. Such challenges underscore the need for CSR initiatives to build community capacity and integrate long-term funding mechanisms (Blowfield & Frynas, 2005). One participant noted:

*“The laboratory is good, but the cost of reagents is high, and without continuous funding, it becomes hard to sustain”* (Participant C, KII).

Capacity-building needs were emphasized, particularly refresher training for ICT teachers and health workers, to ensure that facilities were optimally utilized. Additionally, some wards felt underrepresented in project distribution, raising concerns of inequity in resource allocation. Participant D also highlighted the importance of stronger partnerships with county governments to institutionalize and sustain CSR interventions. This aligns with SDG 17, which emphasizes cross-sectoral partnerships in achieving development goals.

*“The teachers and health staff need refresher training so that these facilities don’t go to waste”* (Participant D, KII).

The scholarship program, though sustained through the endowment fund, faced concerns regarding its long-term continuity after 2030, when RPL is expected to cease operations. To mitigate risks of corruption and ensure transparency, the scholarship program will be handed over to the Rabai Advisory Committee (RAC), comprising representatives of local leadership, schools, law enforcement, health officers, and community stakeholders. This transition demonstrates local ownership and embeds sustainability mechanisms in community structures (Idemudia, 2014).

Rabai Power Limited’s (RPL) CSR interventions directly align with multiple Sustainable Development Goals (SDGs). In education (SDG 4), literacy and digital skills improved through scholarships and ICT labs. In health (SDG 3), access was expanded through new wards and diagnostic facilities. In water (SDG 6), reliable provision improved sanitation and hygiene in schools and health centers. In partnerships (SDG 17), collaboration with NGOs such as Palm house Foundation amplified project impacts. However, the sustainability of these outcomes remained contingent on continued financial support and effective governance.

The Triple Bottom Line (TBL) framework emphasizes that CSR generates the greatest impact when embedded in long-term strategies and closely aligned with local development priorities rather than delivered as ad hoc philanthropy (Ouragini & Ben Hassine Louzir, 2024; Vanclay, 2020). Transparent monitoring and reporting mechanisms further enhance accountability and build community trust (Bouten et al., 2011; de Villiers & van Staden, 2010). Thus, for RPL’s interventions to become transformative drivers of sustainable development in Rabai Constituency, they must be institutionalized within inclusive governance structures and linked to holistic community frameworks that integrate economic, social, and environmental priorities.

#### 4.3. CSR Practices and Corporate Reputation

CSR initiatives have significantly shaped RPL’s corporate reputation. Community members consistently described the company as a “partner in development” rather than merely an investor, highlighting trust built through visible and impactful projects. Local leaders emphasized that quarterly Rabai Advisory Committee (RAC) meetings improved transparency and reduced community-company conflicts. Furthermore, stakeholders such as schools and health centers expressed appreciation through direct letters, while no formal complaints were recorded in the company’s registers. These outcomes align with the arguments of Agara and Stainbank (2023) and Fombrun (2005), who contend that CSR enhances corporate reputation by fostering trust and legitimacy among stakeholders.

*“Rabai Power is not just a company; it is our partner in development. Before, we thought they were just here for profit, but now they listen to us, and conflicts have reduced”* (Participant A, FGD).

Beneficiaries of scholarships and healthcare interventions further emphasized that RPL’s CSR initiatives engendered loyalty and gratitude. Notably, only two students out of 92 scholarship beneficiaries dropped out (a 2.2% dropout rate), while the majority successfully completed their education and secured employment, including positions within RPL itself. This success was attributed to mentorship sessions conducted every school term. The company’s reputation was further reinforced when other firms and NGOs, including Aga Khan Foundation, the Finnish Government, and Coin for Kenya benchmarked with RPL to replicate its CSR models. Such reputational gains underscore the instrumental role of CSR in fostering goodwill and stakeholder cooperation (Porter & Kramer, 2006).

*"Other companies come to benchmark projects undertaken by RPL, which we see as a sign of trust and recognition"* (Participant C, FGD).

Overall, the community has provided positive feedback about RPL's reputation through direct verbal compliments and appreciation letters from stakeholders. No negative complaints were recorded in the company's complaint book. Such expressions of goodwill highlight how CSR activities can serve as powerful tools for building corporate reputation and legitimacy, particularly in rural contexts where communities often directly experience project outcomes (Rehman, 2022). Transparent and credible CSR practices enhance reputational capital by strengthening trust and reinforcing a company's social license to operate (Adams, 2004; Šontaitė-Petkevičienė, 2015).

Comprehensive reporting of CSR initiatives that capture intentions, actions, and measurable results enhances authenticity and demonstrates the dual value of CSR in improving community welfare and strengthening corporate legitimacy, as evidenced globally (Bouten et al., 2011; Michelin et al., 2015) and in Kenya through Safaricom's investments (Waruru, 2013). By consistently demonstrating tangible social impact, RPL enhances its reputation as a responsible corporate actor while simultaneously deepening stakeholder trust and loyalty.

However, reputational risks were also identified. Some respondents expressed concerns about the company's eventual closure in 2030 and the uncertainty of sustaining ongoing projects. Others noted challenges such as community members attempting to falsify documents to access scholarships, potentially undermining transparency. These findings reflect the dual nature of CSR and reputation: while CSR can enhance legitimacy, lapses in sustainability planning or governance may erode long-term trust (Brammer & Pavelin, 2006).

## 5. Conclusion

This study demonstrates that Rabai Power Company's (RPL) corporate social responsibility (CSR) initiatives have had profound social impacts within Rabai Constituency, contributing significantly to sustainable community development. CSR interventions in education, healthcare, water provision, socio-cultural engagement, and youth empowerment were widely recognized as transformative. The student scholarship and mentorship programs enhanced academic achievement and career opportunities, with graduates securing employment in professional sectors, including within RPL itself. Complementary educational initiatives, such as the Hiding Hyena project, raised awareness on health, nutrition, and sexual and reproductive health among over 33,000 pupils, fostering positive behavioral change. Healthcare investments, including hospital wards, diagnostic laboratories, and COVID-19 relief efforts, improved access to essential services for thousands of beneficiaries, while water provision initiatives enhanced sanitation and reduced school absenteeism. Socio-cultural programs strengthened community cohesion, pride, and youth engagement.

RPL's CSR also enhanced its corporate reputation, with community members consistently describing the company as a "partner in development." Stakeholder recognition, benchmarking by other organizations, and positive feedback underscore the trust and legitimacy generated through visible, impactful initiatives. Nonetheless, sustainability risks persist, including concerns over facility maintenance, equitable resource distribution, governance challenges, and the company's anticipated closure in 2030. Embedding CSR programs within local governance structures, fostering capacity-building, and establishing long-term funding mechanisms are critical for mitigating these risks.

Overall, the study illustrates that strategically implemented CSR can simultaneously drive community development and strengthen corporate reputation. Sustaining these gains requires inclusive governance, local ownership, and continued cross-sectoral partnerships, aligning CSR practice with broader development objectives and Sustainable Development Goals (SDGs 3, 4, 6, and 17).

## 6. Recommendations

This study contributes to CSR scholarship by integrating Stakeholder Theory, Legitimacy Theory, and the Triple Bottom Line framework to explain how strategic CSR enhances corporate legitimacy, stakeholder trust, and sustainable rural development. It extends these theories by contextualizing CSR as a transformative mechanism for inclusive community empowerment within developing economies. Companies should institutionalize CSR through local partnerships, sustainable funding, and strong monitoring systems to enhance community ownership and long-term impact. Aligning CSR with national priorities and ensuring inclusivity will strengthen accountability, cohesion, and measurable social outcomes.

The findings emphasize institutionalizing CSR through partnerships with local governance structures to enhance community ownership, transparency, and equitable resource distribution. Companies should establish long-term funding mechanisms, such as endowments or trusts, to ensure continuity and support capacity-building for teachers, health workers, and community leaders. Strengthened monitoring and evaluation systems enhance accountability and adaptive learning, while equitable access to CSR benefits fosters cohesion. Beyond Kenya, these insights guide corporate managers in embedding CSR within strategic governance frameworks that balance profitability with social legitimacy and sustainability, reinforcing its role in inclusive and transformative community development.

## 7. Future Research

The study's cross-sectional design and limited quantitative data constrained the assessment of long-term CSR impacts, suggesting the need for future longitudinal mixed-methods research to capture evolving outcomes more comprehensively. Further studies should examine how governance, transparency, and community participation shape CSR effectiveness and legitimacy, while addressing risks of inequitable access and corruption. Finally, this study did not fully align CSR analysis with the SDGs or incorporate multiple stakeholder perspectives. Future research should integrate these dimensions to provide a more holistic understanding of CSR's contribution to sustainable community development.

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