CORPORATE SOCIAL RESPONSIBILITY PRACTICES AND CUSTOMER SATISFACTION: INSIGHTS FROM COMMERCIAL BANKS IN NAIROBI CITY COUNTY, KENYA

Esther Njeri Njiri.
Master's Student, Department of Business Administration, Kenyatta University, Kenya.
Dr. Patricia Kungu (PhD).
Senior Lecturer, Department of Business Administration, Kenyatta University, Kenya.

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ABSTRACT

Customer satisfaction is a critical metric for evaluating organizational success in the service sector, as customer perceptions strongly influence competitiveness, loyalty, and brand positioning. However, despite advancements in service quality, digital banking, and financial inclusion, customer satisfaction levels in Kenya's banking sector have remained inconsistent. Recent statistics indicate a decline in key indicators, with the Net Promoter Score dropping from 44% in 2024 to 38% in early 2025, alongside fluctuating Customer Retention Rates and unstable Customer Satisfaction Index scores. These trends highlight growing challenges in meeting evolving customer expectations, particularly as customers become more environmentally conscious. This study aimed to examine the corporate social responsibility effects on the customer satisfaction of commercial banks in Nairobi City County, Kenya. The study objectives were: to evaluate the effect of environmental philanthropy, environmental community involvement and environmental customer well-being on customer satisfaction of commercial banks in Nairobi City County, Kenya. The research was guided by Stakeholder Theory, Social Identity Theory and Corporate Social Responsibility Pyramid model. The study employed an explanatory research design. The population targeted comprises of 195 senior managers, 390 middle-level managers, 585 supervisors, and 1950 corporate customers. The Yamane formula was applied to evaluate the sample size of 97 participants. The gathered data were analyzed via quantitative and qualitative methods. Descriptive and inferential statistical analyses were applied to the quantitative data, utilizing Statistical Package for Social Sciences version 27. To explore the relations between corporate social responsibility and customer satisfaction, techniques like multiple regression and correlation analyses were utilized. The results demonstrated a solid positive relationship ($R = 0.812$) between corporate social responsibility and customer satisfaction of commercial banks in Nairobi City County. Additionally, a p-value of 0.000 validated the statistical significance of the entire regression model, indicating that the three dimensions of environmental CSR have a combined impact on customer satisfaction. The research concludes that these environmental CSR initiatives greatly improve customer satisfaction in the commercial banks of Nairobi City County by strengthening corporate reputation, establishing trust, and encouraging long-term customer loyalty. The study recommends that commercial bank managers prioritize investments in environmental philanthropy, expand community participation in environmental conservation programmes, and integrate environmentally sustainable practices into their core business operations to improve customer satisfaction.

Key words: Corporate social responsibility, Environmental philanthropy, Environmental community involvement, Environmental customer well-being, Customer satisfaction

INTRODUCTION

Customer satisfaction is an important factor that contributes to the bank's capacity to compete and sustain itself over the long term. It is a key factor that affects the customers' ability to be loyal and return to the bank. Customer satisfaction research uses three main indicators which include the Customer Satisfaction Index (CSI) Net Promoter Score (NPS) and Customer Retention Rate (CRR) to measure customer perceptions. Customers who build strong loyalty to banks which deliver exceptional service experience increased market presence and better financial results (Morgeson et al., 2021). The American Customer Satisfaction Index (ACSI) demonstrates that financial institutions which achieve higher customer satisfaction ratings perform better than their rivals in keeping customers and gaining customer recommendations (Fornell et al., 2020). However, it is difficult to sustain high customer satisfaction levels in banks across the world due to various factors, including changing customer needs, new technologies and rising expectations for socially responsible business operations. Taylor and Roberts (2020), for example, found that environmentally responsible banking influences customer perception in the United Kingdom. Similarly, Nguyen and Simkin (2020) found that customer satisfaction in Australia was significantly affected by the bank's carbon-neutral practices and the encouragement of paperless banking.

Regionally, the banking industry in Africa shows continuous growth because of three factors which include increased financial access and the rising use of digital banking services and the overall economic development in the region. However, customer satisfaction indicators such as CSI, NPS, and CRR remain inconsistent across many countries. Afolabi and Adekeye (2021) discovered that three elements which include service quality and responsiveness and corporate image functioned as essential elements that determine customer satisfaction in Nigeria.

In East Africa, the association between CSR and customer satisfaction levels has yet to be extensively researched. For instance, in Tanzania, Mwita and Julius (2021) demonstrated the importance of trust, service innovation, and new CSR practices in the context of customer satisfaction levels, specifically in urban centers. Moving on to the case of Uganda, Makau et al. (2022) indicate financial inclusion and digital banking to be the main factors driving customer satisfaction levels, while environmental CSR has yet to receive the necessary research attention.

In Kenya, the banking sector has 39 licensed commercial banks under the supervision of the Central Bank of Kenya. The Nairobi City County remains the financial hub with the highest number of commercial banks. The situation in the financial sector has not been entirely indicative of customer satisfaction (CBK, 2022). There has been observed a decline in customer loyalty levels. The retention levels remain volatile. The Net Promoter Scores are not highly satisfactory either (Kenya Bankers Association, 2025; CBK, 2023). The underlying causes of the challenges

in the financial sector include inefficiencies in services, frequent system shutdowns, and rising customer expectations.

Studies by Kimani and Wanjiru (2021) together with Mutua and Kinyua (2022) demonstrates that CSR programs which include environmental protection initiatives and paperless banking and energy-saving practices lead to enhanced customer perception and loyalty for businesses. The research fails to provide a detailed breakdown of CSR into its separate elements which include environmental philanthropy and environmental community involvement and environmental customer well-being activities. The Kenyan banking sector has adopted CSR practices yet there exists a research gap because no studies have examined how particular environmental CSR initiatives affect customer satisfaction. This study aimed to address the research gap by examining the corporate social responsibility effect on customer satisfaction in commercial banks situated in Nairobi City County, Kenya.

As per Kenya Bankers Association (KBA, 2025), the Net Promoter Score of the banking sector increased from 37.7% in 2023 to 44% in 2024, implying that there was an improvement in the willingness of customers to recommend the services. In addition, the increased concern for environmental sustainability has led to the development of green banking products by commercial banks (Etyang & Mugo, 2026). These developments made Nairobi City County an appropriate context for examining the relationship between environmental corporate social responsibility and customer satisfaction. The present study therefore focused on how environmental philanthropy, environmental community involvement, and environmental well-being influenced customer satisfaction, measured through customer retention rate, Customer Satisfaction Index, and Net Promoter Score, among commercial banks operating in Nairobi City County.

Statement of the Problem

The banking sector acts as an essential foundation for Kenya's economy because it enables financial intermediation and fosters investment and drives economic growth. The Central Bank of Kenya oversees the sector, which consists of 39 licensed commercial banks operating throughout the country, with Nairobi City County serving as the primary area of banking activity because it functions as the nation's financial center (CBK, 2023). The banks operate essential functions which help to expand financial access to customers while improving their ability to use banking services. The banking industry faces a problem with customer satisfaction because recent data shows that commercial banks have experienced a drop in key satisfaction metrics which shows an erratic pattern of performance.

The Kenya Bankers Association (2025) reported that the Net Promoter Score (NPS) declined from 44% in 2024 to 38% in early 2025, reflecting a reduction in customer advocacy and willingness to recommend banking services. Banks experience a decline in customer retention rates because people now prefer to switch banks when they find institutions that provide superior digital banking

solutions and enhanced customer interactions. Banks experience ongoing Customer Satisfaction Index (CSI) score fluctuations, which lead some institutions to report lower customer satisfaction results because of system failures and problems with delivering services and failing to meet customer requirements (CBK, 2023). The declining trends demonstrate that banks fail to meet customer expectations, which they now need to fulfill because they have improved their technological and operational systems.

Empirical studies provide mixed evidence on the association between CSR and client satisfaction. Sharma and Mehta (2022) reported a 60% increase in positive customer perception due to environmental CSR initiatives in India, while Ebitu et al. (2019) found a 55% improvement in customer satisfaction in Nigeria. However, these studies treat CSR as a general construct and do not examine specific environmental dimensions. In Kenya, studies by Kimani and Wanjiru (2021) and Mutua and Kinyua (2022) confirm a positive relationship between CSR and customer satisfaction but fail to link specific CSR dimensions to key satisfaction indicators such as CSI, NPS, and CRR. Moreover, limited studies have focused on the declining trends in these indicators within the Kenyan banking sector. In order to close this gap, this study aimed in determining the effect of corporate social responsibility on customer satisfaction of commercial banks in Nairobi City County, Kenya.

Objectives of the study

i. To assess the effect of environmental philanthropy on customer satisfaction of commercial banks in Nairobi City County, Kenya.
ii. To investigate the effect of environmental community involvement on customer satisfaction of commercial banks in Nairobi City County, Kenya.
iii. To evaluate the effect of environmental customer well-being on customer satisfaction of commercial banks in Nairobi City County, Kenya.

REVIEW OF LITERATURE

Theoretical Review

Stakeholder Theory

The theory was created by Freeman (1984) and proposes that firms should produce value for every stakeholder who may impact or be impacted by their operations. These stakeholders include customers, employees, suppliers, communities, regulators, shareholders, and the natural environment. Thus, the theory further broadens the scope of corporate social responsibility beyond the shareholders and highlights the prominence of organizations being able to apprehend and meet the expectations of various stakeholders (Mensah, 2025). With regard to the commercial banks, for instance, customers are one of the important stakeholder groups, whose expectations are affected by the behavior of the bank since it affects the customer's satisfaction, loyalty, and usage of the bank's products and services.

Community involvement in environmental issues is where commercial banks become part of community environmental initiatives. This could be through environmental advocacy activities, clean-up drives in communities, environmental conservation, planting trees, and working with communities on environmental issues. In terms of stakeholders, these environmental activities show that the bank takes into account the interest of the community and customers in the business environment. Customers tell that a bank is socially conscious when they witness its involvement in environmental welfare initiatives. It shows the responsiveness of the bank to societal issues, hence increasing the bank's evaluation by consumers and customer satisfaction. As per Nguyen (2022), the use of CSR activities in banks increases reputation and customer benefits that increase customer satisfaction. Leclercq-Machado et al. (2022) also discovered this positive relationship in private banks.

The theory is also useful for explaining how environmental CSR may impact customer satisfaction by influencing the perceptions customers have of the bank. Environmental CSR does not directly impact customers through the core banking service but may be viewed by customers as an indicator of the values, ethics, responsibility, and commitment of the bank towards society. Such perception of environmental CSR will enhance customer trust and reputation, and hence customer satisfaction. As per Agyei et al. (2021), CSR impacts customer engagement through customer-brand identification and customer satisfaction. Leclercq-Machado et al. (2022) revealed that customer satisfaction and CSR were essential in explaining customer loyalty in private banking. Therefore, the present study can adopt the application of Stakeholder Theory in its context.

Social Identity Theory (SIT)

The theory was created by Tajfel and Turner (1979). It described the process whereby people obtained part of their sense of self from the memberships in social groups or organizations. Despite being developed for intergroup relations originally, it was used in recent times to understand customer-organization relationships. In a CSR setting, the theory proposed that customers would develop stronger psychological bonds to organizations where there was alignment between the values of the organization and those of the customer (Haque, Rahman & Sobhani, 2026). As such, if the customer saw the commercial bank as socially responsible, then they viewed the bank in a good light owing to its social values. Thus, the use of the Social Identity Theory in the study was seen through the hypothesis that environmental CSR could affect customer satisfaction by increasing customer identification with the commercial bank. Environmental philanthropy provided evidence about the bank’s commitment to environmental conservation and the overall welfare of society (Bingley et al., 2026).

The link between CSR, social identity, and customer satisfaction is empirically verified by several studies. Agyei et al. (2021) show that CSR, customer-brand identification, and customer satisfaction are key determinants of customer engagement. Likewise, Ma et al. (2021) have

discovered that engagement with CSR has a positive impact on consumer-company identification and consumer behaviors in consequence. The results of these studies are relevant for the current paper in terms of demonstrating that CSR can influence customers not only directly through services but also psychologically. Therefore, within the context of commercial banks in Nairobi City County, environmental philanthropy, environmental community involvement, and environmental well-being can be viewed not only as organizational responsibilities but also as signals of environmental and social values that shape customers' perceptions, identification, trust, and satisfaction.

CSR Pyramid Model

The CSR Pyramid Model was created by Carroll (1991) to demonstrate corporate social responsibility through a hierarchical structure which contains four distinct levels; economic, legal, ethical and philanthropic duties. The economic responsibility of a business necessitates that it upholds profitable operations while continuing its commercial activities, while legal obligations compel companies to comply with all applicable laws and regulations; ethical obligations demand that companies carry out their operations in line with established moral values that go beyond mere legal requirements, and philanthropic obligations include all voluntary initiatives that organizations undertake to promote community growth and societal improvement. Perez and Bosque (2021) assert that organizations need to complete all four levels of requirements to attain proper and sustainable CSR performance.

The CSR Pyramid Model clarifies CSR indicators in this research via environmental philanthropy, environmental community involvement, and environmental customer well-being. Environmental philanthropy operates as philanthropic responsibility through organizations which support environmental initiatives by donating to conservation projects and financing sustainable school programs and funding environmental protection activities. The community participates in clean-up events and educational programs while the organization supports greening initiatives through its environmental community involvement. Environmental customer well-being functions as a combination of economic responsibility and ethical responsibility which requires organizations to offer green financial products and paperless banking services and eco-friendly customer services that boost their competitive advantage while supporting sustainability goals (Burlea-Schiopoiu & Balan, 2021).

The CSR Pyramid Model shows its study relevance because it delivers an organized framework which enables banks to execute their environmental CSR initiatives. The study demonstrates how environmental philanthropy, environmental community involvement together with environmental customer well-being create customer perceptions which lead to better customer satisfaction results in commercial banks throughout Nairobi City County, Kenya.

Empirical Literature Review

Environmental Philanthropy and Customer Satisfaction

Robinson and Clark (2020) did study in the USA to examine how green donations and environmental sponsorships affect customer satisfaction in the banking sector. The survey utilized a quantitative descriptive research design to research customers from four national banks which operated in California and New York. The research utilized stratified random sampling to choose 500 study participants. Data was gathered through surveys and analyzed via regression analysis. The outcomes revealed that customers considered banks which publicly supported environmental initiatives like community recycling centers and conservation projects and climate change research to be more trustworthy. The contextual gap exists in the USA developed market because consumers who live there have stronger environmental protection awareness. The also show methodological a gap since the study lacked qualitative methods which could have shown researchers the emotional and ethical factors that lead to satisfaction.

Okonkwo and Adeyemi (2023) examined how environmental corporate social responsibility practices impact client satisfaction levels in commercial banking institutions at Nigeria. The study embraced a descriptive correlational. The survey examined a population group which included account holders residing in both Lagos and Abuja. The research obtained 380 responders via simple random sampling methods which utilized questionnaires as their main tool for gathering data. The study found that clients who knew their banks made environmental donations for local initiatives which included flood relief and tree planting and recycling programs showed higher levels of brand satisfaction and emotional connection to the brand. The survey study operated with a contextual gap because it failed to examine how different urban and rural populations perceive numerous features of the research. The knowledge gap exists because study has not studied how the size and public visibility of charitable activities affect customer satisfaction levels.

Environmental Community Involvement and Customer Satisfaction

Chileshe and Mulenga (2023) investigated how environmental community investment affects customer loyalty toward commercial banks in Zambia. The survey embraced descriptive survey designs and 270 customers were targeted from commercial banks in Lusaka who were selected via random sampling. The survey gathered data via semi-structured inquiries which were analyzed through regression analysis and descriptively. The report shows that customers value banks which collaborate with local organizations to plant trees and conduct anti-littering campaigns and support green entrepreneurial initiatives. Customers who cared about the environment showed higher satisfaction with the bank due to loyalty. The research created a knowledge gap because it did not study how public and private banking institutions affect customer satisfaction.

Omondi and Chege (2021) investigated the linkage between community environmental responsibility and customer experiences in commercial banks at Kenya. The study embraced a correlational research design. The survey applied stratified random selection to choose 350

participants for their study. Data was gathered via interviews and focus group discussions which were analyzed by means of qualitative and quantitative research approaches. It was revealed that customers ranked their satisfaction levels with those banks which were involved in the environmental clean-up campaigns, youth greening programs, and environmental awareness campaigns. There is a gap in knowledge because there was no disaggregated study to see the impact of environmental projects on various customer segments.

Environmental Customer Well-Being and Customer Satisfaction

In Thailand, Chatchawan and Natsuda (2022) investigated the association between green banking and consumers' well-being through the CSR model. In this case, they employed a cross-sectional survey design, targeting customers of private banks in Bangkok. Through systematic random sampling technique, they managed to sample 300 participants. Data was gathered via structured questionnaire. The outcomes revealed that actions of banks in terms of visibility in environmental activities such as green branch certifications and encouraging loans for the environment improved consumer satisfaction. However, the research failed to explore the effect of cultural perceptions about environmentalism on customer satisfaction hence contextual and conceptual gaps exist.

Mutua and Kinyua (2022) did a study on the environmental corporate responsibility effect on customer satisfaction of clients of Tier-1 Banks in Nairobi, Kenya. The study embraced a descriptive research design and the population studied were bank account holders in the city. Through stratified sampling, 350 people were chosen and data gathered from self-administered questionnaires. The study found that there were statistically significant relationships between client satisfaction and the implementation of environmentally friendly measures like offering paperless banking, energy efficient branches, community tree planting campaigns, etc. Nonetheless, a methodological gap exists in the lack of triangulation with qualitative data, which could have enriched the findings by capturing deeper customer perspectives.

RESEARCH METHODOLOGY

Research Design

The research design utilized in this research was explanatory. This research is useful for investigating the kind and direction of interactions between factors (Kothari, 2019). Creswell and Creswell (2021) asserted that explanatory research is best suited for examining correlations between variables and using statistical analysis to demonstrate causal links. In this case, the design enabled a more thorough examination of whether and how much consumer happiness varied as a result of CSR actions.

Target population, Sampling Techniques and Sample Size

The research's target population comprised all bank managers and corporate clients from the 39 licensed commercial banks regulated by the Central Bank of Kenya (CBK) operating in Nairobi

City County. With regard to the fact that the research tried to measure the level of customer satisfaction, the main concern was the active users of bank services, either individual customers or corporate ones who had accounts with the banks. Nevertheless, the inclusion of managers and supervisors (totaling 1,170 from all banks) was justified on the grounds that the perception and experience of such employees could affect customer satisfaction. In stratifying the target population into levels, there have been three layers adopted based on Creswell and Creswell (2021) argument that stratifying by role improves representation, namely, senior managers, middle-level managers, and supervisors, making the population estimates as 195 senior managers, 390 middle-level managers, and 585 supervisors, totaling 1,170. There is a corporate client population of approximately 1,950 companies having active bank accounts. This means that the total target population will comprise employees of banks delivering services and actual bank clients, totaling 3,120 participants.

The sample size of customers was determined via Yamane's (1967) formula. In social science studies of this nature, the commonly used margin of error is 5%, but in this study, a 10% margin of error was used. It was deemed acceptable given the population of the study.

$$n = \frac{N}{1 + Ne^2}$$

Where:

n = Sample size

N = Population size (3120)

e = Margin of error (assumed at 10% or 0.1)

$$n = \frac{3120}{1 + 3120 \times 0.1^2} = 97$$

To ensure representativeness, the sample size of 97 respondents was proportionately distributed across the four categories.

Data Collection and Analysis

After data collecting, the researcher analyzed quantitative and qualitative data using suitable methods and tools. The coding and analysis of the quantitative data generated by the Likert scale questions were done using SPSS 27. Data analysis included descriptive statistics in terms of means, frequencies, percentages, and standard deviations. Most likely, correlation analysis and multiple linear regression analyzed the relationships between environmental philanthropy, community engagement, and customer welfare on customer satisfaction.

The model is

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$

Where:

Y = Customer satisfaction

X_1 = Environmental philanthropy

X_2 = Environmental community involvement
X_3 = Environmental customer well-being
α = Constant
ε = Error term

FINDINGS AND DISCUSSIONS

To investigate the relationship between corporate social responsibility practices and customer satisfaction among commercial banks in Nairobi City County, Kenya, the study utilized Pearson correlation analysis and multiple regression analysis to establish the relationship and determine the effects of environmental philanthropy, environmental community involvement, and environmental customer well-being on customer satisfaction.

Pearson Correlation Analysis

Pearson correlation assessment was done to explore the intensity and orientation of the linear connections among the variables being studied: environmental philanthropy, environmental community involvement, environmental customer well-being and customer satisfaction. The results are shown in Table 1.

Table 1 Pearson Correlation Matrix

	EP	ECI	ECW	CS
Environmental Philanthropy (EP)	1.000			
Environmental Community Involvement (ECI)	0.583**	1.000		
Environmental Customer Well-being (ECW)	0.607**	0.594**	1.000	
Customer Satisfaction (CS)	0.652**	0.671**	0.698**	1.000

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

Source: Researcher (2026)

The correlation matrix shown in Table 1, all three independent variables demonstrate a significant and positive relationship with customer satisfaction at the 0.01 significance level (two-tailed). Environmental customer well-being demonstrated the solid correlation with customer satisfaction ($r = 0.698$, $p < 0.01$), signifying that eco-friendly, convenience-oriented service delivery is most closely associated with customer satisfaction outcomes. This is consistent with Martins and Asare (2021), who established that environmental customer well-being initiatives were the most influential predictors of satisfaction among Canadian bank clients.

Environmental community involvement displayed the second strongest correlation with customer satisfaction ($r = 0.671$, $p < 0.01$), asserting that visible community-based environmental engagement is a powerful predictor of how customers evaluate their banks. Kimani and Wanjiru

(2021) similarly found that environmental community involvement was strongly associated with customer satisfaction among banks operating in Nairobi. Environmental philanthropy was also positively and significantly correlated with customer satisfaction ($r = 0.652$, $p < 0.01$), endorsing that banks engaging in environmental giving achieve better customer perception outcomes, a finding supported by Al-Shammari and Sarhan (2021) among Middle Eastern banks.

All inter-variable correlations among the independent variables were positive and significant (ranging from $r = 0.583$ to $r = 0.607$), indicating that the three dimensions of environmental corporate social responsibility reinforce one another. These moderate inter-correlations suggest conceptual coherence among the constructs but do not indicate problematic multicollinearity (all values below 0.75), which is acceptable for regression analysis (Field, 2021). Overall, the correlation outcomes give preliminary backing for all three research variables, indicating that environmental philanthropy, environmental community involvement and environmental customer well-being are each positively associated with customer satisfaction of commercial banks in Nairobi City County.

Model Summary

Multiple regression analysis was conducted to determine the combined and individual predictive effects of the environmental corporate social responsibility variables on customer satisfaction. The model summary is presented in Table 2.

Table 2 Model Summary Results

Model	R	R^2	Adjusted R^2	Estimated Std. Error
1	0.812	0.659	0.648	0.512

Source: Field Data (2026)

The summary of the model in Table 2 showcases the essential statistical metrics of the regression model. The correlation coefficient ($R = 0.812$) reflects a robust positive relationship between the combined environmental corporate social responsibility variables, environmental philanthropy, environmental community involvement, and environmental customer well-being, and customer satisfaction. The coefficient of determination ($R^2 = 0.659$) indicates that around 65.9% of the variation in customer satisfaction is accounted for by the three predictor variables combined. The Adjusted R^2 of 0.648 takes into consideration the number of predictors in the model and verifies that the model's explanatory power stays strong post-adjustment. This suggests that environmental philanthropy, engagement in community environmental efforts, and the well-being of environmentally conscious customers significantly enhance customer satisfaction. The standard error for the estimate is 0.512, indicating satisfactory model accuracy. These results indicate a strong regression model and align with Perez and Bosque (2021), who found similar explanatory strength in their research on CSR-related customer satisfaction within the banking industry, where organized CSR variables accounted for a significant share of satisfaction variation.

Analysis of Variance (ANOVA)

ANOVA was employed to evaluate the overall statistical importance of the regression model. The outcomes are exhibited in Table 3.

Table 3 ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	45.109	3	15.036	56.678	0.000
Residual	23.341	88	0.265		
Total	**68.450**	**91**			

Source: Field Data (2026)

Table 3 displays the ANOVA outcomes showing that the regression model is statistically significant ($F = 56.678$, $p = 0.000$). This F-statistic, significantly exceeding the typical cutoff at the 0.05 significance level, validates that the combined effect of environmental philanthropy, environmental community involvement, and environmental customer well-being on customer satisfaction is not attributable to chance. The regression sum of squares (45.109) considerably exceeds the residual sum of squares (23.341), producing a regression mean square of 15.036 compared to a residual mean square of only 0.265. This substantial F-ratio affirms that the model captures a significant portion of the variation in customer satisfaction. These outcomes concur with Ali, Danish, and Asad (2021), whose study of perceived CSR and customer satisfaction and loyalty produced a highly significant F-statistic, signifying the reliability of regression-based methods for examining the association between CSR and customer satisfaction in the banking industry.

Regression Coefficients

The regression coefficients reflect the precise impact of every independent variable on predicting customer satisfaction. Table 4 displays the coefficients obtained from the multiple regression analysis.

Table 4 Regression Coefficients Results

Predictor Variables	Unstandardized β	Std. Error	Standardized Beta	t	Sig.
(Constant)	0.812	0.312		2.603	0.011
Environmental Philanthropy	0.241	0.079	0.267	3.051	0.003
Environmental Community Involvement	0.287	0.084	0.301	3.417	0.001
Environmental Customer Well-being	0.312	0.088	0.328	3.545	0.001

Source: Researcher (2026)

From the regression coefficients in Table 4, the multiple regression equation takes the form:

$$Y = 0.812 + 0.241X_1 + 0.287X_2 + 0.312X_3 + \varepsilon$$

Where: Y = Customer Satisfaction; X_1 = Environmental Philanthropy; X_2 = Environmental Community Involvement; X_3 = Environmental Customer Well-being; ε = Error Term.

The constant value (β = 0.812, p = 0.011) indicates a baseline level of customer satisfaction that exists independently of the environmental corporate social responsibility variables. Each of the three predictor variables made a statistically significant and positive contribution to customer satisfaction.

Environmental philanthropy registered an unstandardized coefficient of β = 0.241 (Beta = 0.267, t = 3.051, p = 0.003), indicating a statistically substantial and positive relationship with customer satisfaction. This result infers that commercial banks which consistently engage in donations and sponsorships toward environmental causes achieve superior customer satisfaction outcomes. Robinson and Clark (2020) support this result, demonstrating that environmental philanthropy shaped favourable customer perceptions among American financial institutions. Similarly, Raj and Kumar (2022) found that environmental philanthropy significantly improved customer satisfaction among Indian banks, underscoring the cross-market applicability of philanthropic CSR.

Environmental community involvement produced an unstandardized coefficient of β = 0.287 (Beta = 0.301, t = 3.417, p = 0.001), making it the second-strongest predictor of customer satisfaction among the study variables. This infers that commercial banks that actively participate in community clean-ups, environmental education campaigns, and local greening projects experience significantly better customer satisfaction outcomes. Kimani and Wanjiru (2021) validated this finding, reporting that environmental community involvement was strongly associated with enhanced customer satisfaction among banks in Nairobi. Omondi and Chege (2021) corroborated this, demonstrating that community environmental responsibility yielded measurable improvements in customer experience among Kenyan banks.

Environmental customer well-being emerged as the strongest predictor of customer satisfaction among all the study variables (β = 0.312, Beta = 0.328, t = 3.545, p = 0.001). This result demonstrates that eco-friendly, convenient, and value-adding service delivery, including paperless banking and green financial products, is the most consequential environmental corporate social responsibility practice for customer satisfaction in commercial banks. Nguyen and Simkin (2021) affirmed this conclusion, finding that environmental well-being programs significantly improved customer satisfaction among Australian banks. Sharma and Mehta (2022) similarly demonstrated that green banking practices enhanced customer satisfaction in the Indian banking sector, supporting the applicability of environmental customer well-being initiatives across markets.

CONCLUSION

The study concluded that corporate social responsibility practices constitute important determinants of customer satisfaction among commercial banks in Nairobi City County, Kenya. Environmental philanthropy is an important component of corporate social responsibility, as banks' contributions towards environmental conservation initiatives, tree planting, and other environmental sustainability programmes can strengthen their corporate image, build customer trust, and enhance customer satisfaction. Environmental community involvement is equally important, as active participation in environmental conservation activities and collaboration with local communities can strengthen relationships between banks and their customers, promote a positive corporate reputation, and improve customer satisfaction. Environmental customer well-being also plays a significant role, as banks' commitment to creating a clean, safe, and sustainable environment through responsible business practices can enhance customers' perceptions of the institution, strengthen customer loyalty, and contribute to overall customer satisfaction.

Policy Recommendations

The Kenya Bankers Association and Central Bank of Kenya should develop and regularly revise clear, sector-specific guidelines encouraging commercial banks to formalize and disclose their environmental corporate social responsibility activities, including minimum standards for environmental philanthropy, community involvement, and customer well-being initiatives. These guidelines should be operationalized through reporting frameworks that incentivize banks to adopt and disclose robust environmental CSR practices, consistent with the disclosure practices already reflected in leading banks' annual reports.

The national government and county governments should promote public-private partnerships between commercial banks, environmental agencies, and educational institutions to expand the scale and visibility of environmental philanthropy and community involvement programmes. Policies should also encourage banks to accelerate the adoption of paperless and digital banking channels as part of their environmental customer well-being commitments, given the strong association between such practices and customer satisfaction established in this research.

Limitations And Future Research Direction

This study examined the effect of corporate social responsibility, encompassing environmental philanthropy, environmental community involvement, and environmental customer well-being, on the customer satisfaction of commercial banks in Nairobi City County. Several avenues for further research are suggested based on the limitations and results of this research. The regression model utilized in this research explained 65.9% of the variance in customer satisfaction, indicating that approximately 34.1% of the variance is attributable to factors not captured within the current framework. Upcoming researches should explore additional determinants such as service quality, digital banking innovation, corporate governance, and brand reputation as complementary drivers of customer satisfaction, building on the stakeholder and reputation-based theoretical perspectives.

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