AN INVESTIGATION INTO THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON SUSTAINABLE GROWTH AND PROFITABILITY OF COMMERCIAL BANKS. A CASE STUDY OF CBZ BANK.

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF BUSINESS STUDIES HONOURS DEGREE IN BANKING AND FINANCE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION, FACULTY OF COMMERCE.
Abstract

This research was an investigation into the impact of corporate social responsibility on growth and profitability of commercial banks, using a case study of Commercial Bank of Zimbabwe (CBZ). The major objectives of the research were to: identify the benefits of corporate social responsibility on profitability and growth of the organisation, establish the extent of corporate social responsibility adoption by the organisation, establish whether the bank has moved from social responsibility to social investment, investigate the relationship between corporate social responsibility and financial performance, establish the effects of poor corporate social responsibility in a firm and recommend effective and efficient strategies in corporate social responsibility. The researcher had access to the relevant source of information on subject understudy. Relevant theoretical data were critically reviewed, compared and contrasted as they relate to the topic of corporate social responsibility. The researcher used a descriptive survey research design in the study. In addition, research instruments used were questionnaires and interviews. A sample size of 30 respondents was chosen and it composed of CBZ management, customers and university students. Data was presented, interpreted and analysed on the basis of the research objectives and questions. The study established that corporate social responsibility improves company reputation, community acceptance and competitive advantage and ultimately leads to increased customer loyalty and profitability. In conclusion, the study showed that social investment improves the value of CBZ. It also emerged from the findings that the management of CBZ focused mainly on supporting sport and making donations as their corporate social responsibility. The study recommended that CBZ should be responsible for the indirect damage caused to the environment hence promoting its community acceptance which is essential for company growth in clientele base and profitability.