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**INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY STRATEGIES ON CORPORATE
PERFORMANCE IN THE FOOD AND BEVERAGE INDUSTRY IN KENYA**

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**THESIS SUBMITTED IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS OF THE
DEGREE IN MASTER OF BUSINESS ADMINISTRATION AT STRATHMORE UNIVERSITY**

JUNE 2025


DECLARATION

I declare that this thesis has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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DEFINITION OF TERMS

Stakeholders: Stakeholders are people or organizations who are interested in or impacted by the company's choices and actions (Albrecht et al., 2021).

Supplier: An individual or firm that supplies products, services, or raw materials to another entity usually a business or organization is known as a supplier (Shen et al., 2018).

Customer: Any person, company, or other entity that pays another person, business, or supplier for goods or services is considered a customer (Jiang et al., 2020).

Employee: An employee is a person who performs labor for a company or employer in exchange for pay, usually in the form of wages or a salary (Kalev et al., 2019).

Profit: Profit describes the monetary gain or positive earnings that come from a business or financial endeavor's difference between revenues and expenses (Meyer et al., 2018).

Food and beverage industry: is a segment of the economy that involves converting raw materials, components, or parts into completed commodities to produce food or beverage products (Budd et al., 2019).

Corporate Social Responsibility: encompasses a company's self-regulated initiatives to contribute positively to societal and environmental well-being, extending beyond profit-making objectives (Jiang et al., 2020).

Corporate performance: refers to how effectively a company achieves its financial, operational, and strategic goals as measured using a variety of metrics and indicators that assess different aspects of a business. (Sastrosuwito, Gunawan, & Sujono, 2023).

ABSTRACT

The fundamental concept of corporate social responsibility (CSR) is conducting business in a way that satisfies or goes beyond societal norms in terms of ethics, law, commerce, and public perception. Corporate performance is the sum total of financial, operational and social responsibility performance. Several studies have been conducted on CSR, however, there are limited studies focusing on CSR in food and beverage industry in Kenya. The main objective of the study is: To establish the influence of Corporate Social Responsibility strategies on corporate performance among food and beverage companies in Kenya. The specific objectives of the study are: To determine the effect of environmental strategies on the corporate performance of food and beverage companies in Kenya. To establish the effect of social strategies on the corporate performance of food and beverage companies in Kenya. To find out the effect of economic practices on the corporate performance of food and beverage companies in Kenya. The study provided firms that aimed at maximizing their corporate social responsibility policies with useful insights by elucidating the distinct impacts of environmental, consumer, employee, and community interactions on performance. The study was anchored on social exchange theory, and stakeholder theory. It was an examination of the corporate social responsibility strategies implemented by food and beverage companies in Nairobi as given by KAM (2019). This included 86 companies in the food and beverage industry. The study took one respondent per company targeting a total of 86 participants. The research philosophy to be adopted in this study was the positivist approach. Positivist researchers follow highly structured methodology in order to facilitate the hypothesis as was followed in this study. The research utilized a descriptive cross-sectional research design as a result of the ability of the design to accurately portray the characteristic of a phenomena. The sample size was composed of 86 respondents selected from the 86 identified organizations where only head of department or deputy head of department was given a chance to participate in the study. Data collection method incorporated structured questionnaires. The study adopted quantitative and qualitative data analysis. Data entry was done using SPSS software to generate the descriptive statistics like standard deviation for each study variable. Content analysis was used whereby information collected would be categorized in text, verbal or behavioral information with the purpose of classifying, summarizing and tabulating. Pearson Product-Moment correlation was calculated to establish the relationships between the variables. Regression analysis test was utilized to give the linear relationship between the predictor and dependent variable. The findings underscored the significant role of CSR in enhancing corporate performance. A majority of respondents (72%) indicated that CSR initiatives, such as green procurement positively influence corporate performance by reducing operational costs and fostering innovation. Similarly, CSR such as education support was established that it created shared valued by advancing social and corporate agenda.

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ACRONYMS AND ABBREVIATIONS

MNE	Multi National Enterprise
OECD	Organization of Economic and Cooperation Development
CSR	Corporate Social Responsibility
ROE	Return on Equity
ROA	Return on Asset
PR	Public Relations
SET	Social Exchange Theory
RBV	Resource Based Value
ESG	Environmental Social and Governance
CRM	Customer Relationship Management
CLV	Customer Life Value
HR	Human Resources

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DEDICATION

This research thesis is dedicated to my family for their encouragement and to my friends for their unwavering support in my studies. Thank you, the Strathmore Business School, for continued support during this period.



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Corporate Social Responsibility (CSR) refers to the efforts and actions taken by companies to contribute positively to society, the environment, and the economy, beyond their profit-making activities (Berkowitz, Niedfeldt-Thomas, & Quest, 2022). CSR initiatives are typically aimed at making a difference in areas such as sustainability, social well-being, ethical practices, and community development (Wang & Yang, 2025). According to Cramer & Jonson, (2019), there are several key components of CSR, namely environmental responsibility which includes initiatives to minimize a company's carbon footprint, reduce waste, conserve natural resources, and promote sustainability. The second is social responsibility that involves companies taking actions to improve the quality of life in their communities (Wagner, 2018). Charities, education support, health initiatives, offering fair wages and safe working conditions to employees are some of the activities that fall under social responsibility.

Ethical responsibility is the third one that include ethical operations, fair trade practices, anti-corruption measures, transparency in financial reporting, and respect for human rights (Ciliberti, Pontrandolfo, & Scozzi, 2018). Lastly, economic responsibility focusing on economic sustainability (Budd & Bhave, 2019). This involves balancing profitability with fair treatment of stakeholders. CSR is the interaction that exists between businesses and society (Flammer et al., 2018). This relationship includes the local community that surrounds a firm and whose members engage with its employees, as well as the larger and increasingly global community. Among other things, the company's dealers, advertising, supply chain, and products all contribute to this engagement.

Globally, corporations in Europe, the United States, and Japan, such as Nestle and Shell, have been the primary adopters of corporate social responsibility (CIMA, 2019). CSR has been promoted by the MNE declaration and the OECD Principles (Strobl et al., 2021). In addition to their home nations, these businesses have deliberately instituted corporate citizenship initiatives across their worldwide network. This has been made necessary by the recognition that businesses that are considered to be acting unethically with regard to environmental and human rights issues will inevitably experience financial setbacks, such as declining sales attributable to product boycotts. Del Giudice et al., (2019) asserts that the Nestle boycotts, which lasted 10 years, were likely the

most widespread boycotts ever. The rapid breast milk formula, which advocacy groups opposed because it discouraged the use of breast milk, was blamed for the boycott because it can impede the development of young children.

Businesses in Kenya, including Equity Bank, Absa Bank, Del-Monte, East African Breweries Limited, Safaricom, and Nation Media Group, are embracing corporate social responsibility (CSR) at an increasing rate. Due to unfavorable exposure brought on by media reports of alleged human rights breaches against workers and neighboring communities, Del Monte found itself in the crosshairs of human rights advocates (Strobl et al., 2021). Therefore, such incidences underscore the need to adopt corporate social responsibility values which fosters organizational reputation and corporate performance.

While job security and fair wages always come top during an economic downturn, employee engagement and corporate commitment to social impact, driven largely by CSR teams, remain critical (Berkowitz, Niedfeldt-Thomas, & Quest, 2022). According to Mazutis & Slawinski (2018), the assessment of the impact of CSR on corporate performance often involves an examination of key strategies which include: environmental practices, social practices and economic practices. A general understanding of their significance provides a foundation for elucidating their inclusion in research (Wagner et al., 2018).

In another study by Wang, Tong, Takeuchi, & George, 2016, it was established that CSR significantly influences customer loyalty and brand equity, which in turn enhance a firm's long-term financial performance and operational performance. Fatma, Khan, & Rahman (2022) demonstrated that CSR improves brand loyalty and customer trust, which ultimately drive corporate performance. CSR positively influences innovation and performance, particularly when firms actively share knowledge internally (Zhao, Wu, & Yeung, 2022). In the same breath, Aguinis & Glavas (2019) argued that CSR enhances organizational effectiveness and competitive advantage by fostering a sense of purpose and commitment among employees, which improves performance.

Food and beverage companies in Kenya have increasingly integrated corporate social responsibility into their operations, focusing on environmental sustainability, community development, education, and health initiatives (Food Business, 2023). Bidco Africa has partnered with the Food and Agriculture Organisation (FAO) and the African Women Entrepreneurship Programme (AWEP) to empower 30,000 women in their supply chain (Mbugua & Ogutu, 2012). Similarly, Tetra Pak East Africa has undertaken CSR initiatives focusing on nutrition and environmental

sustainability (Wamuyu & Kariuki, 2023) while Nestle Kenya focuses on Creating Shared Value (CSV) through initiatives in water, nutrition, and rural development (Nyamao, 2017). These studies demonstrate the crucial role played by CSR with regard to overall corporate performance.

1.1.1 Corporate Social Responsibility Strategies

Different scholars have defined corporate social responsibility in different ways. According to Tiwari et al. (2020), it is defined as decisions and actions made for purposes that extend at least beyond the firm's immediate economic or technical interest. Kotler et al., (2021) argues that social responsibility includes the expectations society has of companies in terms of the economy, law, ethics, and discretion. Although the definitions accurately convey the concept of Corporate Social Responsibility, they may cause misunderstandings due to their extensive use of terms like ethics, economics, technology, development, and quality of life, each of which has complexities of its own (Wang et al., 2020). This is advantageous since it can help people from different professions collaborate and develop strategies and solutions. However, because the definitions cover a broad range of issues involving various parties, they may compromise an industry's actual commitment to social responsibility. Therefore, understanding the environment in which CSR is used helps to make the concept more understandable (Crespo et al, 2021).

The concept of corporate social responsibility (CSR) has been evolving since the early 1970s, and there is not a single, widely recognized definition for it (Haddara, 2019). Governments, civil society organizations, and the commercial sector all have varied perspectives on the idea. Depending on the viewpoint, corporate social responsibility may include a corporation operating ethically toward its internal stakeholders (Kanji et al., 2018). The place of business with respect to state, local, and federal government; the role of business with regard to interstate institutions or norms; and the conduct of business as a responsible member of the global community and the society in which it operates. Ensuring sound corporate governance, product responsibility, working conditions, workers' rights, training, and education are all included in the first approach (Pirhadi et al., 2019).

The second perspective involves the corporation adhering to applicable laws and its duty as a taxpayer, guaranteeing the smooth operation of the state. According to Delmas et al. (2019), the third viewpoint has multiple levels and could cover the company's interactions with the environment and people in the places where it works as well as those to whom it exports. All too often, achieving corporate social responsibility is viewed as a matter of businesses giving to

charities and community projects, but this misses the most important contributions that a business can make (Gummesson, 2018).

Different organizations have defined corporate social responsibility according to their own standards. The fundamental concept of CSR is conducting business in a way that satisfies or goes beyond societal norms in terms of ethics, law, commerce, and public perception (Reinartz et al., 2018). Businesses view corporate social responsibility (CSR) as more than a jumble of distinct behaviors, sporadic gestures, or projects driven by PR, marketing, or other financial gains. Instead, it is seen as an all-encompassing collection of guidelines, procedures, and initiatives that are incorporated into corporate operations and decision-making procedures that are encouraged and rewarded by upper management.

Hsu et al., (2020) propose that corporate social responsibility (CSR) can be broadly classified into three domains: environmental, social, and economic practices. The environmental realm includes things like product lifecycle, sustainable development, emissions, energy utilization, and waste control. The social field includes community involvement and workplace policies. Workplace practices encompass various aspects such as the organization's working environment, employee perks and compensation, health and safety protocols, and human rights. The economic domain includes supply chain management, customer and shareholder interactions, product safety and description, and market practices.

In operationalizing CSR, various authors have proposed different frameworks and criteria. The study chose to pursue the operationalization proposed by Hsu et al., (2020) due to its comprehensive classification into environmental, social and economic practices. This framework provides a structured approach that aligns with the holistic nature of CSR, encompassing various strategies and allowing for thorough evaluation of a company's social responsibility efforts. Adopting a recognized and comprehensive operationalization framework enhances the study's credibility and ensures a standardized approach to measuring and assessing CSR practices in organizations.

Environmental practices are a key aspect of social responsibility. Studies by Prajogo et al (2019) demonstrates that companies engaging in environmentally responsible actions enhance their social legitimacy. Similarly, studies by Kotler (2021) highlight the positive impact of environmental initiatives on corporate reputation and stakeholder relations, affirming their social responsibility. Environmental practices within CSR encompass efforts to minimize a company's ecological

footprint. This involves practices such as reducing carbon emissions, adopting sustainable measures, and utilizing eco-friendly materials (Haddara, 2019). The rationale for integrating environmental relations into studies on CSR and corporate performance stems from the growing societal emphasis on environmental responsibility. According to Delmas et al., (2019), companies with robust environmental practices not only enhance their public image but also stand to gain cost savings through improved efficiency and compliance with evolving regulatory standards.

Environmental practices such as emission control, tree planting, adaptation to climate change, and the use of renewable energy are commonly considered Corporate Social Responsibility (CSR) initiatives. Emission control involves implementing measures to reduce or mitigate harmful emissions produced by business operations (Reinartz et al., 2018). This includes reducing greenhouse gas emissions, minimizing air and water pollution, and adhering to environmental regulations. Emission control is a key CSR initiative because it demonstrates a commitment to environmental sustainability and mitigating the negative impact of business activities on the environment and public health. By reducing emissions, companies contribute to efforts to combat climate change and protect the environment for future generations.

Tree planting initiatives involve planting trees to restore forests, combat deforestation, enhance biodiversity, and sequester carbon dioxide from the atmosphere (Hsu et al., 2020). Tree planting is often part of CSR strategies aimed at environmental conservation and sustainability. By investing in tree planting programs, companies can offset their carbon footprint, contribute to reforestation efforts, and support local communities and ecosystems.

Adaptation to climate change involves implementing strategies and measures to mitigate the impacts of climate change on business operations, supply chains, and communities. Adaptation initiatives are increasingly recognized as a crucial aspect of CSR, as businesses face growing risks from climate-related hazards such as extreme weather events, water scarcity, and disruptions to supply chains (Kotler et al., 2021). By proactively addressing these risks and building resilience, companies demonstrate their commitment to sustainability and responsible business practices.

The use of renewable energy involves sourcing energy from renewable sources such as solar, wind, hydroelectric, and geothermal power, rather than relying solely on fossil fuels (Haddara, 2019). Embracing renewable energy is a cornerstone of CSR initiatives focused on environmental sustainability and reducing carbon emissions. By transitioning to renewable energy sources, companies can reduce their carbon footprint, decrease reliance on finite fossil fuels, and contribute to the transition to a low-carbon economy.

Social responsibility is fundamentally based on social practices. According to studies conducted by Rokka et al., (2019) on cultural sensitivity and global marketing and Strobl (2021) on community engagement and employee retention, CSR goes beyond legal and economic requirements to incorporate moral and charitable duties. These include actions that are vital to the welfare of society, such as fair labor practices, environmental sustainability, and community involvement. Thus, social practices constitute a pivotal aspect of CSR, emphasizing a company's obligation to contribute positively to the society in which it operates. Activities such as philanthropy, volunteerism, and community development initiatives are crucial components. The rationale behind inclusion of social practices lies in the recognition that fostering positive relationships with the society not only aligns with ethical principles but also bears potential benefits for corporate performance (Crespo et al., 2021). A supportive community enhances a company's reputation, strengthens its brand, and may contribute to enhanced customer loyalty and trust, thereby promoting long-term business sustainability.

The factors mentioned under the social responsibility practice variables in the study's conceptual framework include the work environment, education support and public health all of which contribute to corporate performance. The work environment encompasses the physical, social, and cultural setting in which employees operate (Flammer et al., 2018). Factors such as workplace safety, ergonomic design, organizational culture, and managerial support contribute to the overall work environment. A positive work environment can enhance employee satisfaction, engagement, and productivity. Employees are more likely to perform well and remain committed to their roles when they feel valued, supported, and safe at work. These factors can directly impact corporate performance.

Education support refers to initiatives aimed at enhancing the knowledge, skills, and capabilities of employees through training, professional development programs, and educational assistance. Investing in employee education and development can result in a more skilled and adaptable workforce. Employees who receive ongoing training and support are better equipped to perform their roles effectively, adapt to changing technologies and market conditions, and contribute to organizational growth and innovation (Delmas et al., 2019). Education support can increase employee retention and loyalty by demonstrating a commitment to employee growth and career advancement. This can reduce recruitment costs and mitigate the risks associated with turnover, ultimately improving corporate performance.

Public health support involves initiatives aimed at promoting the health and well-being of employees and the broader community (Kotler et al., 2021). This can include access to healthcare benefits, wellness programs, and measures to ensure a safe and healthy work environment. Prioritizing public health support can have numerous benefits for organizations. Healthy employees are more productive, engaged, and less likely to take sick leave, reducing absenteeism and associated costs. Organizations that prioritize employee health and well-being may benefit from lower healthcare costs, reduced insurance premiums, and a more positive corporate image. This can lead to increased employee satisfaction, improved morale, and ultimately, enhanced corporate performance.

Economic practices are integral to social responsibility. Research by Flammer et al., (2018) and Haddara., (2019) highlights the interconnectedness of economic practices and social responsibilities. For instance, corporate social responsibility (CSR) initiatives often include economic practices such as fair wages, ethical sourcing, and community investment, demonstrating their social impact. The economic practices of Corporate Social Responsibility (CSR) significantly impact corporate performance by optimizing resource allocation and fostering competitive advantage. For example, companies adopting fair labor practices and providing employees with adequate wages and benefits tend to experience lower turnover rates, reducing recruitment and training costs and ultimately enhancing productivity (Crespo et al., 2021). Investments in environmentally sustainable practices, such as energy efficiency or waste reduction, not only mitigate operational expenses but also attract environmentally conscious consumers, thereby expanding market share and driving revenue growth. Companies that integrate sustainability into its business model, experiences cost savings, improved brand reputation, and increased corporate performance over time.

The components of economic practice variable include good product quality, product availability and responsible marketing. While good product quality, product availability, and responsible marketing can be components of corporate social responsibility initiatives, they are not necessarily exclusive to CSR. Good product quality is a key component of corporate responsibility towards customers (Wegner et al., 2018). It involves ensuring that products meet or exceed customer expectations in terms of performance, reliability, safety, and durability which leads to corporate performance improvements. While providing high-quality products is a responsible business practice, it is not inherently a CSR initiative unless it is accompanied by considerations such as

environmental sustainability, fair labor practices in production, or other social or ethical considerations.

Product availability refers to the accessibility and distribution of products to customers. Ensuring consistent availability of products is essential for meeting customer demand and maintaining customer satisfaction (Crespo et al., 2021). While ensuring product availability is an important aspect of customer service and business operations, it is not typically considered a standalone CSR initiative unless it is tied to broader social or environmental goals, such as ensuring access to essential products in underserved communities or minimizing environmental impact in the supply chain.

Responsible marketing involves promoting products or services in a truthful, ethical, and socially responsible manner (Wang' et al., 2020). This includes considerations such as avoiding deceptive advertising, respecting consumer privacy, and promoting products in a way that aligns with societal values. Responsible marketing is often viewed as a core component of CSR, as it demonstrates a commitment to ethical business practices and accountability to consumers and society. However, it can also be considered a business practice separate from CSR, as it directly impacts brand reputation, customer trust, and long-term business success.

The selection of environmental practices, social practices, and economic practices as focal points in the study of CSR's effects on corporate performance is driven by their critical roles in shaping a company's relationships with external and internal stakeholders. These practices underscore the multifaceted impact of CSR on corporate success and sustainability (Delmas et al., 2019).

1.1.2 Corporate Performance

Corporate performance can be viewed as accounting performance using factors such as profit rate, return on assets, long-term profitability, sales growth rate and so on (Junchen, 2019). This term is also used as a general measure of a firm's overall operational health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Delmas, 2019). On the other hand, corporate performance is an accumulation of some non-financial indexes, such as employee satisfaction, customer satisfaction, turnover rate, quality of products/services and some other variables in the organizational aspects (Thanh, et al., 2025). Besides, Kaplan and Norton (2016) raised the balanced scorecard to emphasize the importance of customer, internal business processes, learning and growth.

According to Kotler et al., (2021), corporate performance is measured for a certain period covering the collection and allocation of finance measured by capital adequacy, liquidity, solvency, efficiency, leverage and profitability. Corporate performance primarily reflects business sector outcomes and results that shows general financial and non-financial health of the sector over a specific period of time. It indicates how well an entity is employing its resources to maximize the shareholders wealth and profitability (Haddara, 2019). According to Mazutis et al., (2018), corporate performance measures include return on assets (ROA), return on equity (ROE), brand equity, employee retention and competitive advantage. In another study by Najaf & Najaf, 2024, it was revealed that CSR acts as a form of “insurance-like” protection that enhances firm reputation and builds credibility.

Ahmad, Hidhiir, & Rahman, 2024 conducted a study of 75 public-listed Halal food companies in Malaysia from 2012 to 2021. The outcome of the study implied that actively engaging in economic, environmental, and social CSR strategies provides a competitive advantage, contributes to long-term viability, and attracts socially conscious investors. The study concluded that comprehensive CSR strategies results in encouraging positive stakeholder relationships, managing diverse aspects of sustainability, and enhancing overall business success, including employee engagement and motivation.

In light of these studies, this particular study assessed the influence of these CSR strategies on corporate performance, providing insights into their effectiveness in creating value for shareholders while fulfilling environmental, economic and social responsibilities.

1.1.3 Food and Beverage Industry

The food and beverage industry in Kenya plays a pivotal role in the national economy, contributing significantly to GDP, employment, and food security (Chebichii, Namusonge, & Makokha, 2022). As sustainability and ethical practices become increasingly important to consumers, investors, and regulators, understanding the link between Corporate Social Responsibility (CSR) and corporate performance is critical. The industry continues to grow with the sector recording an annual growth of 5% driven by growing incomes, rising urbanization, and increased consumer spending (Muchiri et al., 2019). The sector plays a significant role in the economy, contributing to job creation, GDP growth, and food security.

According to KAM (2019), there are 86 companies characterized by a diverse range of players, including both large multinational corporations and smaller local enterprises. At present, numerous food and beverage manufacturing companies are operating in Kenya, covering a wide spectrum of

products such as processed foods, beverages, dairy products, and snacks. Some of the prominent players in the sector include East African Breweries Limited (EABL), Kenya Breweries Limited (KBL), Bidco Africa, Brookside Dairy Limited, Coca-Cola Beverages Africa (CCBA), Unga Group Limited, and Kenya Tea Development Agency (KTDA). These companies have varying perceptions regarding the adoption of Corporate Social Responsibility (CSR) practices (Mwancha & Ouma, 2017).

While some companies have embraced CSR as an integral part of their business strategy, implementing initiatives that contribute to environmental sustainability, community development, and employee welfare, others may still be in the process of fully integrating CSR into their operations (Onyango & Moronge, 2017). Factors influencing their perception of the adoption of CSR may include market pressures, regulatory requirements, stakeholder expectations, and the company's own values and corporate culture. Overall, the trend in Kenya, as in many other countries, is towards greater awareness and implementation of CSR practices among food and beverage manufacturing companies, driven by the recognition of the benefits of responsible business practices for both society and corporate performance.

1.2 Statement of the problem

The food and beverage industry remains the largest manufacturing subsector in Kenya, encompassing a diverse range of activities, including the production of cocoa and confectionery, dairy products, and alcoholic beverages (KAM, 2024). The industry contributes around 28% to the country's manufacturing GDP, growing at an average of 7% annually (Mukalai & Mboya, 2025). Despite the growth in the subsector, there are challenges surrounding brand loyalty among consumers of food and beverage products (Wanjiru, 2022). Similar, the industry is faced with reputation challenges arising from turbulent industry fluctuations and labour relations (Omondi, 2022). According to Kariuki (2023), large companies face pressure to maintain economies of scale and localizing offerings while SMEs often struggle to differentiate due to limited marketing budgets, poor branding, or lack of innovation.

Kenyan food and beverage companies such as Brookside Dairy, EABL, and Nestle Kenya have launched major CSR initiatives in education, environmental sustainability, and community health (Food Business, 2023). These investments aim not only to fulfill ethical responsibilities but also to strengthen brand equity and operational efficiency—suggesting a potential performance link that deserves scholarly exploration. Companies in the food and beverage industry are using CSR not

just for compliance or philanthropy but as a strategic differentiator to build brand loyalty, attract investment, and drive long-term corporate performance (Ngatia, Osoro, & Nyang'au, 2024).

Although there have been several studies focusing on the food and beverage industry in Kenya, no specific study has addressed the issue of the relationship between corporate performance and corporate social responsibility. A study by Mukulu, Senelwa, & Chege (2025) revealed that process innovation and competitiveness of food and beverage manufacturing firms significantly influenced firm competitiveness. Another study assessed the impact of organizational culture on the relationship between firm-level strategy and performance in the food and beverage industry. This study by Awino, Muteshi, Kitiabi, & Pokhariyal (2023) supported the hypothesis that organizational culture significantly affects this relationship, emphasizing the importance of a strong organizational culture for enhanced performance.

Furthermore, Ngatia, Osoro, & Nyang'au (2024) assessed the effect of supply chain flexibility on the performance of food and beverages manufacturing firms in Kenya. This study highlighted the significance of supplier, customer, delivery, and product flexibility in enhancing organizational performance. Finally, Bor, Ngugi, & Odhiambo (2019) argued that reverse logistics had a significant and positive influence on performance, with government regulations moderating this relationship. Therefore, this study sought to establish the influence of corporate social responsibility strategies on corporate performance among food and beverage manufacturing firms in Kenya.

1.3 Main Objective

The main objective of the study was: To establish the influence of corporate social responsibility strategies on corporate performance among manufacturing companies in Kenya.

1.3.1 Specific Objectives

The specific objectives of the study were:

- i. To determine the effect of environmental sustainability on the corporate performance in the food and beverage industry in Kenya
- ii. To establish the effect of social engagement on the corporate performance in the food and beverage industry in Kenya
- iii. To find out the effect of economic responsibility on the corporate performance in the food and beverage industry in Kenya

1.4 Research Questions

The following were the research questions:

- i. What is the effect of environmental sustainability on corporate performance in the food and beverage industry in Kenya?
- i. What is the effect of social engagement on corporate performance in the food and beverage industry in Kenya?
- ii. What is the effect of economic responsibility on corporate performance in the food and beverage industry in Kenya?

1.5 Significance of the Study

The study's significance extends across multiple stakeholders. Businesses stand to gain valuable insights into maximizing their corporate social responsibility (CSR) policies, understanding how environmental, social, and economic practices impact performance. This knowledge enables firms to enhance their sustainability efforts while maintaining financial success. The Government of Kenya as a policymaker will benefit by leveraging study findings to promote policies that encourage sustainable business practices, responsible investment, and economic development. Food and Beverage industry players will utilize the knowledge in streamlining CSR programmes and harnessing the benefits of corporate performance. This fosters a conducive environment for businesses to thrive while contributing positively to society.

1.6 Scope of the Study

The study concentrated on a comprehensive examination of the corporate social responsibility (CSR) strategies implemented by food and beverage companies located in Nairobi, with an emphasis on environmental, social and economic dimensions. The study explored the impact of CSR on corporate performance, assessing important metrics like reputation, employee relations and corporate image. The time scope was between January and March 2025. The goal of the survey was to collect different opinions on the effects of CSR programs from a range of stakeholders. The study adopted descriptive research design method as the research approach.

1.7 Chapter Summary

The chapter outlines the background of the study where it highlights the impact of corporate social responsibility on corporate performance in the context of food and beverage companies. The problem statement on the other hand has given a gap to the study where it has pointed out that most of the studies were done in countries outside Kenya and they also did not involve manufacturing

companies in the beverage industry in those countries. The lack of studies offers new theoretical opportunities for scholarship in examining the intricate relationship between corporate social responsibility and corporate performance. Also highlighted in this chapter are the three objectives that guides the study, justification on the other hand directs the reader on who will benefit from the findings and scope of the study highlighting on area of discussion.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the theoretical framework discussing literature that justifies the relationship between corporate social responsibility and corporate performance in food and beverage industry. This is followed by a review of variables, empirical review and a critique of the reviewed literature. It also carries the conceptual framework explaining the various variables and their relationships. It concludes with summary of the chapter.

2.2 Theoretical Framework

According to Turner, Baker, and Kellner (2018), a theoretical framework is an explanation of the connections between concepts or occurrences that take place under a certain set of conditions in the field where the phenomenon happens. It seeks to give a broad overview of the theoretical underpinnings of a study that supports research utilizing pertinent theories and is dependent on the expertise of subject-matter specialists. According to Barry et al. (2018), it frequently alludes to an explanatory framework for observations. Relevant theories will be used to explore the influence of corporate social responsibility on corporate performance in food and beverage industry. The study was based on two theories; the social exchange theory which provided a foundation for the independent variables, and stakeholder theory that anchored the dependent variable.

2.2.1 Social Exchange Theory

Social Exchange Theory (SET) provides a foundational lens for understanding the dynamics between organizations and their stakeholders in the context of corporate social responsibility (CSR). Originating from the work of (Blau, 1964), SET posits that human relationships are governed by the principle of reciprocal exchange—individuals and groups engage in interactions that they perceive to be mutually beneficial, seeking to maximize rewards and minimize costs.

In the corporate context, this theory suggests that when a company engages in socially responsible behaviour—such as environmental conservation, community development, or ethical labour practices—stakeholders perceive these actions as valuable contributions. As a result, they are more likely to respond with positive reciprocal behaviours, such as increased customer loyalty, enhanced employee commitment, and a stronger corporate reputation (Cropanzano & Mitchell, 2005).

This reciprocal relationship is particularly relevant in Kenya's food and beverage industry, where firms are increasingly integrating CSR into their strategies to build goodwill and differentiate themselves in a competitive market. According to SET, such CSR initiatives can be viewed as strategic investments that yield returns through improved stakeholder relationships, organizational commitment, and ultimately, enhanced corporate performance (Awino, Muteshi, Kitiabi, & Pokhariyal, 2023).

Therefore, SET underpins the conceptual assumption of this study—that CSR is not merely a cost centre but a strategic approach to fostering stakeholder trust and gaining competitive advantage in the food and beverage sector.

However, critics argue that social exchange theory oversimplifies complex social relationships within corporate social responsibility (CSR), reducing ethical actions to mere transactions (Budd & Bhawe, 2019). It's criticized for neglecting long-term societal benefits and focusing excessively on short-term gains, potentially undermining the genuine commitment to social responsibility and overshadowing the broader impact on corporate performance.

A thorough framework for comprehending the dynamics of the relationship is provided by the application of social exchange theory to the study. Researchers may obtain valuable insights into the complex interactions between corporate social responsibility (CSR) initiatives, stakeholder perceptions, and corporate performance in the Kenyan manufacturing sector by analyzing the costs and benefits that companies and their stakeholder's exchange. Gummesson (2018) opines that with regard to CSR projects in developing economies such as Kenya, this theory offered a comprehensive understanding of how they impact social capital and the bottom line.

The study evaluated how CSR affects a business's reputation and brand image. According to Stakeholder Theory, a good reputation can boost competitiveness, support from stakeholders, and consumer loyalty, all of which can improve a company's performance (Flammer & Ioannou, 2018). According to Hsu, Tan, & Tang (2020), researchers can learn more about how CSR initiatives affect the bottom line in Kenya's dynamic socioeconomic context by concentrating on the various expectations and interests of stakeholders, comprehending the interdependence between companies and their stakeholders, and looking at potential conflicts and synergies.

2.3 Empirical review

This section discusses the different studies that have been carried out relevant to corporate social responsibility and corporate performance to provide rationale about the study variables. However, various studies have been done on this area with few focusing on the variables being measured in the context of food and beverage companies in Kenya.

2.3.1 Environmental Sustainability and Corporate Performance

The study variable "environmental practice" refers to the variety of actions, policies, and initiatives undertaken by manufacturing companies to mitigate their environmental impact and promote sustainability. Environmental practices encompass a broad spectrum of activities aimed at reducing pollution, conserving natural resources, and promoting environmental stewardship. Chen (2015), conducted sustainability study on the corporate performance as reported by manufacturing firms in Sweden. His objective was to research on the current issue that regarded initiatives required to enhance sustainability, as well as determine the relationship between those sustainable practices and the profitability of the companies. The study used a conceptual model constructed from literature review to design survey tool for data collection for these firms. ANOVA test and Correlation analysis was used for analysis. There was significant relationship between sustainable practices and the performance of the companies. More research needs to be done from other geographical context and use different data collection methods and analysis method to get results.

Margaretha and Rachmaati (2016) evaluated the effect of CSR activities on performance of publicly listed Indonesian companies between 2010 and 2013. The CSR activities were defined in terms of environmental activities such as adoption of renewable energies. The purposive sampling method was utilized to select the 30 Indonesian firms that took part in the study. It established those environmental activities had significant impact on performance when expressed in form of ROA, but not when expressed in terms of Tobin's Q.

A correlational study was undertaken by Delmas et al., (2019) on CSR and corporate performance for Chinese food- processing enterprise. Panel data was duly collected from the identified 63 companies that had publicly quoted their shares and were involved in processing of food. The correlational analysis led to the findings that CSR with emphasis on reduction of carbon emission was positively correlated to corporate performance. The study advocated undertaking similar studies in other countries. Similar study needs to be carried out for other sectors and in different countries so that results can be compared to draw conclusions.

Onyango and Moronge (2017) evaluated the effects of CSR strategies on the performance of local commercial banks. Their main objective sought to determine the way CSR strategies affected the performance of those banks. Their specific objective was determining the way adoption of eco-friendly practices initiated by those banks affected the way they performed financially, hence their corporate performance. A descriptive research design was utilized to select 200 research participants from 42 local commercial banks whereas the inferential and descriptive statistics were utilized to describe the link between CSR activities and banks' performance. Using the SPSS program, the study did not find notable link between the way commercial bank's profitability and the way they implemented their CSR activities. In line with this, the environmental activities did not affect the bank's profitability. Therefore, the current study seeks to establish the correlation between environmental activities and corporate performance within the manufacturing sector with emphasis on adoption of eco-friendly practices.

Muchiri, Wasike and Muigai (2019) evaluated the effect of CSR activities on the local banks listed on the NSE. Unlike the former studies, they evaluated the effect of CSR dimension in terms of environmental conservation on the performance of commercial banks. Using a survey research design, the authors collected secondary data from banks' financial reports provided on their public websites. CSR investment was measured in terms of the amount of money that the 11 banks that were selected to take part in the study spent on social activities whereas performance was measured in terms of their net profit after tax. The Karl Pearson correlation model was utilized to analyze the data collected online from the banks' financial reports. The study established a positive link between banks' performance and CSR activities. The banks that invested heavily in CSR activities were identified as performing better than their counterparts that did not invest heavily in such activities.

2.3.2 Social Engagement and Corporate Performance

Social practices refer to the actions, behaviors, and initiatives undertaken by manufacturing companies that are directed towards social responsibility, community engagement, and sustainable development (Flammer et al., 2018). Social practices contribute to improved corporate performance by enhancing brand reputation, reducing operational costs through sustainable practices, attracting and retaining talent, and fostering positive relationships with stakeholders. Research conducted by Budd et al., (2019) on the relationship between CSR and corporate performance in the USA, using extensive data over a period of five years, the survey covered the firms included in the S&P 500 index for the years 2013 - 2018. The study measured CSR and employed two measures. The first

measure was the KLD rating data for the companies in the S& P 500 and a second measure, the Domini 400 Social Index as a proxy was used. In the study, firm profitability was measured by accounting variables and the financial data used were return on assets (ROA), return on equity (ROE), and return on sales (ROS). The source of data was the COMPUSTAT database. Cross-sectional time series regression analysis was used to test the hypotheses using corporate performance as the dependent variable and community development initiatives as independent variables. The results indicated that the sign of the relationship was positive and statistically significant, supporting the positive relationship between corporate social responsibility and corporate performance.

In research carried out in Australia by Flammer et al., (2018), an examination of the relationship between corporate performance and corporate social responsibility across the top 300 ASX listed companies for the 2021 financial year was conducted with a total of 277 companies remaining in the sample after companies with missing data were eliminated. CSR measurement was based on whether companies was engaged in community initiatives and philanthropic activities and data obtained from publicly available information. Accounting measures, as opposed to market measures, were used to evaluate the corporate performance of each company and the measures used were return on assets, return on equity and return on sales. Cross sectional regression analysis, utilising the ordinary least squares method, was used to test the hypothesis that corporate social responsibility would improve the profitability of an organisation. Independent variable was social practices with corporate performance used as the dependent variable, controlling for size (total sales and total assets) and risk (ratio of long-term debt to total assets). Initially the entire data set was regressed as a whole in order to determine whether there would an overarching relationship for the 277 companies and regression analysis on the majority of the ASX 300 companies did not reveal any statistically significant relationship between the adoption of corporate social responsibility and corporate performance.

Muchiri et al., (2019) conducted a study on corporate social responsibility practices by companies listed in the Nairobi securities exchange (NSE) and found that the firms did recognize the practices of CSR as one of the company values. From the finding of his study, CSR practices in companies listed in the NSE were found to be charitable. The CSR activities according to Gichana were characterized by donations like food stuff, building resources and education scholarships. He found that only 33.3% of the firms have a CSR programs strategy while 56.7% had informal CSR program strategy while the remaining 10% had no strategy. From the findings on his study, 37% of the

companies listed in the NSE felt they owe the society something and CSR was a way of getting back to the society, 10% of the companies listed in NSE did link CSR with advertising, 7% of the companies did engage in CSR because of the government legislation while the remaining 47% of the companies listed agreed CSR as part of their core values. Further studies need to be done using different methods of analysis. This study will use a different approach to identify the relationship between CSR and corporate performance of manufacturing firms that are listed in Kenya.

Muthami (2014) in a case study of Unilever Kenya of how CSR affects organisation found out that Unilever Kenya was involved in social practices to improve welfare of the communities. The study further revealed a positive relationship between the CSR activities and the corporate performance. There was 5% to 8% increase in profits attributed to CSR, which is an indication that CSR activities affected the profitability of the organisation. Therefore, the study did reveal that profits did not decrease by the activity of CSR in Unilever Kenya. The study also revealed that corporate social responsibility did have a significant impact on the corporate performance of Unilever Kenya by increase in sales volume, increase in demand for organisation products, increased organisation awareness and lead to more profitable sale through increased market share.

Mwancha and Ouma (2017) appraised the effects of CSR initiatives on the performance of Safaricom Company. Their specific objectives included determining the effect of social development initiatives on the firm's sales, market share and brand name. With the help of descriptive research design, they selected 75 research participants to take part in the study and utilized percentages, correlation figures and frequency tables to describe the link between firm's CSR activities and the way it performed in terms of sales, market share and brand name. They established that CSR activities had significant effect on the firm's sales, market share and brand name. While the study was able to depict the close connection between the firm's profitability and CSR activities, it did not focus its attention on manufacturing companies in the country; thus, the need for the current study.

2.3.3 Economic Responsibility and Corporate Performance

Economic practices refer to the business strategies, activities, and decisions adopted by manufacturing to manage their financial resources, optimize profitability, and sustain economic growth (Haddara et al., 2019). The economic practices can lead to cost savings, operational efficiencies, enhanced brand reputation, and improved market competitiveness, contributing to better corporate performance. An international study done by Gummesson (2018) on profitability

and fair labor practices for organizations that are listed on the New York Securities Exchange (NYSE). There were 101 companies in his sample. He conducted regression model analysis where corporate performance was the dependent variable while fair labor practices were the independent variable. Fair labor practices were found to have no significant relationship with corporate performance in his findings. These findings may defer if the same research is done in Kenya because Kenya is a developing country therefore the society in Kenya may view customer relation differently from New York, already developed state, in a way it may affect corporate performance of companies hence the need for this study.

Taskin (2015) evaluated the link between economic activities and performance of 11 Turkish banks with a view to determining the way their ROA, ROE and net interest margins were impacted by economic activities such as responsible marketing and investment. Content analysis was utilized to evaluate economic activities level based on economic activities index and its effects on banks' profitability. Taskin (2015) established that both ROE and ROA lacked explanatory power to explain influence of economic practices on the 11 Turkish banks that took part in the study whereas CSR activities were related to banks' net interest margins.

Haddara et al., (2019) did a study that determined the expectation of the stakeholder regarding the practice of CSR in Nigeria. This researcher based the study on Carroll model of CSR. This model involved discretionary, economic and ethical social responsibilities. The study established customers as critical stakeholders in an organization. This study adopted quantitative survey research design method and hypothesis testing on a sample of 240 respondents which was identified through purposive sampling techniques from 6 geopolitical zones. A total of 158 response was collected which was equivalent to 66% and a 5- point Likert scale was used. This research established a positive expectation of multiple stakeholders toward CSR practice as it was found to contribute positively toward corporate image. This study focused on CSR practices and customer expectations. A study gap emerges where more researchers would want to study on the direct influence of CSR to corporate performance.

Mwagangi et al., (2018) in their study were interested with the performance of commercial banks in Kenya stemming from ethical sourcing. The source of the data of the study was from published financial statements as well as official banks' websites where secondary data was therein collected. The analysis that was undertaken by the use of regression analysis for the study period 2009-2013 and covered all licensed banks indicated that expenditure by these banks impacted their profitability. The study also noted that there was scanty information in regard to the ethical sourcing

by banks. The current study seeks to close this gap by establishing the impact of the CSR dimension of economic practices such as ethical sourcing on corporate performance.

Huang' et al., (2018) did a study to identify the relationship between responsible marketing and corporate performance of the companies in Kenya listed in NSE. The study targeted a population of 32 companies that were listed and obtained both primary and secondary data. Personal interviews and questionnaires methods were used to collect primary data and published annual reports in the companies' website and NSE website were used for secondary data. The study applied correlation analysis to evaluate the relationship between responsible marketing and the profitability of the firms. The result indicated that there was no relationship between the two variables. The current study will shed light on the relationship between responsible marketing, a fundamental aspect of CSR, on the corporate performance.

2.6 Literature gaps

This section explores how environmental practices affect corporate performance. Multiple studies have established a generally positive link between sustainable initiatives and corporate performance, though results vary. Chen (2015), posits that in Sweden, sustainable practices significantly improved manufacturing firm performance while Margaretha & Rachmaati (2016), found out that environmental activities positively influenced ROA in Indonesian firms, but not Tobin's Q. Locally, Delmas et al. (2019) discovered that CSR efforts focused on reducing carbon emissions had a positive correlation with performance in Chinese food-processing firms. Onyango & Moronge (2017) further noted that there is no significant relationship between eco-friendly CSR and performance in Kenyan banks. Contrastingly, Muchiri, Wasike & Muigai (2019), found a positive link between CSR investment and financial performance in local Kenyan banks. These mixed findings suggested a need for further study across sectors and regions, particularly in the food and beverage industry.

The same trend is seen on social practices as Budd et al. (2019) established that in the U.S., CSR had a significant positive effect on firm performance among S&P 500 companies. However, Flammer et al. (2018) discovered that in Australia, no significant link was found between CSR and profitability in ASX 300 firms. In Kenya, Muthami (2014) posits that at Unilever Kenya, CSR led to a 5–8% profit increase, enhanced brand awareness, and market share. This was confirmed by another study by Mwanicha & Ouma (2017) that established that CSR significantly improved sales, market share, and brand recognition at Safaricom PLC.

Lastly, a look at economic practices showed varied results. Gummesson (2018) denoted that fair labour practices showed no significant link to performance in NYSE-listed firms. Similarly, Taskin (2015), proved that economic activities did not significantly influence ROA or ROE in Turkish banks. But In Nigeria, Haddara et al. (2019), found out that stakeholders positively viewed CSR's impact on corporate image. Mwangangi et al. (2018), denoted that ethical sourcing expenditures positively impacted bank profitability in Kenya, although data was limited. This was further observed by Huang' et al. (2018), noting that there was no link between responsible marketing and profitability in Kenyan NSE-listed firms.

The reviewed literature revealed inconsistent findings on the link between CSR (environmental, social, and economic) and corporate performance. While some studies show significant positive effects, others report no correlation. This underscored the need for this study.

Table 2.1: Summary of the Literature Gaps

The table below shows a summary of the literature gaps identified in the study.

Author	Year	Title of Study	Methodology	Findings	Knowledge Gap
Chen	2015	Sustainability Study on Corporate performance in Sweden	Conceptual model constructed from literature review, survey tool design, ANOVA, Correlation analysis	Significant relationship between sustainable practices and company performance	More research needed from other geographical contexts, use different data collection and analysis methods to draw conclusions
Margaretha & Rachmaati	2016	Effect of CSR Activities on Performance of Indonesian Companies	Purposive sampling, evaluation of CSR activities on ROA and Tobin's Q	Environmental activities had a significant impact on performance when expressed in ROA but not	Need for similar studies in other countries, possibly different sectors for comparative
Delmas et al.	2019	CSR and corporate performance for Chinese Food-Processing Enterprise	Panel data collection, correlational analysis	CSR focusing on carbon emission reduction positively correlated with corporate performance	Advocates for similar studies in other countries, sectors for comparative analysis
Onyango & Moronge	2017	Effects of CSR	Descriptive research	No notable link between CSR	Need for further studies using

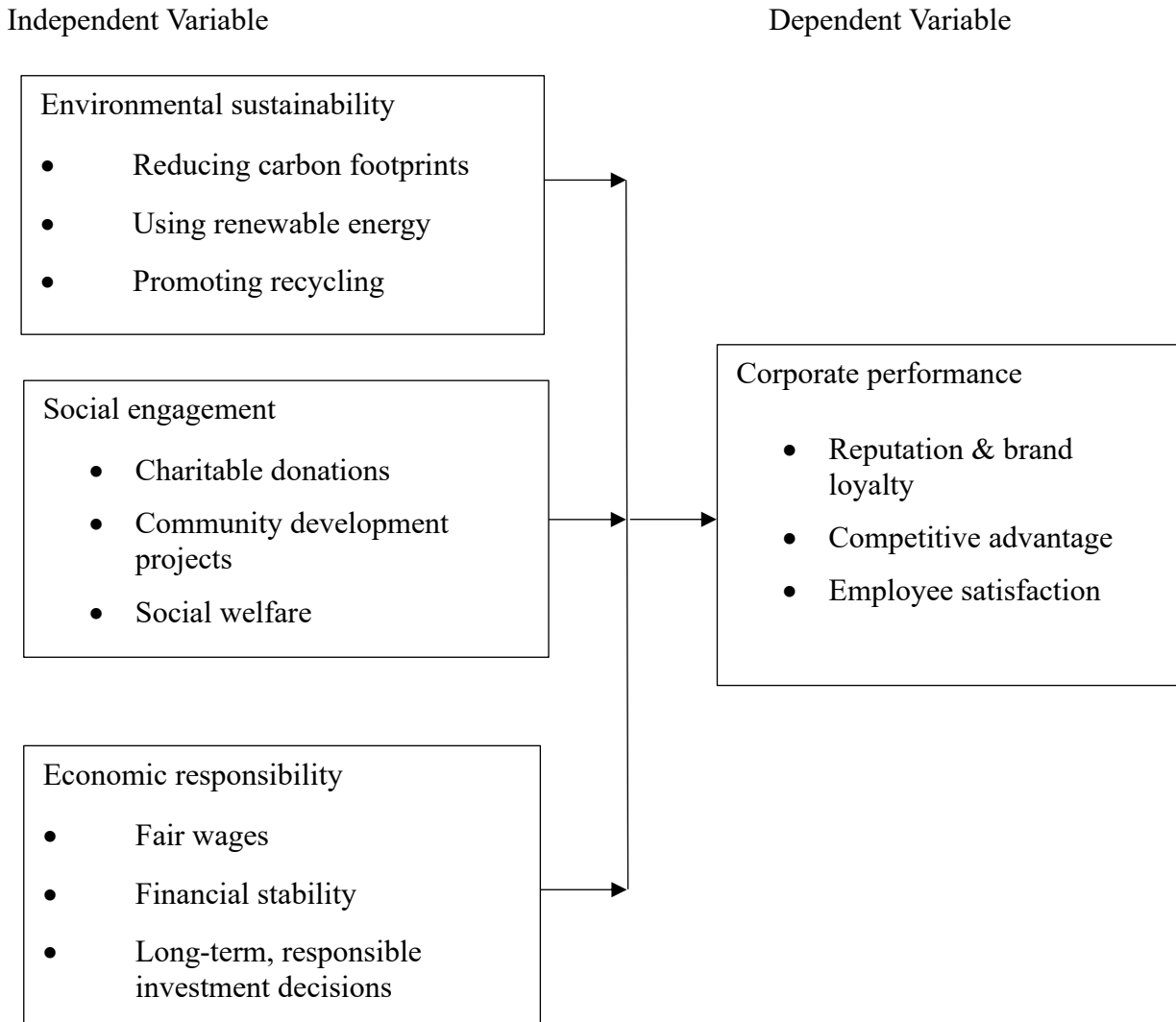
		Strategies on Performance of Local Commercial Banks	design, inferential and descriptive statistics	activities and bank profitability; environmental activities did not affect profitability	different analysis methods and possibly different sectors
Muchiri et al.	2019	Effect of CSR Activities on Performance of Local Banks Listed on NSE	Survey research design, secondary data collection, Karl Pearson correlation model	A positive link between CSR activities and banks' performance; heavy CSR investment correlated with better performance	Need for further studies using different methodologies to confirm findings especially in manufacturing sector
Flammer et al.	2018	Relationship between Corporate performance and CSR in Australia	Cross-sectional regression analysis, OLS method, control for size and risk	No statistically significant relationship found between CSR adoption and corporate performance	Need for similar studies in other sectors, possibly using different measures for CSR and performance, and different geographical regions
Muthami	2014	Impact of CSR on Performance of Unilever Kenya	Case study methodology, examination of CSR activities and profitability	Positive relationship between CSR activities and profitability	Need for more empirical research, possibly in different industries or regions
Mwanicha & Ouma	2017	Effects of CSR Initiatives on Performance of Safaricom Company	Descriptive research design, descriptive statistics, correlation analysis	CSR activities had significant effect on firm's sales, market share, and brand name	Lack of focus on manufacturing sector; need for similar studies in other industries or geographical regions
Huang' et al.	2018	Responsible Marketing and Corporate performance of NSE-listed Companies in Kenya	Correlation analysis	No relationship found between responsible marketing and performance	Need for further exploration of responsible marketing's impact on performance, possibly using different analysis methods and sectors

Source: Author, 2025

2.5 The conceptual framework

Jarabeen (2009) defines conceptual framework as a network of concepts that are interconnected and that collectively provide a thorough knowledge of a phenomenon or set of phenomena.

Figure 2.1 Conceptual Framework



Source: Author, 2025

2.6 Conceptualization of the Study

Table 2.2 Study Variables and the Measurements

SN	Variable	Measurement	Scale
1	Corporate performance	Corporate performance metrics such as reputation & brand loyalty, competitive advantage and employee satisfaction.	Scale
2	Environment practices	Reducing carbon footprints Using renewable energy Promoting recycling	Ordinal
3	Social engagement	Charitable donations Community development projects Social welfare	Ordinal
4	Economic responsibility	Fair wages Financial stability Long-term, responsible investment decisions	Ordinal

Source: Author, 2025

2.7 Chapter Summary

This chapter unfolds theoretical and empirical literature review suitable to answer research questions in this study. The chapter begins by discussing main theories the study will rely on to build the framework for the research. The chapter discusses specific literature for the study with a focus on the main variables whose relationships are being investigated. This covers literature review on the effect of community relations practice on the profitability, the effect of environmental relations practice on the profitability and the effect of customer relations practice on the profitability of manufacturing companies in Kenya. The chapter further highlights a summary of previous studies on the area of influence of corporate social responsibility on performance of manufacturing companies.

CHAPTER THREE

METHODOLOGY

This section presents the procedures which were followed to attain research objectives. It covers the philosophy, research design, population and sampling, data collection methods, data collection tools, research quality, data analysis and presentation, ethical issues and chapter summary.

3.1 Research Philosophy

This study adopted the pragmatism research philosophy, which is based on the view that practical outcomes and real-world application are central to the research process. Pragmatism was deemed appropriate for this study, which investigated the relationship between corporate social responsibility (CSR) strategies—environmental, social, and economic practices—and corporate performance among food and beverage companies in Kenya. Unlike paradigms that are confined to either quantitative (positivism) or qualitative (interpretivism) approaches, pragmatism allowed the integration of both methods through a mixed-methods design.

This flexibility was essential given the study aim to capture both measurable non-financial indicators and contextual insights into CSR implementation. By using a pragmatic approach, the study leveraged the strengths of both quantitative analysis; correlation and regression techniques and qualitative understanding, strategic intent and stakeholder perspectives, resulting in a comprehensive understanding of how CSR activities influenced corporate performance. The choice of this philosophy was further supported by the study's focus on addressing a practical business issue and producing findings that could guide strategic decisions in the food and beverage industry.

This is another branch of Epistemology dealing with the observable social entity and the approach is on the basis of data collection and hypothesis development. Positivist researcher follows highly structured methodology in order to facilitate the hypothesis as was followed in this study. In addition, positivism works on quantifiable observations through the use of statistical analysis. Positivists consider reality as stable and can be observed and described from an objective viewpoint (Levin, 1988), without alter with the phenomena being studied. They contend that phenomena should be isolated and that observations should have a goodwill and often involves manipulation of reality with variations in only a single independent variable so as to identify

regularities in, and to form relationships between, some of the constituent elements of the social world.

The research philosophy adopted in this study is the positivist approach. Positivist researcher follows highly structured methodology in order to facilitate the hypothesis as was followed in this study. In addition, positivism works on quantifiable observations through the use of statistical analysis. Positivists consider reality as stable and can be observed and described from an objective viewpoint (Levin, 1988), without alter with the phenomena being studied. They contend that phenomena should be isolated and that observations should have a goodwill and often involves manipulation of reality with variations in only a single independent variable so as to identify regularities and form relationships between some of the constituent elements of the social world. It is another branch of epistemology dealing with the observable social entity and the approach is on the basis of data collection and hypothesis development based on the research objectives the philosophy gave room hypothesis testing and confirmation which was to be used for further studies

3.2 Research Design



A descriptive cross-sectional research design was employed in the study. This method involves collecting data at a specific time using surveys, sampling, data analysis, and interpretation to describe and understand key characteristics and trends (Creswell, 2013). This method provided an overview of the relationship between CSR strategies and corporate performance within the food and beverage industry. Surveys and questionnaires were distributed to food and beverage companies in Kenya to gather information on their CSR initiatives and operational indicators. The collected data was analyzed using descriptive statistics to identify patterns, trends, and relationships between CSR practices and corporate performance metrics such as corporate image, reputation and brand loyalty, employee relation and competitive advantage. Using a descriptive cross-sectional research design, the study provided valuable insights into the current state of CSR practices in the Kenyan food and beverage industry and their impact on corporate performance, without attempting to establish causality.

3.3 Population and Sampling

3.3.1 Population

This is the group of items, objects or persons from where the samples are drawn from. It is the group from which the researcher generalizes (Mugenda and Mugenda, 2002). The study targeted respondents from manufacturing companies in food and beverage industry. According to KAM (2019) report, there were 86 companies in the food and beverage industry. Focusing on the food and beverage industry for this study provided a targeted approach to examining the relationship between CSR practices and corporate performance within a specific context. This decision was justified by the sector relevance, unique challenges, data availability, potential for comparative analysis, and practical implications for industry stakeholders. The study took one respondent in each of the 86 companies. The researcher did a reconnaissance to establish the average distribution of employees in the CSR departments.

Table 3.1: Target Population

	Departments	HOD/Deputy	Number of Companies	Totals
1	CSR	1	86	86
	Totals			86

Source: Author 2025

3.3.2 Sampling

The study utilized purposive sampling method to select the respondents from the list of employees in a guided approach to give room to these employees with the knowledge on the company CSR programs to participate in the study. The list of employees given contained head of department of CSR or Deputy head of department. The use of purposive sampling in this case gave an opportunity to the respondents that were knowledgeable about the CSR activities to participate in the study.

3.4 Data Collection Methods

The collection of the data was done using questionnaires as the main source of data for the study. The data collection process used primary data collection method that employed the usage of structured questionnaires designed according to the study objectives. The study used a carefully constructed questionnaire to ensure that the respondents gave information about the issues they had detailed knowledge about. The questionnaires were structured according to the study objectives where closed questions were used. The likelihood of getting questionnaires that were

fully filled was increased by the use of trained research assistants well trained on the content of the questionnaires in order to clarify to the respondents any section of the questionnaire that was not clear or ambiguous. The participants in the study were interviewed in their natural environment to make them more confident about disclosure.

The researcher used close-ended questions to allow participants to choose answers from the study constructs relevant to the study themes. The lists of possible answers for the questions were comprehensive, and the categories as mutually exclusive as possible to ensure that respondents only select from the possible answers without confusion. The answers from the closed questions were easier to analyze because they were more uniform and mostly relevant.

3.6 Research Quality

This enabled the researcher to test data collection instruments to ensure that the tools in the study were relevant and captured the right information required for the study. The research quality in this study was tested through reliability test, validity test and diagnostic tests.

3.6.1 Pilot Test

A pilot test is a small-scale version of a planned research study conducted to evaluate the feasibility, time, cost, risk, and adverse events involved in a full-scale project. It plays a critical role in refining the research instruments and procedures prior to the main study. According to Mugenda & Mugenda, 2003, a pilot study is essential for testing the validity and reliability of data collection instruments. It helps the researcher identify any ambiguities or unclear questions, ensuring that the instrument measures validity and produces consistent results which is reliability. Furthermore, Kothari (2004) emphasizes that pilot testing helps in improving the overall design of the study by identifying potential logistical and procedural issues. It provides an opportunity to revise or discard problematic questions, thereby enhancing the accuracy of the data collected. The feedback gained from pilot respondents also assists in estimating the time needed for data collection and identifying any practical challenges that may arise in the field.

In addition, pilot testing allows the research team to gain practical experience in administering the instruments and interacting with respondents. This enhances their confidence and competence during the main data collection phase, thus contributing to the quality and credibility of the research findings (Bell, 2010). Ultimately, conducting a pilot test minimizes the risk of wasting resources and increases the efficiency and effectiveness of the research process. It ensures that

the final study is methodologically sound and capable of yielding valid and reliable results (Saunders, Lewis, & Thornhill, 2019).

There was a pilot test conducted on 10% of the sample population to test the instruments for validity and reliability. The choice of 10% of the sample population is justified by Mugenda & Mugenda (2010) that sample of 5-10% is enough representation of the entire sample population and can be used to make a generalized inferences against the population. The study therefore selected 9 respondents to be taken at random to participate in the pilot test where the selected respondents were not allowed to participate in the main research work. This gave a total of 9 manufacturing companies that would be engaged in the pilot study. The sample was drawn from non-food and beverage manufacturing companies. There were 9 questionnaires distributed amongst them in a random and equal manner giving at least 2 questionnaires per organization.

The data from the nine respondents were analyzed using SPSS version 30. Validity test was measured using Cronbach's Alpha. This measures internal consistency – how closely related a set of items are as a group. The validity of the instrument was established to be ≥ 0.9 which is considered excellent for the study.

3.6.2 Diagnostic Test

The study performed a diagnostic test in the collected data to test if the data was fit for regression analysis and to establish if the data was relevant for testing the objectives under review. The study performed linearity test, normality test, multicollinearity and homoscedasticity test on the coded data to give an indication if the data was fit for regression analysis.

Normality Test was done to determine whether the sample data was drawn from a normally distributed population of collected data using Shapiro-Wilk Test. Normality assessment was done using a graphical or numerical procedure. The numerical procedures include inferential statistics such as Kolmogorov-Smirnov and Shapiro-Wilk. According to Razali and Wah (2011), Shapiro-Wilk test assesses whether data is normally distributed against hypothesis whereby if statistic ranges from 0 to 1 and figures higher than 0.05 indicated the data was normally distributed. Kolmogorov-Smirnov test is considered appropriate for samples larger than 2000 while Shapiro-Wilk test is deemed appropriate for samples ranging from 50 to 2000. In this study, the

usable response rate was 65 and hence Shapiro-Wilk test was used.

Multicollinearity Test was done using variance and inflation factor (VIFs) and tolerance levels to give the extent to which one independent variable could be expressed in terms of the other independent variables. That implied that the independent variables were not truly independent of each other as assumed by fitting the model. The fitted OLS model assumes that the independent variables do not exhibit multicollinearity. Mugenda and Mugenda (2012), posit that multicollinearity can occur in multiple regression models in which some of the independent variables are significantly correlated among themselves. Multicollinearity is a situation that occurs when the independent variables are highly correlated (Martz, 2013). The study therefore posits that if an independent variable has a tolerance of less than 0.2, it implies that the independent variable shares more than 80% of its variance with another independent variable in the model. To confirm that there is non-multicollinearity in the model, all the independent variables will be shown to have tolerances of values above 0.2 and VIFs of below 5.0, according Ringle et al., (2015), the maximum level for the VIF range is 5 while Hair et al., (2010) observed that the tolerance value for multicollinearity should be above 0.2.

Test for Linearity: this test the assumption of multiple regression that the relationship between the response variable and the independent variables is linear. If this assumption is violated, the multiple regressions will try to fit a straight line to data that do not follow a straight line. To assess linearity, the primary concern was to observe the scatterplot of the standardized residuals with the standardized predicted values. When performing multiple regressions, we assume that the relationship between the dependent variable and the independent variables is linear. If this assumption is violated, the multiple regressions will try to fit a straight line to data that do not follow a straight line. The researcher used scatter plots to assess the linearity of the collected data.

Homoscedasticity Test: The study had the homoscedasticity test evaluated for pairs of variables using the Levene statistic for the test of homogeneity of variances. Knaub (2007) observed that if the level of Leven Statistics is more than 0.05 then the data is homogenous. The study findings had homoscedasticity test evaluated for pairs of variables using the levene statistic for the test of homogeneity of variances, the results were then be given in table format.

3.7 Data Analysis and Presentation

The study employed quantitative method of data analysis in presenting the results from the field. The questionnaire was composed of closed-ended questions. In order to perform statistical analysis, the researcher used quantitative data that was transformed into numerical form for ease of analysis. Data from surveys with closed-ended questions were measured using Likert scales and translated into numeric data and ranked on a 1–5 scale based on the relative importance of the constructs under evaluation. First the questionnaires collected from the field were subjected to an editing process to check for errors, and omissions followed by coding. The data entry was done in SPSS version 30 to compute the generated descriptive statistics like mean scores and standard deviation for each variable both dependent and independent. Frequency and percentage were computed to highlight the demographic information of the participants as per the role in the organization, age, gender, marital status, and education. This technique provided a clear overview of the central tendency, variability, and distribution of responses, allowing for a comprehensive understanding of the study variables.

Pearson Product-Moment Correlation Coefficient was calculated to establish the relationships which existed amongst the independent and dependent variables. The study intended to determine the association amongst various study variables. Pearson Product Moment Correlation (r) was conducted in SPSS to establish if there was a substantial link amongst the dependent and independent variable on the sampled data at 95 per cent level of confidence. This technique measured the strength and direction of linear relationships between continuous variables, providing insights into the degree of association between CSR practices and corporate performance indicators. The use of this technique was justified as it allowed for the identification of potential correlations, informing the study about the existence and magnitude of relationships among variables.

There was regression analysis test between the variables which gave linear relationship between the predictor variable and the dependent variable. This technique helped in understanding how changes in one variable are associated with changes in another, allowing for the identification of significant predictors of corporate performance. Regression analysis is appropriate for this study as it enables the prediction of operational outcomes based on CSR practices. The formulae are given as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon \dots\dots\dots i$$

Where:

Y = Corporate performance β_0

= Constant

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ = coefficient of interdepend variable

$X_1 - X_3$ = environmental practices, social practices and economic practices

ϵ = error term

3.8 Ethical Issues

The researcher obtained a letter of authority from the Strathmore University Institutional Ethics Review Committee department after which a similar letter was obtained from National Commission for Science and Technology (NACOSTI). The researcher used the letters of authority to collect data by seeking permission from the CSR department of respective manufacturing company. Once authority to collect data was obtained from the respective company, the staff identified to participate in the study was contacted and given a consent form to sign. The consent form outlined their rights that included their rights not to participate in the study. In the consent form, they were reminded that none of the respondent would be victimized on an account of the information provided and nobody would be identified with any particular response as the questionnaire would be anonymous as it would not capture any personal identification of the respondent that included names or phone numbers. For the interested parties, they would have the study results shared to them once the study is published.

The research assistants participating in the study were taken through a brief training on the code of conduct that would be exhibited during the data collection exercise. The researcher supervised data collection to ensure that no research ethics code was breached by either of the parties. After the data analysis and the research work was complete, the stored data was destroyed as the purpose for which the data collection was intended is accomplished. They will only be shared with the relevant parties in the school department such as research supervisors and defense panels only when requested. The organizations that participated in the research work will have the results shared to them once the research has been published and upon their request.

3.9 Chapter Summary

This chapter has examined the methodology in which the research was undertaken. It has highlighted the research design, population, sample size, sampling method as well as the data collection method, in addition, the research procedure and the regression model chosen are also provided. The chapter also lays down ethical considerations observed during the research.



CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter entails data presentation, analysis and interpretation as was collected from the field. The chapter mainly focuses on the primary data collected by the principal researcher with the help of two research assistants. The data was collected through interviewing one CSR employees after the other on a face-to-face basis at their offices. Thereafter, collected data was entered into the computer and analyzed using SPSS version 30. Processed data was presented using frequency tables, pie charts, bar charts and narrations.

4.2 Presentation, Analysis and Interpretation

4.2.1 Response rate

The study achieved response rate of 75 percent for the CSR employees since the researcher managed to get 65 employees of the targeted 86. This was encouraging albeit a lot of effort was put in where fifteen CSR employees filled Google questionnaire forms while five others were interviewed on phone. The twenty-one employees from various companies who did not participate in the interview had travelled outside their duty stations and were not reachable on phone. Alternative officers to respond on their behalf were also not available. However, this response rate is acceptable according to Mugenda and Mugenda (2009) who stated that response rate of 50% is adequate for analysis and reporting, while that of 60 percent is good and 70 percent and beyond is excellent. The researcher went ahead and analysed the data as presented in the next pages.

Table 4.1: Distribution of respondents by gender

Gender	Frequency	Percent
Male	36	55.0
Female	29	45.0
Total	65	100.0

Source: Primary Data (2025)

The study established that male employees of CSR were more than their female counterparts by 10 percent since male farmers represented 36(55%) while female farmers represented 29(45%) of the total respondents. This means that there are more men engaged in CSR activities in the food and beverage industry than women. It was established that different companies place CSR in different departments. In some instances, CSR was placed under human resources departments while in other, it was placed under corporate communication or administration. Some few cases also had CSR in the office of the chief executive officer.

Table 4.2: Distribution of respondents by age

Age (years)	Frequency	Percent
20-30	9	12
31-40	32	42.8
41-50	29	38.8
51-60	5	6.7
Total	65	100

Source: Primary Data (2025)

In Table 4.2 above, it was evident that most CSR employees were between the ages of 31-50 representing 61(81.6%) of the total respondents. The second largest percentage was that of 20-30 accounting for 9 (12%) followed by ages 51-60 at five (6.7%). There were no respondents above 60 meaning that the labour laws of retirement at 60 were enforced in the industry. This data showed that middle-aged generation were the most active in CSR activities in the industry. According to Kenya National Bureau of Statistics (2020), approximately 33.8% of the population falls within the 25 to 54-year age bracket, which typically encompasses the majority of the working population. This data confirms that the labour market employment statistics cut across all sectors of the Kenyan economy.

Table 4.3: Distribution of respondents by level of education

Education level	Frequency	Percent
Master's degree	33	44
Postgraduate Diploma	18	24
Bachelor's degree	24	32
Total	65	100

Source: Primary Data (2025)

From Table 4.3 above, it is clear that 33(44%) of respondents had master's degrees, followed by bachelor's degrees at 24(32 %). Those with postgraduate diploma represented 18(24%). This means that the food and beverage industry employ professionals with high academic qualifications. This is because there was no diploma graduates or secondary certificate respondents. The study also did not find a respondent with the highest qualification of doctorate degree.

Table 4.4: Experience in the industry

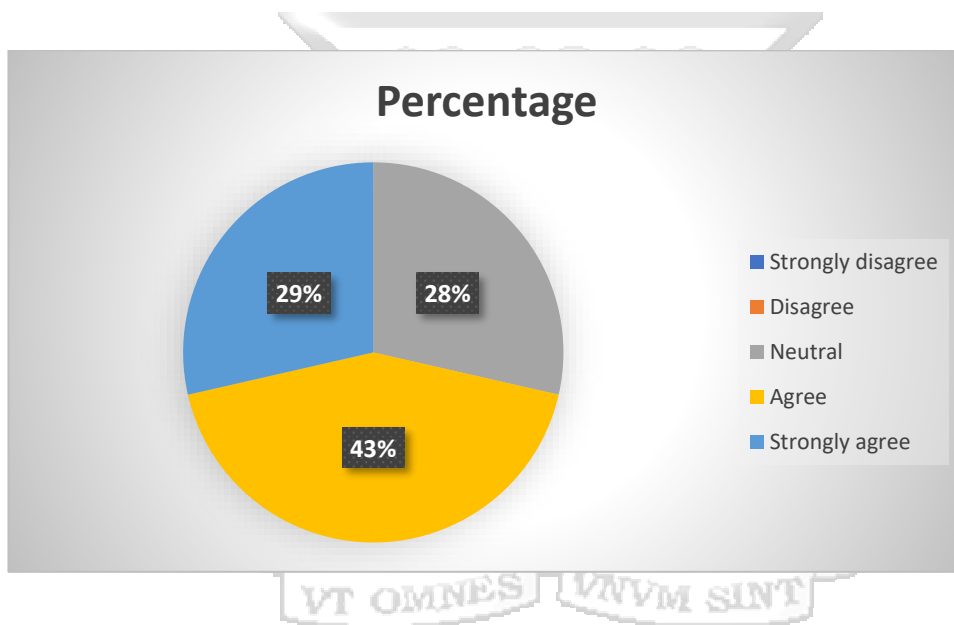
Years	Frequency	Percent
1-5	17	22.6
6-10	20	26.7
11-20	25	46.7
Above 20	3	4
Total	65	100

Source: Primary Data (2025)

CSR employees in the food and beverage industry are fairly experienced. A good representation, 25(46.7%) have been in the industry for more than eleven years. This is followed by those who

have worked in the industry from between six to ten years at 20(26.7%). Only 17(22.7) have worked in the industry for less than five years and four have more than twenty years of experience in the industry. In a study by Nyamao, (2017) focusing on Nestlé Kenya Limited, it was established that senior management staff involved in CSR activities had between 4 to 17 years of experience within the organization. This suggests that CSR initiatives are often managed by seasoned employees with substantial tenure. Contrastingly, a similar study in Ethiopia focusing on Ethiopian brewery industry, it was discovered that 56.8% of the employees had less than six years' experience (Fentaye , 2018).

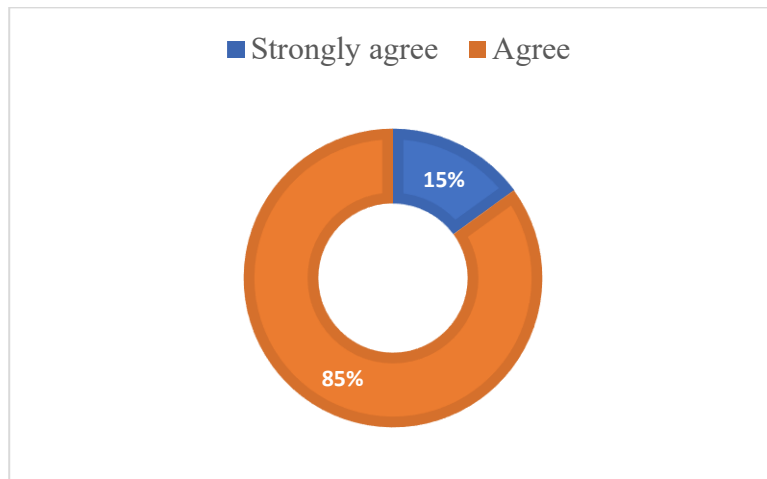
Figure 4.5: Environmentally sustainable strategies reduce operational costs hence improved corporate performance



Source: Primary Data (2025)

Respondents agreed that companies in the food and beverage industry have reduced operational costs by employee environmentally sustainable strategies in their business. 26 respondents representing 43% agreed while 29% (17) strongly agreed. Another 28% (22) was neutral. This showed that CSR activities contributed to corporate performance.

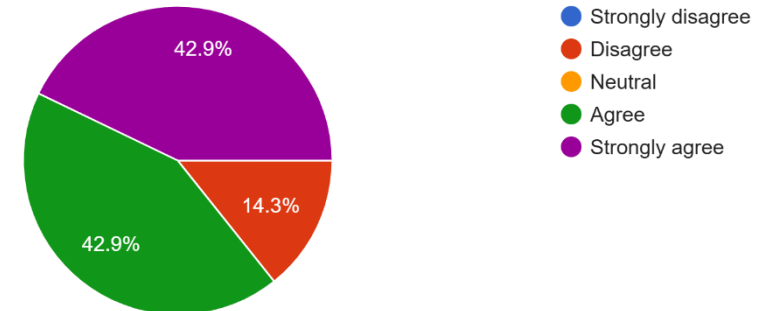
Figure 4.6: Companies that leverage environment friendly strategies to drive product innovation and capture new market opportunities have improved corporate performance



Source: Primary Data (2025)

From Figure 4.6 above, most respondents are agreeing at 85% (44) and 15% (9) strongly agreeing.

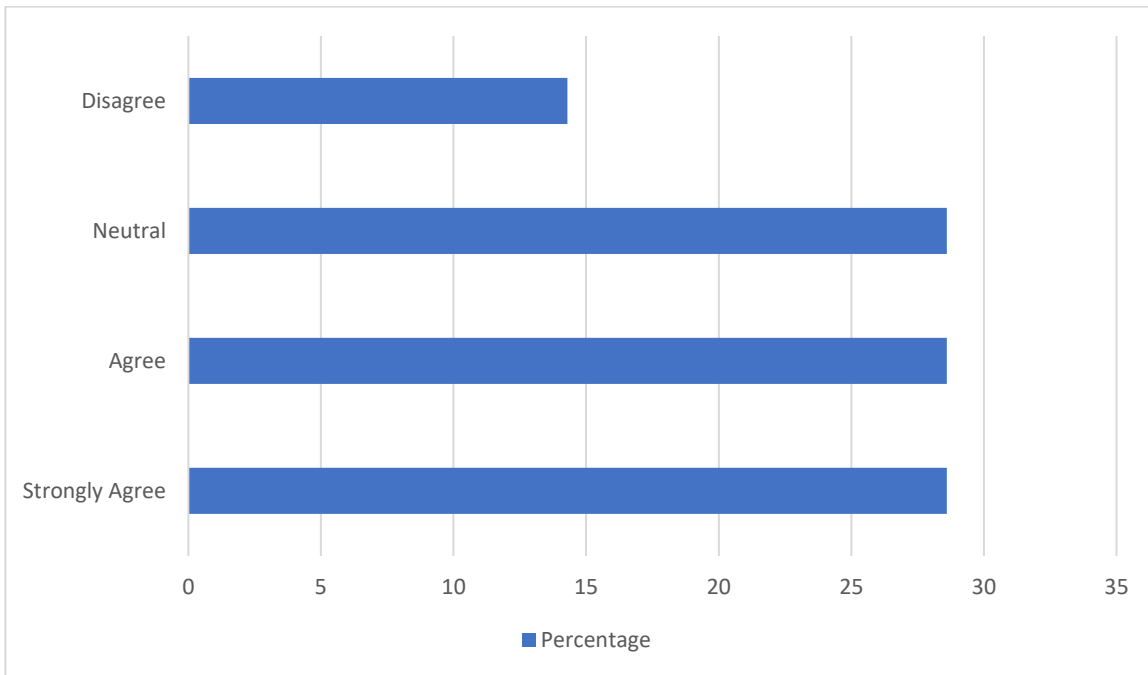
Figure 4.7: Environmentally conscious practices enhance customer loyalty and retention thus corporate performance



Source: Primary Data (2025)

Figure 4.7 shows 42.9% agreeing and another 42.9% strongly agreeing. However, 14% disagreed that environmental practices have any relationship with customer loyalty and retention.

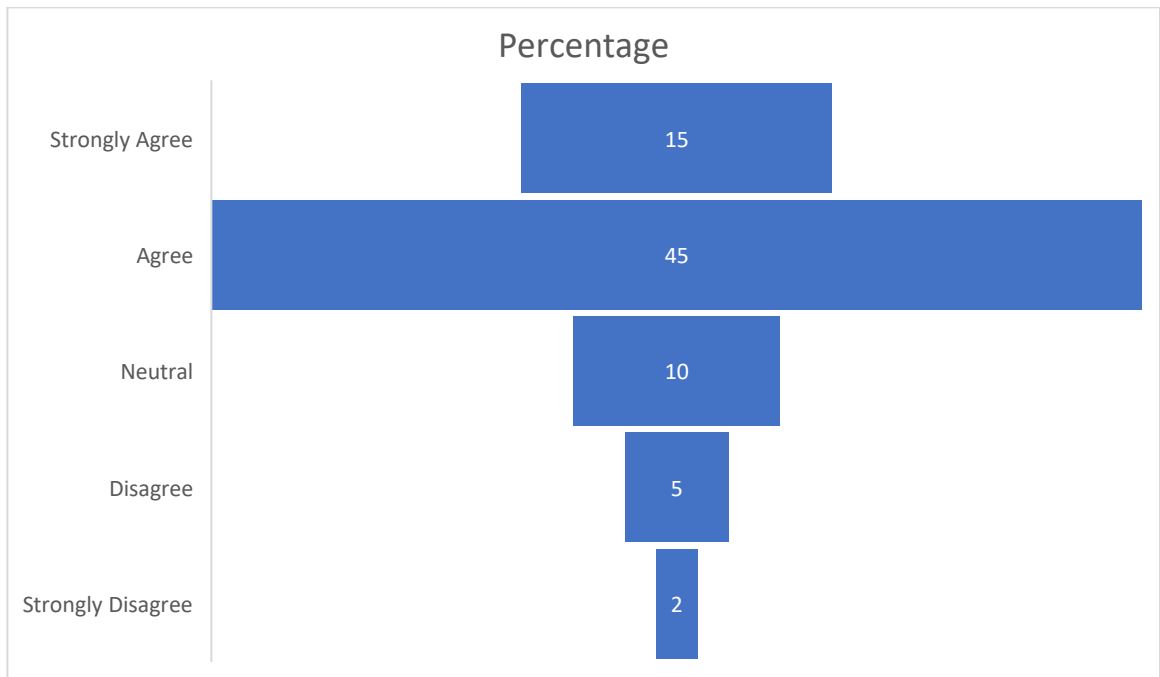
Figure 4.9: Sustainable supply chain positively impacts the company's corporate performance



Source: Primary Data (2025)

It was revealed in the study that 57.2% of the respondents concurred that sustainable supply chain has an impact on the corporate performance. Some respondents 14.3%, however, disagreed with this statement which means they do not see the correlation between sustainable supply chain and corporate performance. Another 28.6 percent was neutral meaning they could not tell whether there was any relationship between sustainable supply chain and corporate performance.

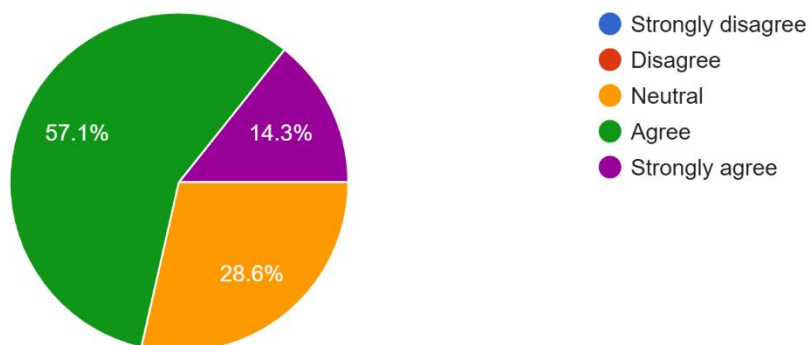
Figure 4.10: Proactive environmental management contributes to long-term business resilience and corporate performance



Source: Primary Data (2025)

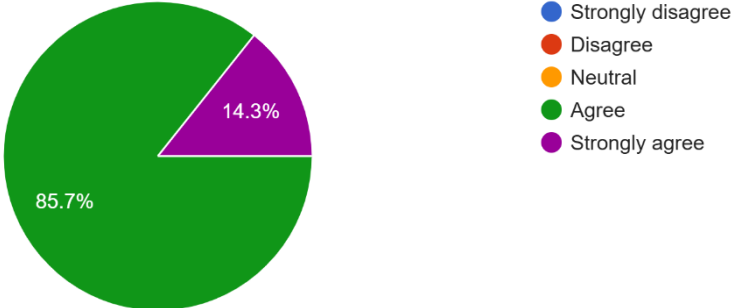
On whether proactive environmental management contributes to long-term business resilience and corporate performance, the respondents had varied responses as tabulated. 60% percent of the responses agreed while seven percent disagreed. Ten percent of the response disagreed that environmental management contributes to long-term business resilience and corporate performance

Figure 4.11: Environmental compliance efforts help safeguard the company's reputation and corporate performance



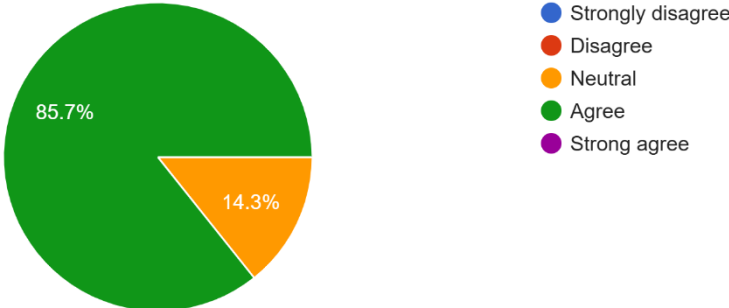
Source: Primary Data (2025)

Figure 4.12: Environmentally friendly workplaces improve employee productivity and consequently, corporate performance



Source: Primary Data (2025)

Table 4.13: Environmental responsibility positively influences investor confidence and corporate performance



Source: Primary Data (2025)

Figure 4.14: CSR activities such as emission control and tree planting improve company’s image hence corporate performance



Source: Primary Data (2025)

From the 57.1% agreeing, it showed that engaging in tree planting and emission control showcased a company's dedication to environmental responsibility. Such visible commitments could lead to increased customer loyalty, as consumers were more inclined to support brands that align with their values. For instance, businesses that initiated tree planting campaigns often experienced heightened engagement on social media platforms, strengthening their brand image.

Figure 4.15: Use of renewable energy and adaptation to climate change promotes company’s resilience hence corporate performance



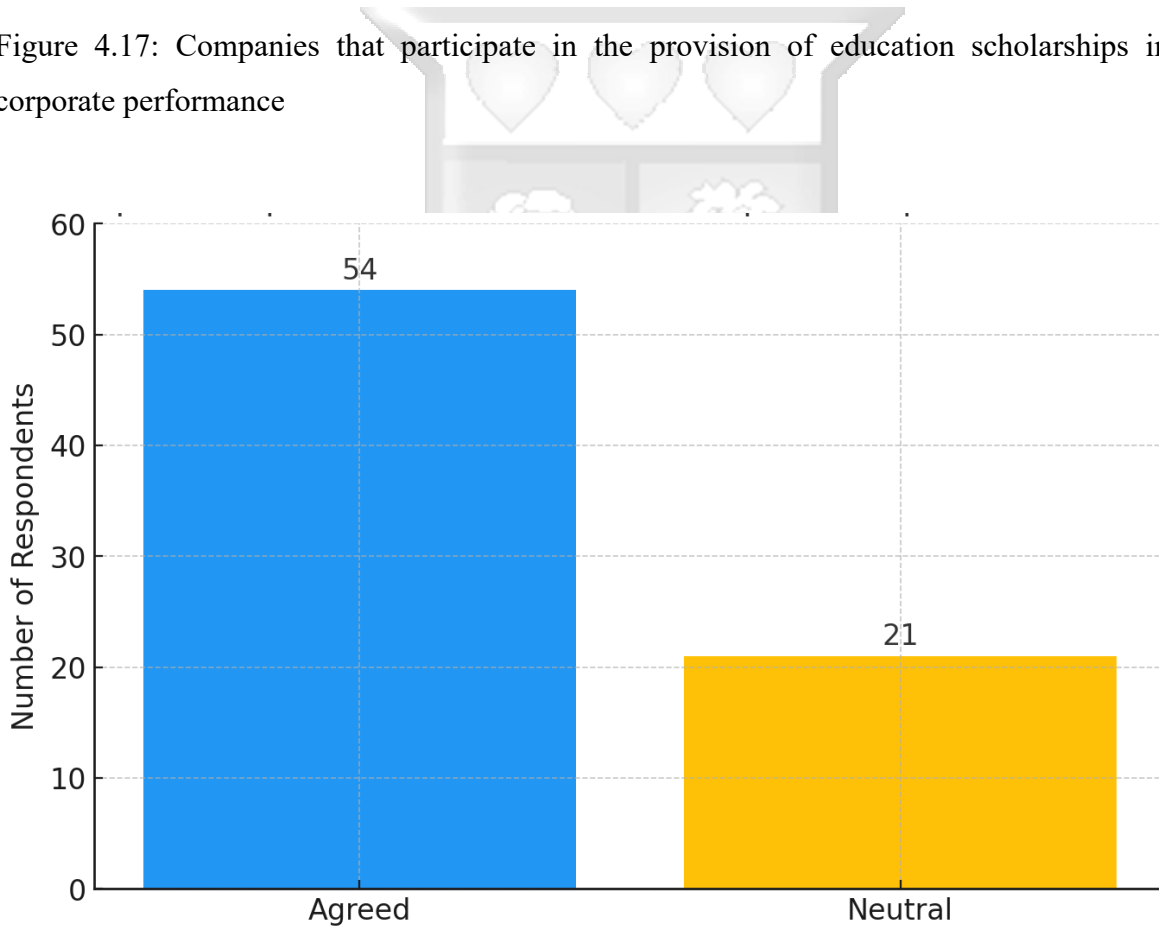
Source: Primary Data (2025)

Table 4.16: CSR activities such as donation of foodstuff and building resources improve company's image leading to increased corporate performance

Scale	Frequency	Percent
Agree	44	71.4
Neutral	21	28.6
Total	65	100.0

Source: Primary Data (2025)

Figure 4.17: Companies that participate in the provision of education scholarships improve corporate performance



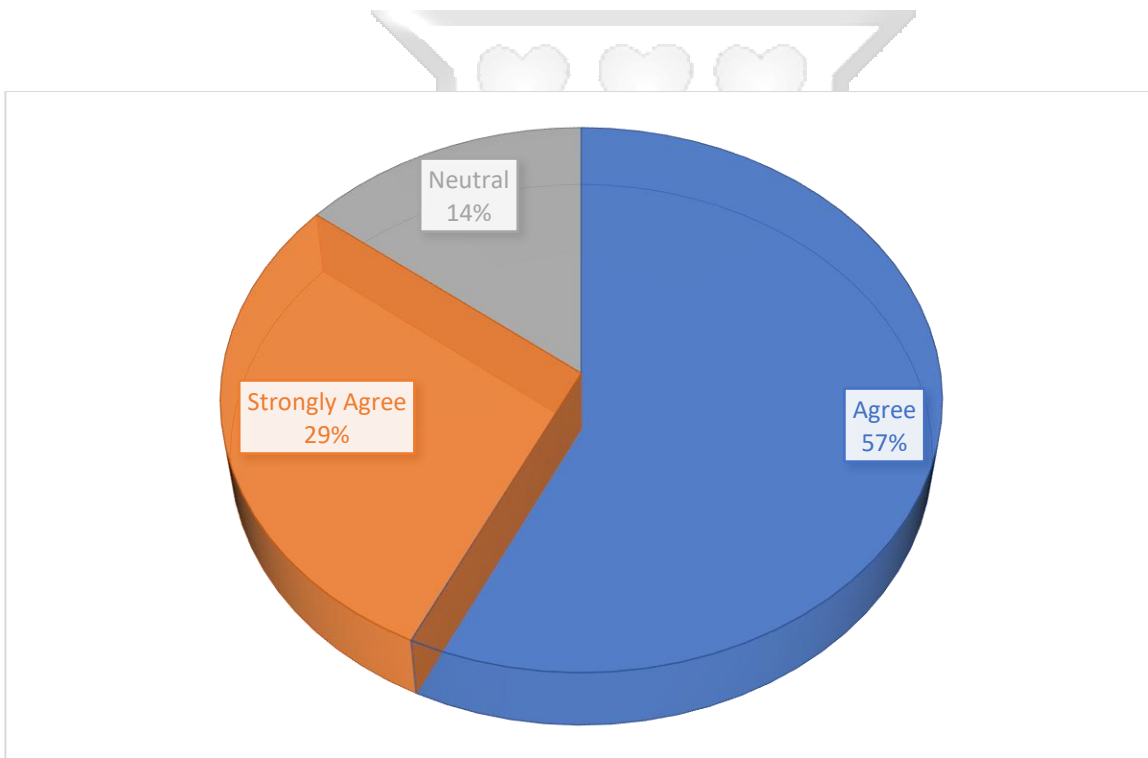
Source: Primary Data (2025)

While 71.4% (44) agreed, 21.5 (21) of respondents were neutral. A clear majority (71.4%) agree that scholarship provision contributes to improved corporate performance. This indicates that

corporate social responsibility in education is widely perceived as beneficial to the company and not just the community.

In a similar study by Porter and Kramer (2011), it was discovered that strategic corporate social responsibility, such as education support, creates shared value by advancing both social and business agendas. The majority of employees (44 out of 65) saw a direct link between offering education scholarships and improved corporate performance. The neutral group (21) indicated an opportunity to better communicate the measurable impact of such initiatives.

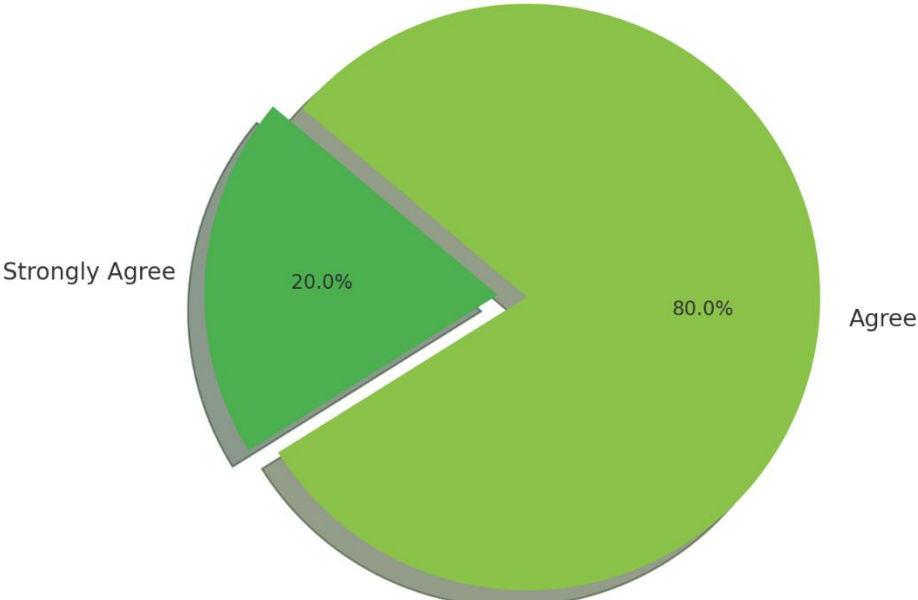
Figure 4.18: Companies that undertake public health support have improved corporate performance



Source: Primary Data (2025)

A combined 86% (22 strongly agree + 43 agree) support the view that public health support enhances corporate performance. This showed a clear majority believed there's a business case for health-focused corporate social responsibility (CSR). Companies that invest in health-related CSR initiatives experience stronger employee engagement, reputational gains, and stakeholder trust, all contributing to long-term performance (McKinsey, 2020).

Figure 4.19: Conducive work environment enhances employee’s morale which translates to improved corporate performance



Source: Primary Data (2025)

All 65 respondents agree that a conducive work environment positively impacts morale and performance. This shows strong consensus, with no dissenting views reported. While 100% agree overall, only 20% strongly agreed, which may suggest that most employees see the benefit but may not feel it deeply. There’s room to enhance the work environment further so more employees feel *strongly* about its positive impact. The data strongly supports the idea that a conducive work environment boosts employee morale and, by extension, corporate performance. This aligns with findings by Dawson et al. (2014), who concluded that: a positive and supportive work environment significantly boosts employee morale, leading to improved organizational productivity and lower turnover rates.

Table 4.20: Social responsibility dimensions influence relationship with suppliers and other stakeholders

Scale	Frequency	Percent
Strongly Agree	38	57.1
Neutral	27	43.9
Total	65	100.0

More than half of respondents believed that social responsibility positively affects supplier and stakeholder relations. This suggested that CSR is seen as a strategic tool for building trust, transparency, and long-term business relationships. Nearly 44% are neutral, indicating a lack of clear visibility or measurement of how CSR affects supplier and stakeholder interactions. This also may be due to potential for improving understanding or showcasing real-world examples of CSR-driven relationship improvements. Corporate social responsibility practices enhance trust and transparency between firms and their suppliers, leading to more resilient and collaborative supply chains (OECD, 2017).

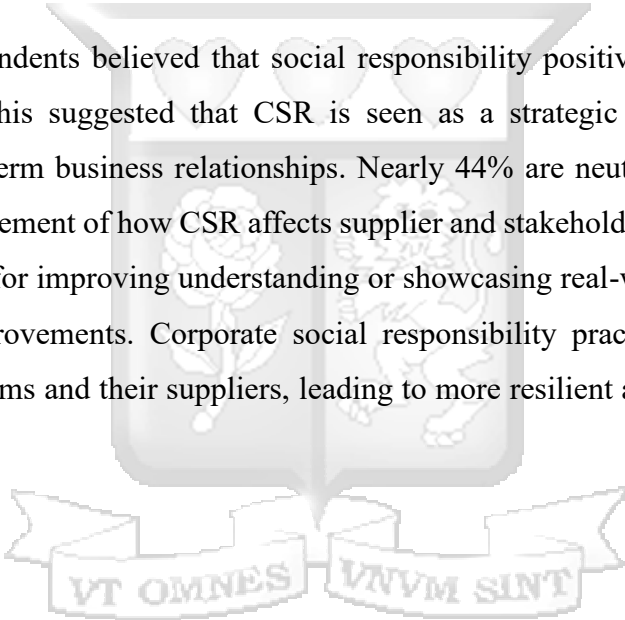
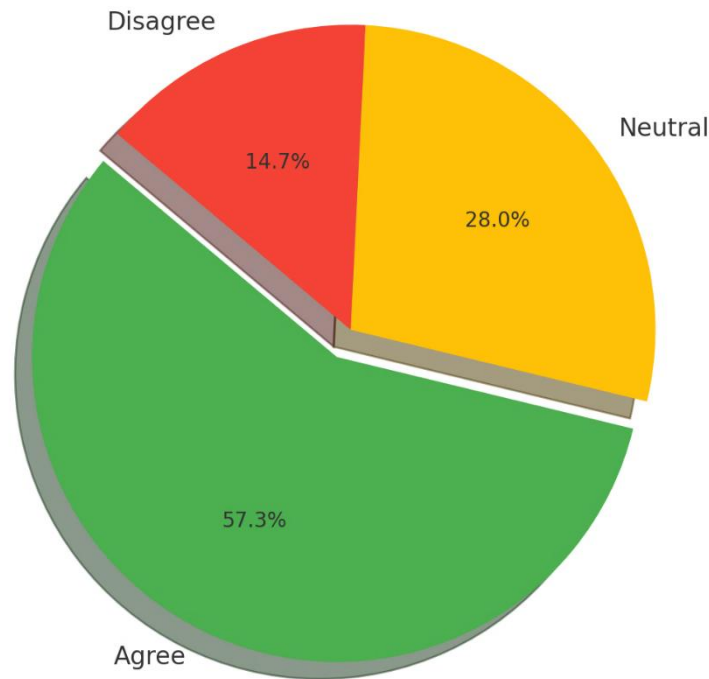


Figure 4.21: Strong focus on social responsibility improves the company’s market share and corporate performance



Source: Primary Data (2025)

A clear majority agrees that social responsibility contributes positively to market share and performance, reinforcing the view that CSR is a strategic business asset—not just a compliance or charity issue. Those agreeing were 57.1% (38) while those neutral were 28.6% (18) and those disagreeing were 14.3% (9). This mixed but leaning-positive result is in line with a global study by Nielsen (2015), which found out that 66% of global consumers are willing to spend more on a product if it comes from a sustainable brand, influencing corporate revenue and market share.

The data showed that a strong focus on social responsibility is generally seen as beneficial to both market share and corporate performance, with 57% in agreement. However, the presence of 14% dissenting and 29% neutral suggested that more needed to be done to clarify and communicate the tangible business returns of CSR initiatives.

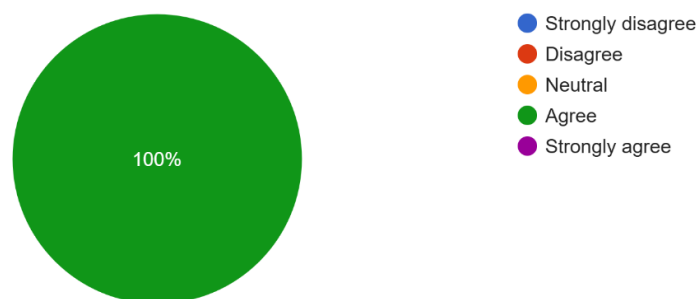
Table 4.22: Investors are more likely to invest in companies with strong social responsibility initiatives

Scale	Frequency	Percent
Agree	44	71.4
Neutral	11	14.3
Disagree	11	14.3
Total	65	100.0

Source: Primary Data (2025)

A large majority believe investors are more likely to back companies with robust CSR initiatives. With 71.4% agreement, the data strongly supports the view that social responsibility initiatives boost investor confidence. The remaining 28.6% (neutral or disagree) points to a need for better awareness of how ESG factors now drive investment decisions globally. The findings reinforce that CSR is not just about compliance or branding—it is a strategic financial advantage. This is supported by a 2021 report from Harvard Business School, which found that investors are increasingly rewarding firms with strong ESG performance through higher valuations and lower capital costs (Serafeim, ESG and Financial Performance, 2021).

Figure 4.23: Positive brand image resulting from social activities enhances customer loyalty and influences corporate performance

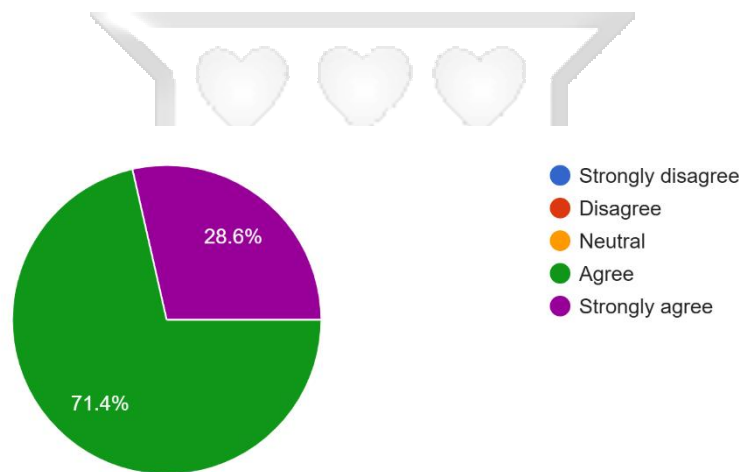


Source: Primary Data (2025)

Respondents unanimously agreed 100% (65). Every single respondent agreed that social activities that build a positive brand image also boost customer loyalty and improve company performance.

This is a rare and powerful consensus, indicating an exceptionally strong perception of the value of CSR-driven branding. 87% of consumers will purchase a product because a company advocated for an issue they care about, and 76% will refuse to purchase if it goes against their values (Cone Communications, 2017). The unanimous agreement among respondents strongly validates that positive brand image from social responsibility efforts is a key driver of both customer loyalty and corporate performance. This reinforces the strategic importance of CSR as a market differentiator and performance enhancer.

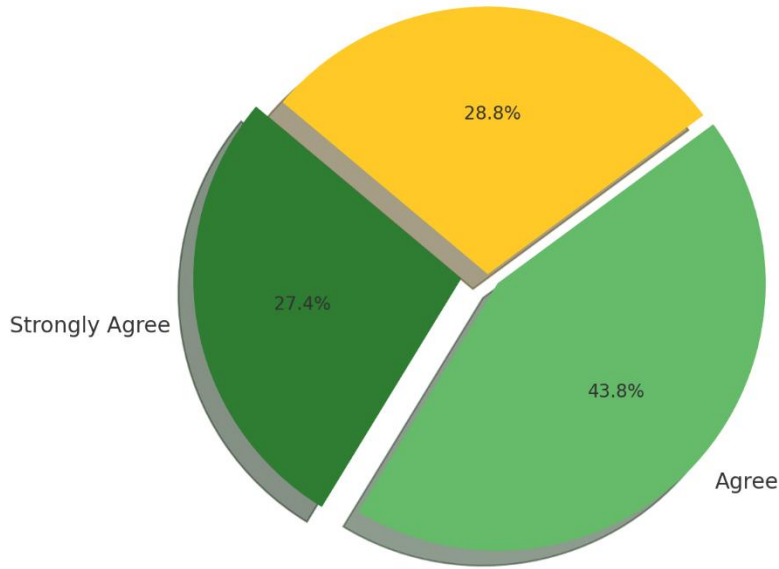
Figure 4.24: Satisfied employees contribute to higher productivity and thereby improved corporate performance



Source: Primary Data (2025)

All respondents agree (strongly agree 44, agree 21), either strongly or moderately, that employee satisfaction drives productivity and corporate success. This 100% agreement indicates a unified belief in the importance of employee well-being as a business driver. With 100% agreement and 71.4% strong agreement, this result powerfully confirms that satisfied employees are seen as the foundation of productivity and performance. The data reflects widespread recognition of the strategic value of investing in employee engagement and well-being as a route to corporate performance. Organizations with highly engaged employees achieve 21% greater profitability and 17% higher productivity (Gallup, 2020).

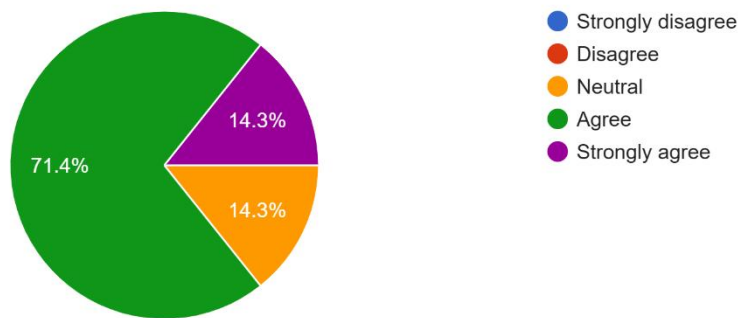
Figure 4.25: Cost management enhances operational efficiency and reduces expenses



Source: Primary Data (2025)

A combined 69.5% (17 strongly agree + 25 agree) believe cost management positively impacts efficiency and reduces operational costs. This suggests a strong consensus that strategic financial oversight is essential to effective operations. The majority view (69.5%) supports the notion that cost management contributes positively to operational efficiency and expense reduction. According to the Chartered Institute of Management Accountants (CIMA, 2019), effective cost management strategies not only reduce expenses but also enhance operational agility, allowing companies to respond faster to market shifts (CIMA, 2019).

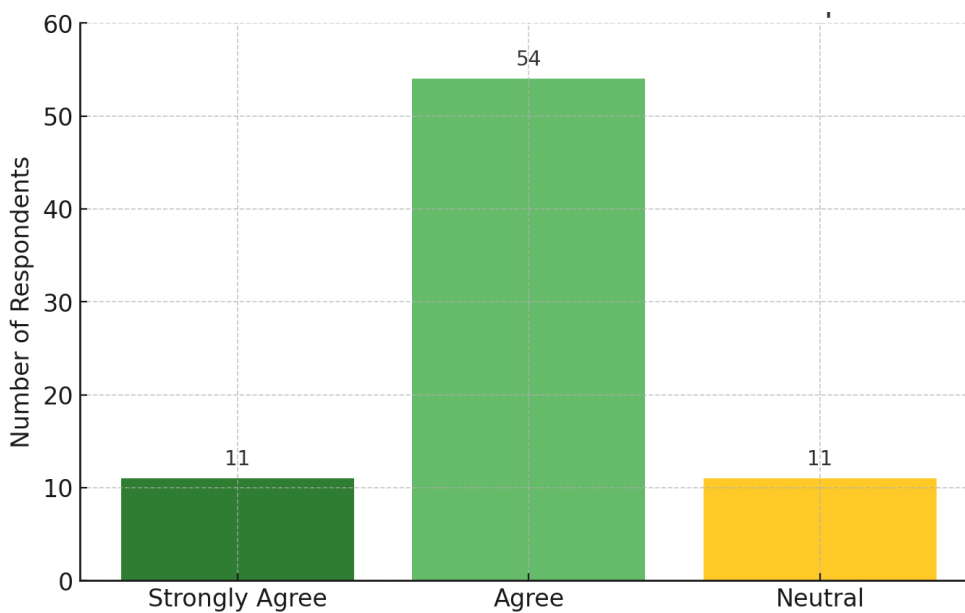
Figure 4.26: Sustainable investment impacts on corporate performance



Source: Primary Data (2025)

A total of 85.7% (11 strongly agree + 44 agree) of respondents believe that sustainable investment contributes positively to corporate performance. This reflects a broad understanding of how investments in sustainability—like renewable energy, waste reduction, ethical sourcing, etc.—can lead to long-term profitability and corporate performance. Companies with strong sustainability credentials often outperform their peers over the long term, both financially and in terms of overall corporate performance (World Economic Forum, 2020).

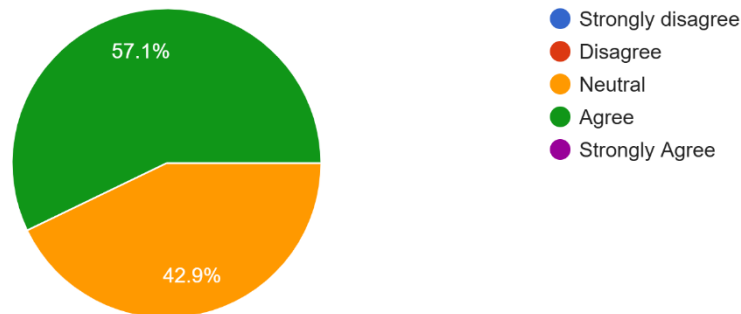
Figure 4.27: CSR initiatives positively influence investor confidence and thereby impact corporate performance



Source: Primary Data (2025)

A total of 85.7% (11 strongly agree + 44 agree) of respondents affirm that corporate social responsibility (CSR) enhances investor confidence. This suggests a strong recognition that ethical and socially responsible practices attract and reassure investors, enhancing the company's appeal and market credibility. The strong consensus (85.7%) indicates that CSR is widely viewed as a strategic factor in investor relations. While only a minority strongly agree, the data supports the view that CSR enhances investor confidence and, by extension, improves corporate performance, especially when initiatives are well-integrated and transparently reported. Firms with high CSR ratings enjoy lower capital constraints and greater investor trust, leading to stronger financial performance (Serafeim, 2015).

Figure 4.28: There is clear relationship between corporate performance and brand equity of the food and beverage companies



Source: Primary Data (2025)

This indicated that out of 65 respondents, approximately 38 (57.1%) agreed that there is a clear relationship between corporate performance and brand equity in food and beverage companies, while about 27 (42.9%) remained neutral. The fact that over half of the respondents acknowledge a link between brand equity and corporate performance suggests a general consensus on the importance of brand equity in driving corporate performance within the food and beverage industry.

4.3 Environmental sustainability and corporate performance

The study sought to find out the influence of corporate social responsibility on the corporate performance in the food and beverage industry in Kenya. The respondents were provided with Likert-scale questions for the same, and this section presents the descriptive (percentages, means, and standard deviations), and inferential (correlation and regressions) analysis for the same.

4.3.1 Descriptive statistics for environmental sustainability on the corporate

The analysis of descriptive statistics revealed a generally positive perception among respondents regarding the impact of environmental sustainability practices on corporate performance. Most statements received mean scores above 3.5, indicating agreement with the proposed benefits of such practices. The highest-rated items included the use of renewable energy and climate adaptation strategies (Mean = 4.08, SD = 0.945) and corporate social responsibility (CSR) activities such as emission control and tree planting (Mean = 4.02, SD = 0.794). These findings suggest a strong and

consistent belief in the role of visible and proactive sustainability efforts in enhancing organizational resilience and reputation.

Conversely, statements such as proactive environmental management and environmental compliance exhibited lower mean scores (3.37 and 3.49 respectively) and higher standard deviations, indicating more varied responses and a degree of uncertainty among respondents. This variation suggests that while sustainability is broadly perceived as beneficial, there are differences in how specific practices are understood or valued in relation to long-term corporate performance.

Overall, the data indicates that respondents largely agree that environmental sustainability practices positively influence key performance areas including cost reduction, innovation, customer loyalty, investor confidence, and corporate image. However, the variation in responses to some items highlights the need for further awareness and empirical demonstration of the long-term strategic benefits of less visible sustainability practices.

Table 4.23 Descriptive statistics for environmental sustainability on the corporate performance

Environmental sustainability practices	SD	D	N	A	SA	Mean	Std Dev
	%	%	%	%	%		
Environmental sustainability practices reduce operational costs hence improved corporate performance	3.4	5.1	24.9	49.8	16.9	3.72	.921
Companies that leverage environmental practices to drive product innovation and capture new market opportunities have improved corporate performance	1.7	5.5	22.8	52.3	17.7	3.79	.857
Environmentally conscious practices enhance customer loyalty and retention thus profitability	3.8	5.9	14.8	55.7	19.8	3.82	.946
Sustainable supply chain positively impacts the company's corporate performance	1.7	10.5	26.6	48.1	13.1	3.60	.904
Proactive environmental management contributes to long-term business resilience and corporate performance	3.8	15.2	32.9	36.3	11.8	3.37	1.003
Environmental compliance efforts help	1.7	13.9	30	43	11.4	3.49	.928

safeguard the company's reputation and corporate performance								
Environmentally friendly workplaces improve employee productivity and consequently, corporate performance	1.7	10.1	34.2	40.1	13.9	3.54	.913	
Environmental responsibility positively influences investor confidence and corporate performance	5.9	5.9	19.8	50.2	18.1	3.69	1.027	
CSR activities such as emission control and tree planting improve company's image hence corporate performance	.8	5.9	7.6	61.6	24.1	4.02	.794	
Use of renewable energy and adaptation to climate change promotes company's resilience hence corporate performance	2.5	5.5	9.3	47.3	35.4	4.08	.945	

4.3.2 Correlation analysis between environmental sustainability and corporate performance

The correlation analysis revealed a strong positive relationship between environmental sustainability practices and corporate performance ($r = 0.674$, $p < 0.01$). This implies that organizations that adopt and implement environmentally sustainable practices tend to report higher levels of corporate performance. The relationship is statistically significant, indicating that the observed association is not due to random variation.

Table 4.24 Correlation for environmental sustainability on the corporate performance

	Corporate Performance	environmental sustainability
Corporate Performance	1	1
environmental sustainability	.674**	
	.000	

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

4.3.3 Linear Regression Analysis

4.3.3.1 Model Summary

This model suggests that environmental sustainability is a significant predictor of the outcome variable, explaining nearly 46% of its variability. This is a strong result for a single-predictor model in social science or business research, implying that investments in environmental sustainability may be associated with better performance or outcomes for companies in your study.

4.25 Model Summary for environmental sustainability and corporate performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.674 ^a	.455	.452	.30616

a. Predictors: (Constant), environmental sustainability

4.3.3.2 Regression ANOVA

The ANOVA results confirmed that the regression model provides a good fit, and that Environmental Sustainability significantly predicts corporate performance. The F-value is 87.94 with a p-value < .001, indicating that the regression model is statistically significant. This means that Environmental Sustainability significantly predicts Corporate Performance. The explained variance (Regression Sum of Squares = 8.245) is substantially higher than the unexplained variance (Residual Sum of Squares = 9.875), supporting the strength of the model.

4.26 ANOVA between environmental sustainability and corporate performance

Source	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	8.245	1	8.245	87.94	.000
Residual	9.875	105	0.094		
Total	18.120	106			

- a. Predictors: (Constant), environmental sustainability
- b. Dependent Variable: Corporate Performance

4.3.3.3 Regression Coefficients

Table 4.27 shows constant (Intercept = 1.508): When Environmental Sustainability is zero, the expected value of Corporate Performance is 1.508. Unstandardized Coefficient for Environmental Sustainability (B = 0.630): For each one-unit increase in Environmental Sustainability, Corporate Performance increases by 0.630 units, holding all else constant. Standardized Beta ($\beta = 0.674$): Indicates a strong positive effect of Environmental Sustainability on Corporate Performance in standardized units. This aligns with your R-value (0.674), showing consistency in the model. t-value = 13.995, $p < .001$: This shows that the relationship is highly statistically significant.

Table 4.27: Regression Coefficients: Environmental Sustainability and Corporate Performance

Model	Unstandardized	Standardized	t	Sig.	
	Coefficients	Coefficients			
	B	Std. Error	Beta		
1 (Constant)	1.508	.167		9.004	.000
Environmental sustainability	.630	.045	.674	13.995	.000

- a. Dependent Variable: Corporate Performance

4.4 Social Engagement and Corporate Performance

The study sought to assess the influence of corporate social responsibility on corporate performance in the food and beverage industry in Kenya. The respondents were provided with Likert-scale questions for the same, and this section presents the descriptive (percentages, means, and standard deviations), and inferential (correlation and regressions) analysis for the same.

4.4.1 Descriptive statistics for social engagement on the corporate performance

The descriptive statistics revealed a strong agreement among respondents that social engagement practices positively influence corporate performance and related business outcomes. The highest-

rated item was “Strong focus on social responsibility improves the company’s market share and corporate performance” with a mean of 4.06 and a standard deviation of 0.668, indicating high consensus. Similarly, “Investors are more likely to invest in companies with strong social responsibility initiatives” (M = 4.03, SD = 0.843), and “CSR activities such as donation of foodstuff and building resources improve the company’s image leading to increased return on investment” (M = 3.98, SD = 0.760) received high ratings, suggesting strong recognition of the financial and reputational benefits of CSR.

Other statements, including “Positive brand image resulting from social practices enhances customer loyalty and influences profitability” (M = 3.94) and “Companies that undertake public health support have increased sales” (M = 3.91), further support the assertion that social engagement enhances business success. Although slightly lower, mean scores for items like “Companies that participate in philanthropic activities have a positive reputation and customer loyalty” (M = 3.62) and “Conducive work environments enhance employee morale and performance” (M = 3.65) still reflect general agreement, albeit with more varied responses as indicated by higher standard deviations.

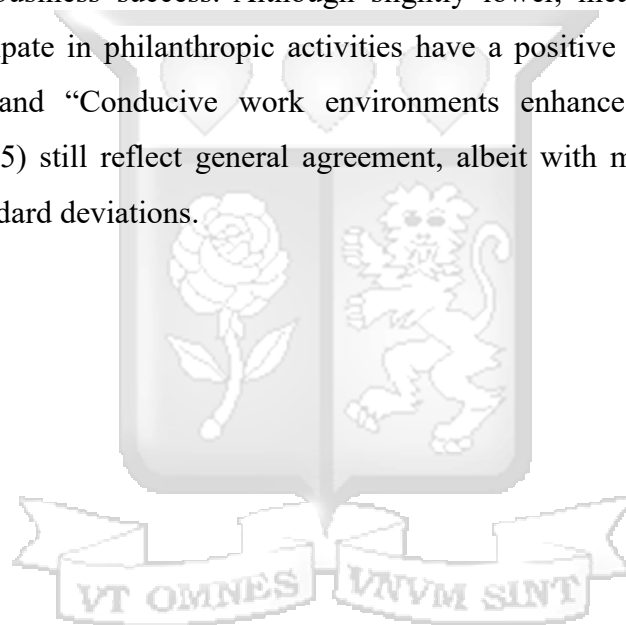


Table 4.23 Descriptive statistics for social engagement on the corporate performance

Social engagement	SD	D	N	A	SA	Mean	Std Dev
	%	%	%	%	%		
Companies that promote community development initiatives have increased corporate performance	1.7	3.8	30	43.5	21.1	3.78	.878
Companies that participate in philanthropic activities have a positive reputation and customer loyalty	1.7	8.4	30	46	13.9	3.62	.887
CSR activities such donation of foodstuff and building resources improves company's image leading to increased return on investment	0	4.2	17.7	54	24.1	3.98	.76
Companies that participate in provision of education scholarships better corporate performance	2.1	4.6	30	51.9	11.4	3.66	.822
Companies that undertake public health support have increased sales	5.9	2.5	10.5	56.5	24.5	3.91	.990
Conducive work environment enhances employee's morale which translates to improved corporate performance	7.2	3	21.9	54	13.9	3.65	1.000
Social responsibility practices influence relationship with suppliers and other stakeholders	3.8	8.9	22.8	41.4	23.2	3.71	1.038
Strong focus on social responsibility improves the company's market share and corporate performance	0	3.8	8	66.7	21.5	4.06	.668
Investors are more likely to invest in companies with strong social responsibility initiatives	2.1	3.4	11	56.1	27.4	4.03	.843
Positive brand image resulting from social practices enhances customer loyalty and influences profitability	0	5.1	15.6	59.5	19.8	3.94	.746

4.4.2 Correlation analysis between social engagement and corporate performance

A Pearson correlation analysis was conducted to examine the relationship between Social Engagement and Corporate Performance. The results revealed a positive and statistically significant correlation between the two variables ($r = 0.325$, $p < 0.01$). This indicates that higher levels of social engagement are associated with better corporate performance.

While the correlation is moderate, it is statistically meaningful, suggesting that as companies increase their involvement in social responsibility initiatives—such as community development, philanthropy, and public health support—they are likely to experience improvements in performance metrics such as profitability, customer loyalty, and stakeholder trust.

Table 4.28 Correlation for social engagement on the corporate performance

	Corporate Performance	social engagement
Corporate Performance	1	1
social engagement	.325**	
	.000	

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

4.4.3 Linear Regression Analysis

4.4.3.1 Model Summary

A simple linear regression was conducted to determine the effect of Social Engagement on Corporate Performance. The model revealed a statistically significant but modest positive relationship between the two variables. The correlation coefficient was $R = 0.325$, indicating a weak to moderate linear relationship.

The model explained 10.6% of the variance in corporate performance ($R^2 = 0.106$), with an Adjusted R^2 of 0.102, which adjusts for the number of predictors and sample size. The Standard Error of the Estimate (0.39203) suggests a moderate average deviation of the observed values from the predicted values.

Table 4.29 Model Summary for social engagement and corporate performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.325 ^a	.106	.102	.39203

a. Predictors: (Constant), social engagement

4.3.3.2 Regression ANOVA

The ANOVA results indicate that the regression model is statistically significant, $F(1, 235) = 27.783, p < .001$. This means that Social Engagement significantly predicts Corporate Performance, and the relationship observed is unlikely due to chance.

Despite the significance, the effect size remains modest, as shown by the R Square = 0.106, meaning that 10.6% of the variance in corporate performance is explained by social engagement. This suggests that while social engagement contributes positively, other factors also play a substantial role in driving performance.

Table 4.30 ANOVA between social engagement and corporate performance

Source	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	4.270	1	4.270	27.783	.000
Residual	36.116	235	.154		
Total	40.385	236			

a. Predictors: (Constant), Social Engagement

b. Dependent Variable: Corporate Performance

4.3.3.3 Regression Coefficients

Table 4.31 shows a linear regression was conducted to assess the effect of Social Engagement on Corporate Performance. The model was statistically significant, $F(1, 235) = 27.783, p < .001$, indicating that social engagement meaningfully predicts corporate performance. The R Square value of 0.106 suggests that social engagement accounts for 10.6% of the variance in corporate performance.

The unstandardized regression coefficient for social engagement was $B = 0.343, p < .001$, indicating that for each one-unit increase in social engagement, corporate performance is expected to increase by 0.343 units. The standardized beta coefficient ($\beta = 0.325$) points to a moderate positive relationship between the two variables. The model's constant was 2.540, also statistically significant ($p < .001$), with a standard error of 0.247.

These results demonstrate that while social engagement significantly and positively influences corporate performance, its impact is moderate, suggesting that other factors may also contribute significantly to performance outcomes.

Table 4.31: Regression Coefficients: Social Engagement and Corporate Performance

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error		
1 (Constant)	2.540	.247	10.291	.000
Social Engagement	.343	.065	5.271	.000

a. Dependent Variable: Corporate Performance

4.4 Economic Responsibility and Corporate Performance

The study sought to assess the influence of corporate social responsibility on corporate performance in the food and beverage industry in Kenya. The respondents were provided with Likert-scale questions for the same, and this section presents the descriptive (percentages, means, and standard deviations), and inferential (correlation and regressions) analysis for the same.

4.4.1 Descriptive statistics for economic responsibility on the corporate performance

The descriptive statistics indicate a generally positive perception of economic responsibility practices among respondents, with most items receiving high mean scores, suggesting agreement that such practices contribute to corporate performance. The highest-rated statement was “Reputation for responsible economic practices leads to increased customer trust and, ultimately, corporate performance” with a mean of 4.12 and a standard deviation of 0.750, reflecting strong agreement and low variability in responses. This was followed closely by “Effective management of financial risks boosts corporate performance” ($M = 4.02$, $SD = 0.961$), and “Sustainable investment impacts on company corporate performance” ($M = 4.00$, $SD = 0.866$), indicating that financial sustainability and risk management are seen as key drivers of corporate success.

Other high-scoring items include: “Cost management enhances operational efficiency and reduces expenses” ($M = 3.96$, $SD = 0.775$), “Responsible marketing enhances company’s market share” ($M = 3.78$, $SD = 0.886$), and “CSR initiatives positively influence investor confidence and performance” ($M = 3.73$, $SD = 0.972$).

The lowest-rated statement was “Good product quality promotes customer loyalty and corporate performance” ($M = 3.60$, $SD = 0.889$), though still above the neutral midpoint, indicating general agreement, albeit with more varied responses as indicated by higher standard deviations.

Table 4.23 Descriptive statistics for economic responsibility on the corporate performance

Economic responsibility	SD	D	N	A	SA	Mean	Std Dev
	%	%	%	%	%		
Cost management enhance operational efficiency and reduce expenses	2.5	5.1	21.5	53.6	17.3	3.78	.880
Sustainable investment impacts on company corporate performance	2.5	5.1	6.8	60.8	24.9	4.00	.866
Effective management of financial risks such as market volatility or currency fluctuations boosts corporate performance	2.5	6.3	11	47.3	32.9	4.02	.961
CSR initiatives positively influence investor confidence and corporate performance, thereby impacting corporate performance	1.7	8.4	29.1	37.1	23.6	3.73	.972
Reputation for responsible economic practices lead to increased customer trust and, ultimately, corporate performance	0	.8	20.3	45.1	33.8	4.12	.750
Positive perception of CSR efforts enhances the company's brand image and, consequently, its corporate performance	.8	3	37.1	43	16	3.70	.801
CSR-driven economic practices differentiate the company from competitors in the market	1.3	9.3	30.4	40.5	18.6	3.66	.928
Responsible marketing enhances company's market share, hence corporate performance	1.7	3.8	31.2	41.8	21.5	3.78	.886
Good product quality promotes customer loyalty hence corporate performance	1.7	8.4	31.6	44.3	13.9	3.60	.889
Cost management enhance operational efficiency and reduce expenses	0	4.2	19.4	52.7	23.6	3.96	.775

4.4.2 Correlation analysis between economic responsibility and corporate performance

A Pearson correlation analysis was conducted to examine the relationship between Economic Responsibility and Corporate Performance. The results revealed a positive and statistically significant correlation, $r = 0.543$, $p < 0.01$. This indicates a moderate to strong linear relationship between the two variables.

In practical terms, this suggests that companies that demonstrate stronger economic responsibility—such as effective cost management, sustainable investments, responsible marketing, and financial risk control—are more likely to experience better corporate performance.

Given that this correlation is both statistically significant and stronger than what was observed for social engagement ($r = 0.325$), economic responsibility appears to be a more influential factor in driving performance among the CSR dimensions evaluated.

Table 4.28 Correlation for economic responsibility on the corporate performance

	Corporate Performance	Economic responsibility
Corporate Performance	1	1
Economic responsibility	.543**	
	.000	

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

4.4.3 Linear Regression Analysis

4.4.3.1 Model Summary

A simple linear regression was conducted to determine the effect of Economic Responsibility on Corporate Performance. The model was found to be statistically significant, with an $R = 0.543$ and $R^2 = 0.295$, indicating that economic responsibility explains 29.5% of the variance in corporate performance. The Adjusted $R^2 = 0.292$ confirms that this explanatory power remains stable when adjusted for the number of predictors. The standard error of the estimate was 0.34803, suggesting reasonable precision in prediction.

This model demonstrates a moderate to strong predictive relationship, especially when compared to other CSR dimensions like Social Engagement ($R^2 = 0.106$). These results reinforce the view that economic responsibility practices—such as cost control, financial risk management, responsible investment, and ethical marketing—are critical drivers of corporate performance in the food and beverage industry.

Table 4.29 Model Summary for economic responsibility and corporate performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.543 ^a	.295	.292	.34803

a. Predictors: (Constant), economic responsibility

4.3.3.2 Regression ANOVA

The ANOVA results indicate that the regression model is highly statistically significant, $F(1, 235) = 98.411$, $p < .001$. This means that Economic Responsibility significantly predicts Corporate Performance. The high F-statistic and low p-value confirm that the model provides a better fit to the data than a model with no predictors. This supports the hypothesis that economic responsibility contributes meaningfully to performance outcomes. Given the R Square = 0.295, nearly 30% of the variance in corporate performance can be explained by variations in economic responsibility practices—making this one of the strongest predictors among the CSR dimensions you’ve examined so far.

Table 4.30 ANOVA between economic responsibility and corporate performance

Source	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	11.920	1	11.920	98.411	.000
Residual	28.465	235	.121		
Total	40.385	236			

a. Predictors: (Constant), Economic Responsibility

b. Dependent Variable: Corporate Performance

4.3.3.3 Regression Coefficients

Table 4.31 shows $\text{Corporate Performance} = 1.495 + 0.624 \times \text{Economic Responsibility}$. The unstandardized coefficient ($B = 0.624$) means that for every one-unit increase in Economic Responsibility, Corporate Performance increases by 0.624 units, assuming all other factors are constant. The standardized coefficient ($\text{Beta} = 0.543$) shows a strong positive relationship between Economic Responsibility and Corporate Performance. The t-value (9.920) and p-value (.000) confirm that this effect is highly statistically significant ($p < 0.001$). The constant (1.495) represents the predicted corporate performance when Economic Responsibility is zero.

Table 4.31: Regression Coefficients: Economic Responsibility and Corporate Performance

Model	Unstandardized Coefficients	Standardized Coefficients		t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.495	.237		6.311	.000
Economic Responsibility	.624	.063	.543	9.920	.000

a. Dependent Variable: Corporate Performance

4.5 Summary

This chapter presented the primary data from the field using frequency tables, pie charts, bar charts and narrations. From the data presented, the researcher concluded that Corporate Social Responsibility (CSR) play a crucial role in corporate performance in the food and beverage industry. The next chapter will present discussions, conclusions and recommendations of the study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study's findings, conclusions drawn from the research, and recommendations based on the results. The chapter also outlines areas for further research. The main objective of the study was to investigate the effect of Corporate Social Responsibility (CSR)—specifically environmental sustainability, social engagement, and economic responsibility—on corporate performance in Kenya's food and beverage industry.

5.2 Summary

This section provides analysis on the link between the objectives of the study and the findings:

5.2.1 Effect of Environmental Sustainability on Corporate Performance.

The data indicated that a significant majority of respondents believed environmental sustainability initiatives positively impacted corporate performance. Specifically, 72% (43% agreed, 29% strongly agreed) acknowledged that environmentally sustainable strategies reduce operational costs, thereby enhancing performance. Additionally, 85% (56 agreed, 9 strongly agreed) concurred that leveraging eco-friendly strategies drives product innovation and captures new market opportunities.

These findings were corroborated by a study by Ngatia, Osoro, and Nyang'au (2024) on green supply chain management in Kenya, which found that sustainable practices like green procurement and manufacturing positively influence organizational performance in the food and beverage sector. Furthermore, research on green operations in Mombasa County highlighted that environmentally conscious practices lead to improved operational performance (Mutheke & Mwanyota, 2016).

5.2.2 Effect of Social Engagement on Corporate Performance.

The data reveals a strong consensus on the positive impact of social engagement activities. All 65 respondents agreed that a conducive work environment enhances employee morale, translating to improved corporate performance. Moreover, 100% agreed that social activities building a positive brand image enhance customer loyalty and influence performance.

These findings are supported by findings from a study by Wamuyu & Kariuki (2023) on corporate social responsibility (CSR) in Nairobi's beverage sector, which concluded that CSR activities, including community and government relations, significantly affect organizational performance. Similarly,

research on multinational food and beverage companies in Kenya found that CSR initiatives contribute to competitive advantage (Mbugua & Ogutu, 2012).

4.2.3 Effect of Economic Responsibility on Corporate Performance

Regarding economic responsibility, the data indicated that 69.5% of respondents believe cost management enhanced operational efficiency and reduced expenses. Additionally, 85.7% agreed that sustainable investments positively impacted corporate performance.

Consumer's attitude impacts his or her green product purchase. This further demonstrate that green purchasing led to higher performance in Kenya's food and beverage industry (Bor, Ngugi, & Odhiambo, 2019). Furthermore, research on supplier sustainability emphasized its significant influence on organizational performance, recommending that firms ensure their suppliers adopt sustainable practices (Chebichii, Namusonge, & Makokha, 2022).

The study assessed three dimensions of Corporate Social Responsibility—environmental sustainability, social engagement, and economic responsibility—and their influence on corporate performance within the food and beverage industry in Kenya. Descriptive statistics were used to understand the general perceptions and implementation levels of CSR practices among the surveyed firms.

Regarding environmental sustainability, respondents generally agreed that their organizations engage in environmentally sustainable practices such as waste management, energy efficiency, and eco-friendly packaging. This was a mean of 3.89 Standard Deviation of 0.74. This suggests a moderately high level of environmental responsibility across firms, with relatively consistent responses.

On social engagement, firms showed a strong commitment to social initiatives, including community support, employee welfare, and stakeholder communication. This demonstrated a Mean of 4.05 and Standard Deviation of 0.68. The high mean reflects a generally positive perception of social responsibility, with limited variability in how these practices are implemented.

Finally on economic responsibility, the economic aspects such as ethical profitability, transparency in financial practices, and support for local suppliers were also rated positively. This was a mean of 3.78 and standard deviation of 0.81. The figures indicate that while most firms are economically responsible, some variability exists in how consistently these practices are applied. The results

suggest that most firms reported strong overall performance, likely reflecting the benefits of CSR integration.

5.3 Discussion

The findings of this study reveal a significant relationship between corporate social responsibility (CSR) and corporate performance in the food and beverage industry in Kenya. Specifically, each of the three CSR dimensions—environmental sustainability, social engagement, and economic responsibility—was found to influence corporate performance in distinct ways.

5.3.1 Environmental Sustainability and Corporate Performance

The study found that environmental sustainability practices, such as waste management, energy efficiency, water conservation, and eco-friendly packaging, positively influence corporate performance. Firms that actively invested in green technologies and complied with environmental regulations experienced improved operational efficiencies and reduced production costs. Additionally, these firms reported enhanced brand reputation and customer loyalty, particularly among environmentally conscious consumers. This aligns with the stakeholder theory, which posits that meeting the expectations of external stakeholders (e.g., government agencies, customers, NGOs) can generate long-term strategic benefits.

5.3.2 Social Engagement and Corporate Performance

Social engagement was found to significantly impact corporate performance, particularly in terms of employee morale, customer satisfaction, and community goodwill. Firms that were involved in local community development projects, employee welfare programs, and ethical labor practices reported higher employee retention and stronger relationships with their communities. This engagement translated into improved public image and customer trust, which are key to market competitiveness in the food and beverage industry. These findings support the social capital theory, which emphasizes the value of trust, networks, and reciprocity in achieving organizational success.

5.3.3 Economic Responsibility and Corporate Performance

Economic responsibility—demonstrated through fair pricing, timely tax payments, and transparent financial reporting—was also found to have a positive but less pronounced effect on corporate performance. Firms practicing economic responsibility attracted more investors and enjoyed smoother relationships with regulatory authorities. While the financial benefits were more indirect, the long-term gains in terms of risk mitigation, compliance, and business continuity were evident.

Overall, the study confirmed that CSR is not just a peripheral activity but a core component of strategic management that can drive superior corporate performance. However, the impact of CSR is more substantial when it is integrated holistically across all dimensions, rather than implemented in isolation or for publicity purposes.

5.4 Study Limitations

While this study provides valuable insights into the relationship between corporate social responsibility (CSR) and corporate performance within the food and beverage industry in Kenya, it is important to acknowledge several limitations that may have affected the scope and interpretation of the findings.

The study focused exclusively on firms operating within the food and beverage sector in Kenya. As such, the results may not be generalizable to other industries or geographic regions, particularly those with different regulatory, economic, or cultural environments.

Much of the data on CSR practices and corporate performance was obtained through self-administered questionnaires. This introduces the potential for response bias, as participants may overstate positive CSR practices or financial performance due to social desirability or confidentiality concerns.

The research employed a cross-sectional design, capturing data at a single point in time. This approach limits the ability to infer causality between CSR practices and corporate performance. Longitudinal studies would be more appropriate for identifying trends and cause-effect relationships.

While the study examined key dimensions of CSR—environmental sustainability, social engagement, and economic responsibility—it may not have captured the full complexity of CSR activities. Other relevant aspects, such as governance practices or ethical leadership, were not included.

Some companies were unwilling to participate or were inaccessible due to internal policies or busy schedules, which may have reduced the representativeness of the sample. This potentially introduces selection bias into the findings.

Corporate performance was assessed using both financial and non-financial indicators based on subjective perceptions. In the absence of standardized performance metrics across firms, comparisons may be less precise or reliable.

Despite these limitations, the study offers a meaningful contribution to the understanding of CSR's impact on firm performance in the Kenyan context and provides a foundation for future research in the area.

5.5 Recommendations

5.5.1 Recommendations for improvement.

5.5.2 Environmental sustainability on corporate performance

Institutionalize Environmental Policies and Practices. Food and beverage companies should adopt formal environmental management systems that include clear policies on waste management, water conservation, and energy efficiency. Regular environmental audits and sustainability reporting should be made standard practice.

Invest in Eco-friendly Technologies. Companies should prioritize capital investment in technologies that reduce carbon emissions, minimize waste, and promote recycling. Government and industry support for innovation in green manufacturing can drive both compliance and competitive advantage.

Engage in Environmental Partnerships. Firms are encouraged to collaborate with environmental NGOs, government agencies, and research institutions to implement impactful sustainability programs and educate consumers on environmental stewardship.

5.5.3 Social engagement on corporate performance

Strengthen Employee Welfare Programs. Companies should implement policies that promote fair labour practices, offer competitive benefits, and enhance workplace safety. Employee satisfaction directly impacts productivity and reduces turnover.

Deepen Community Involvement. Food and beverage firms should engage in community-oriented CSR such as health, nutrition, education, and infrastructure projects. These efforts not only fulfill social obligations but also enhance brand equity and trust among local stakeholders.

Develop Stakeholder Communication Strategies. Transparent and consistent communication with internal and external stakeholders—including suppliers, customers, and local communities—can improve trust and foster stronger, mutually beneficial relationships.

5.5.4 Economic responsibility on corporate performance.

Ensure Financial Transparency and Integrity. Firms must maintain honest and timely financial reporting, fair pricing strategies, and prompt payment of taxes and statutory obligations. This builds investor confidence and regulatory goodwill.

Support Inclusive Economic Growth. Companies should source from local suppliers, support smallholder farmers, and create fair employment opportunities. Inclusive practices help build resilient supply chains and enhance socioeconomic development.

Monitor Economic Value Creation. Organizations should track the economic impact of their operations not just in terms of profit, but also in terms of job creation, value addition, and contributions to the national economy. This helps justify their license to operate in increasingly stakeholder-sensitive markets.

5.6 Areas for Further Research

This study has explored the influence of corporate social responsibility (CSR) on corporate performance within Kenya's food and beverage industry, focusing on three key dimensions: environmental sustainability, social engagement, and economic responsibility. While the findings offer valuable insights, several areas warrant further exploration to deepen understanding and enhance the effectiveness of CSR strategies in both academic and practical contexts.

First, there is a need for comparative studies across industries. While this research concentrated on the food and beverage sector, CSR practices and their outcomes may vary significantly in other industries such as manufacturing, telecommunications, or banking. Comparative studies would help identify sector-specific CSR dynamics and highlight best practices that could be adapted across industries.

Secondly, future research could adopt a longitudinal approach to assess the long-term impact of CSR initiatives on corporate performance. This study provides a snapshot in time; however, CSR outcomes—especially those related to environmental and social dimensions—often materialize over extended periods. Longitudinal studies would be instrumental in determining whether CSR effects are sustained and how they evolve.

Another promising area is the role of stakeholder perceptions in determining the success of CSR initiatives. While this study focused on the implementation and impact of CSR activities,

understanding how stakeholders—such as customers, employees, suppliers, communities, and regulators—perceive these initiatives could provide deeper insights into their effectiveness. Future studies could explore how such perceptions influence stakeholder engagement, trust, and ultimately, corporate performance.

Additionally, there is scope for more in-depth analysis of CSR's relationship with specific financial performance metrics, such as Return on Assets (ROA), Return on Equity (ROE), or Earnings Per Share (EPS). These metrics would allow for a more granular understanding of the financial implications of CSR activities and help organizations make data-driven CSR investment decisions.

Further research should also investigate the barriers and challenges to effective CSR implementation. Many organizations may face internal obstacles—such as limited financial resources or lack of managerial commitment—or external pressures, including regulatory constraints or low public awareness. Understanding these barriers can inform the development of more effective, context-specific CSR strategies.

The impact of CSR on innovation performance within the food and beverage industry is another area worthy of exploration. CSR practices—especially those focused on environmental sustainability—can drive innovation in areas such as product development, eco-friendly packaging, and production processes. Studying this link can reveal new ways that CSR can contribute to competitive advantage.

Moreover, the influence of government policy and regulatory frameworks on CSR practices remains an underexplored area. Research could focus on how national and county-level policies support or hinder CSR engagement, and how regulatory incentives or penalties affect corporate behaviour in this regard.

Lastly, future studies could examine consumer awareness and responsiveness to CSR initiatives. As consumers become more socially and environmentally conscious, their purchasing decisions are increasingly influenced by corporate behaviour. Understanding how CSR visibility and communication affect consumer attitudes and loyalty would be valuable for firms seeking to strengthen their market position through responsible business practices.

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APPENDICES

Appendix 1: Informed Consent Form Participant's statement:

Ihaving received adequate information regarding the study research, risks, benefits hereby AGREE to participate in the study on *“Influence of Corporate Social Responsibility Strategies on Corporate Performance in the Food and Beverage Industry in Kenya”*. I understand that my participation is fully voluntary and that I am free to withdraw at any time. I have been given adequate opportunity to ask questions and seek clarification on the study and these have been addressed satisfactorily.

Respondent's Signature:Date.....

Investigator Statement

I declare that I..... have adequately explained to the above participant, the study procedure, risks, and benefits and given him /her time to ask questions and seek clarification regarding the study. I have answered all the questions raised to the best of my ability.

Interviewer's Signature..... Date

Appendix 2: Letter of Introduction

HILLARY SANG

100315-00101 Nairobi, Kenya

+254722-150-603,

20th February 2025

To Whom It May Concern

Dear Sir/Madam,

RE: INTRODUCTION

I am a Master's student at Strathmore University taking Master of Business Administration. I wish to conduct research study entitle "*Influence of Corporate Social Responsibility Strategies on Corporate Performance in the Food and Beverage Industry in Kenya*". I am writing to request your office to grant me permission to collect information onthis important subject from randomly selected members of staff at the University.

The study will be conducted as academic research and the information provided will be treated in strict confidence. Strict ethical principles will be observed to ensure confidentiality and the study outcomes and reports will not include reference to any individuals.

Your acceptance is highly appreciated.

Yours Sincerely,

HILLARY SANG

Sign: _____

STUDENT

Appendix 3: Questionnaires

Section A: Background Information

1. Your gender Male [] Female []

2. Your age bracket 20-30 years [] 31-40 years [] 51-50 years
[] 51-60 years [] above 60 years []

3. What is your highest level of education?
 - Doctorate degree []
 - Master's degree []
 - Bachelor's degree []
 - Higher National Diploma []
 - Diploma []
 - Certificate []
 - Secondary Certificate []
 - Primary Certificate []

4. How long have you worked in this industry?

 - a. Less than 1 year []
 - b. 1 to 5 years []
 - c. 6 to 10 years []
 - d. 11 to 20 years []
 - e. More than 20 years []

SECTION B: Environmental Sustainability

Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statements on effects of environmental practices on corporate performance of food and beverage companies.

Statements	1	2	3	4	5
Environmental sustainability practices reduce operational costs hence improved corporate performance					
Companies that leverage environmental practices to drive product innovation and capture new market opportunities have improved corporate performance					
Environmentally conscious practices enhance customer loyalty and retention thus profitability					
Sustainable supply chain positively impacts the company's corporate performance					
Proactive environmental management contributes to long-term business resilience and corporate performance					
Environmental compliance efforts help safeguard the company's reputation and corporate performance					
Environmentally friendly workplaces improve employee productivity and consequently, corporate performance					
Environmental responsibility positively influences investor confidence and corporate performance					
CSR activities such as emission control and tree planting improve company's image hence corporate performance					
Use of renewable energy and adaptation to climate change promotes company's resilience hence corporate performance					

SECTION C: Social Engagement

Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statements on effects of social practices on corporate performance of food and beverage companies.

Statement	1	2	3	4	5
Companies that promote community development initiatives have increased corporate performance					
Companies that participate in philanthropic activities have a positive reputation and customer loyalty					
CSR activities such donation of foodstuff and building resources improves company's image leading to increased return on investment					
Companies that participate in provision of education scholarships better corporate performance					
Companies that undertake public health support have increased sales					
Conducive work environment enhances employee's morale which translates to improved corporate performance					
Social responsibility practices influence relationship with suppliers and other stakeholders					
Strong focus on social responsibility improves the company's market share and corporate performance					
Investors are more likely to invest in companies with strong social responsibility initiatives					
Positive brand image resulting from social practices enhances customer loyalty and influences profitability					
Satisfied employees contribute to higher productivity and thereby improve corporate performance					

SECTION D: Economic Responsibility

Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statements on effects of economic practices on corporate performance of food and beverage companies.

Statement	1	2	3	4	5
Cost management enhance operational efficiency and reduce expenses					
Sustainable investment impacts on company corporate performance					
Effective management of financial risks such as market volatility or currency fluctuations boosts corporate performance					
CSR initiatives positively influence investor confidence and corporate performance, thereby impacting corporate performance					
Reputation for responsible economic practices lead to increased customer trust and, ultimately, corporate performance					
Positive perception of CSR efforts enhances the company's brand image and, consequently, its corporate performance					
CSR-driven economic practices differentiate the company from competitors in the market					
Responsible marketing enhances company's market share, hence corporate performance					
Good product quality promotes customer loyalty hence corporate performance					

SECTION E: Corporate Performance

Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statements on the corporate performance of your organisation.

Statement	1	2	3	4	5
Good corporate performance enhances employee satisfaction in the food and beverage industry					
Good corporate performance help food and beverage companies build good reputation					
Positive corporate performance help in increasing brand loyalty in the food and beverage industry					
Corporate performance has direct relation with competitive advantage in the food and beverage industry					
Corporate performance leads to increased visibility of the brand in the food and beverage industry					
Good corporate performance contributes to good investor relations in the food and beverage industry					
Corporate performance is a driver of market positioning in the food and beverage industry					
There is clear relationship between corporate performance and brand equity of the food and beverage companies					
Ensuring good corporate performance is securing positive image of the food and beverage companies					
Good corporate performance enhances employee relations in the food and beverage industry					

What challenge do you think hinder implementation of effective CSR programs?

Appendix 4: Strathmore University Institutional Ethics Review Committee Approval



1st April 2025

Mr Sang Hillary,
hillary.sang@strathmore.edu

Dear Mr Sang,

RE: Influence of Corporate Social Responsibility Strategies on Corporate Performance in the Food and Beverage Industry in Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2834/25**. The approval period is from **1st April 2025 to 31st March 2026**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier,
Chairperson; SU-ISERC

Appendix 6: NACOSTI Research Approval



REPUBLIC OF KENYA

RefNo: 102799



**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Date of Issue: 14/April/2025

RESEARCH LICENSE



This is to Certify that Mr.. Hillary K Sang of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY STRATEGIES ON CORPORATE PERFORMANCE IN THE FOOD AND BEVERAGE INDUSTRY IN KENYA for the period ending : 14/April/2026

License No: NACOSTI/P/25/418149

Applicant Identification Number 102799

Walther
Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

Verification QR Code



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See overleaf for conditions

Appendix 6: List of Manufacturing Companies on Food and Beverages in Kenya

	Companies	Products
1	Afripon	Flavors
2	Africa Spirits	Airline sickness bags
3	Afrimac Nut Company	Macadamia nuts processing
4	Agri Pro-Pak Ltd	Drinking Water
5	Agriner Agricultural Development	Acaricides
6	Almasi Beverages Ltd	Coke
7	Alpha Fine Foods Ltd	Meat and food products
8	Alpha Grain Millers Ltd	Kifaru Maize Meal
9	Alpine Coolers Ltd	Bottled water
10	Aquamist Ltd	Flavored Water & Drinks
11	Aviano East Africa	Bottled Water
12	Bakers Corner Ltd	bread
13	Bdelo Ltd	Maize & Totillas (Chapati)
14	Bio Food Products Ltd	Bio stirred yoghurts
15	Breakfast Cereal Company (K) Ltd	Weetabix
16	British American Tobacco Kenya Plc	Tobacco Products
17	Bulto Foods Ltd	Fortified Foods
18	C. Dormans Ltd	Coffee
19	C.Czarnikow Sugar (EA) Ltd	Sugar Market Services & supply
20	Cadbury Kenya Ltd	Cocoa Based Products
21	Candy Kenya Ltd	Confectioneries
22	Capel Food Ingredients	Flavors
23	Chirag Kenya Ltd	Crisps
24	Coca-Cola East Central and West Africa Ltd	Coca-Cola
25	Coca-Cola Juices (K) Ltd	Juice
26	Danone Baby Nutrition Africa and Overseas	Fresh Dairy Products
27	DPL Festive Ltd	Bread
28	East African Breweries Ltd	Alcoholic & Non-Alcoholic
29	East African Sea Food Ltd	Meat Products
30	East African Seed Co. Ltd	Seeds
31	Eastern Produce Kenya Ltd (Kakuzi)	Avocado
32	Edible Oil Products	Cooking oil and fat
33	Elekea Ltd	Baobab Powder
34	Elle Kenya Ltd	Metropolitan Gin, Metropolitan
35	Erdemann Co. (K) Ltd	Brandy, Sir Ambirio
36	Europack Industries Ltd	Bread
37	Excel Chemicals Ltd	Co-Packing
38	Farmers Choice Ltd	Flavored Water
39	Frigoken Ltd	Meat Products
40	Frutarom Kenya (Ltd)	Fresh products
41	Glacier Products Ltd	Food Flavors (Vanilla)
42	Global Fresh Ltd	Ice cream
43	Gonas Best Ltd	Vegetables
44	Green Forest Foods Ltd	Honey Products
45	Honey Care Africa	Honey
46	Kamili Packers Ltd	Dry Cereals

47	Kedsta Investment Ltd	Euro Gin
48	Kenafic Industries Ltd	Confectioneries
49	Kenchic Ltd	Poultry Breeders
50	Kenya Co-Operative Coffee Dealers Ltd	Shiriki Lifestyle Coffee
51	Kenya Highland Seed Co. Ltd	Vegetable Seeds
52	Kenya Sweets Ltd	Confectioneries
53	Kenya Tea Development Agency	Association of tea growers
54	Kenya Wine Agencies Ltd	Wine and spirits.
55	Kirinyaga Flour Mills	Baby Porridge
56	Koba Waters Ltd/ Broomhill Springs Water	Mineral water bottlers
57	Kuguru Food Complex Ltd	Soft drinks
58	Kwale International Company Ltd	Sugar
59	Landeco Ltd	Onions
60	Manji Food Industries Ltd	Confectioneries
61	Melvin Marsh International	Tea products
62	Monwalk Investment Ltd	Vodka (Moonwalker)
63	Nairobi Bottlers Ltd	Drinks
64	Nairobi Flour Mills Ltd	Maize flour
65	Nas Airport Services Ltd	Airline food
66	Nestle Kenya Ltd	Baby food and gripe mixture
67	Patco Industries Ltd	Confectionaries
68	Pearl Industries Ltd	Confectionaries
69	Pembe Flour Mills Ltd	Baking flour
70	Pernod Ricard Kenya Ltd	Spirits
71	Premier Food Industries Ltd	Flavored water and drinks
72	Proctor & Allan (E.A.) Ltd	Animal feed & health products
73	Propak Kenya Ltd	Potato crisps
74	Rafiki Millers Ltd	Wheat flour
75	Razco Ltd	Ice cream
76	Re-Suns Spices	Drinks
77	Sahara Venture Capital Company Ltd	Wheat flour
78	Salim Wazarani Kenya Company	Noodles
79	SBC Kenya Ltd	Pepsi drinks
80	Shree Sai Industries	Wheat flour
81	Simply Foods Ltd	Uji mara moja
82	Sky Foods Ltd	Orange juice
83	Spice World Ltd	Green grams
84	Stawi Foods And Fruits Ltd	Composite baby porridge
85	Tropical Heat Ltd	Crisps and crisp bran
86	Trufoods Ltd	Fruit-based Jams under Zesta