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**EFFECT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES ON
ORGANIZATIONAL PERFORMANCE. A CASE OF
TELECOMMUNICATION SECTOR COMPANIES IN KENYA**

LYDIAH MUTHEU MWANIA

REG NO. 119107



**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF COMMERCE AT
STRATHMORE UNIVERSITY**

APRIL 2023


DECLARATION

I declare that this dissertation 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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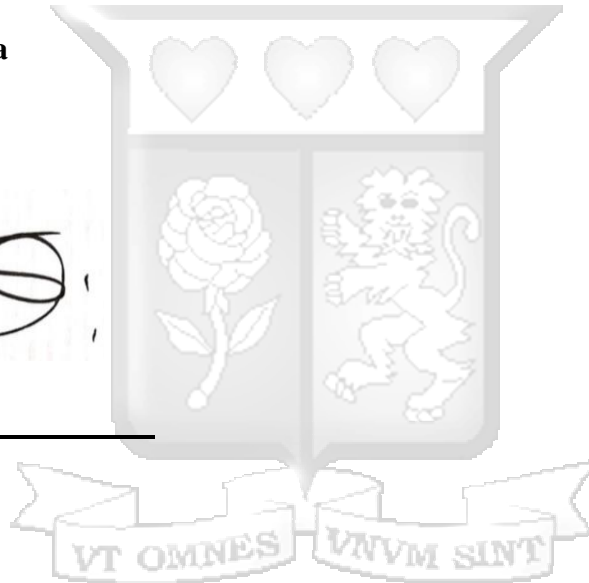
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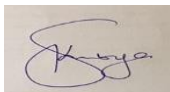
Approval

The Dissertation of Lydia Mutheu Mwanja was reviewed and approved by the following:

Dr. Stella Nyongesa

Senior Lecturer

Strathmore Business School



Sign: _____

Date: 31st May 2023

ABSTRACT

There are several factors that affect the performance of telecommunication firms in Kenya. In order for these firms to succeed, it is paramount that they develop appropriate drivers for the organizations' performance, key among them is the practice of corporate social responsibility. However, this area seems to have limited empirical studies based on a developing market context, moreover within the telecommunications sector. The primary objective of the study was to examine the effect of Corporate Social Responsibility practices on organizational performance in Kenya's telecommunications sector, with particular emphasis on mobile telephony companies' responsibilities in four areas, namely economic, legal, ethical, philanthropic, and how these responsibilities or practices influence the performance of telecommunications sector companies. The specific objectives were to establish the effect of economic CSR practice on the performance of telecommunication firms in Kenya, to establish the effect of legal CSR practice on the performance of telecommunication firms in Kenya, to establish the effect of ethical CSR practice on the performance of telecommunication firms in Kenya, and to establish the effect of philanthropic CSR practice on the performance of telecommunication firms in Kenya. The study adopted a survey-based descriptive design. The study's sample size was 204 staff members from the telecommunication companies selected using purposive sampling. Structured questionnaires were used to collect data which was then analyzed using descriptive statistics i.e mean and standard deviation and inferential statistics, correlation analysis, and multiple regression analysis in SPSS software Version 25.0. The results were presented using percentages, and tabulations. From this study, the findings indicated that economic corporate social responsibility practice, legal corporate social responsibility practice, social corporate social responsibility practice, and philanthropic corporate social responsibility practice presented a significant relationship with the performance of telecommunication sector companies. This study contributes to theory by building on the theoretical framework such as Stakeholder theory and improving on the understanding of CSR practices and the possible effects that CSR practices could have on organizational performance. The study's findings do offer a solid foundation for further research. This study used Carol's CSR Model which includes economic, legal, social, and philanthropic responsibilities as the link between CSR and the performance of telecommunication firms. The study recommends that future studies should therefore consider other variables or moderators in this relationship to determine how CSR practices produce results in the new contexts.

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LIST OF ABBREVIATIONS AND ACRONYMS

- CSR : Corporate Social Responsibility
ECSR : Economic Corporate Social Responsibility
ETCSR : Ethical Corporate Social Responsibility
LCSR : Legal Corporate Social Responsibility
OP : Organization Performance
PCSR : Philanthropic Corporate Social Responsibility
CAK : Communication Authority of Kenya



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DEDICATION

I dedicate this work to my family and close friends for their unwavering support while I pursued this noble path.



CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Companies are under tremendous pressure to accept responsibility for their impact on the society and environment in which they operate (Moneva et al., 2019). They are required to participate actively in society's growth. Corporate Social Responsibility (CSR) is commonly used to describe these calls for responsible business practices and corporate contributions (Lenzen et al., 2018). The idea that businesses can and should play an essential role in their communities while still generating profit is a significant step forward from the traditional belief that businesses exist solely to enhance shareholder value. Many businesses are now taking the next step in the evolution of corporate social responsibility (Moneva et al., 2019). Given the close link between economic expansion and environmental and social repercussions, measures at the global, national, industry, and firm levels are needed to reduce potential negative externalities Lenzen et al. (2018). Corporate social responsibility (CSR) is a strategic approach that influences a corporation's decision-making and operations in response to the demands of its stakeholders at the firm level (Henriques & Sadorsky, 1999).

CSR is used by businesses to produce shared value for their stakeholders and to mitigate negative effects (Crifo & Forget, 2015). Corporate social responsibility (CSR) tends to be the main channel used by businesses to respond to the social needs of people in the area in which they operate (Carroll & Shabana, 2010). However, there's a need for close monitoring of the impact that companies have on society to achieve a balance in which the community's environmental, social, and economic components are all balanced (Carroll & Shabana, 2010).

One of the fundamental theoretical constructs that have served as foundations to understand and assess CSR is the well-known Carroll's hierarchy of responsibilities (1979). Carroll revisited his conceptual framework for CSR assessment in 1991, emphasizing the aggregative nature of the four responsibilities and their interconnectedness, in the sense that corporations aspiring to get to the

top of the pyramid to perform discretionary responsibility, must first fulfill their economic, legal, and ethical responsibilities. "From this standpoint, economic and legal responsibilities are socially required, while ethical responsibility is socially expected and philanthropy is socially desired" as cited in (Jamali and Mirshak, 2007; Windsor, 2001). Carroll's review of his four-part definition in 1991 emphasized the importance of identifying social issues that corporations should address. The author however acknowledged that these issues change with the times and circumstances and that the corporate sector should map them out to improve performance.

Corporate Social Responsibility (CSR) is a method used by businesses to gain a competitive advantage (Ching et al., 2015). CSR is said to improve a company's image and reputation, resulting in increased competitiveness (Carroll & Shabana, 2010). It entails simultaneously managing numerous stakeholder relationships, which reduces the risk of negative regulatory, legislative, or budgetary action and attracts socially conscious consumers and investors (Lombardi et al., 2020). Through enhanced relationships with employees, customers, and other stakeholders, stakeholder engagement improves and sustains a company's income-generating (Harrison & Wicks, 2013). The traditional view of business performance as a profit-maximizing economic agent has given way to a more ethical viewpoint that considers the larger influence of a company on society (Safwat, 2015).

Based on Carroll's CSR pyramid paradigm, numerous studies have produced empirical data on the general perception and knowledge of CSR (Pinkston & Carroll, 1996; Ibrahim et al., 2003; Kusku & Zarkada-Fraser, 2004; Ibrahim & Parsa, 2005). Despite its widespread acceptance, the pyramid model is not without its critiques. However, several academics have claimed that the paradigm is more appropriate in national and cultural contexts outside of the United States (Maignan, 2001; Visser, 2006). CSR in Africa remains fragmented, with several models being used in various scenarios (Visser, 2006). As a result, it is necessary to investigate the current framework for CSR implementation in the telecommunication sector companies in Kenya. The adequacy and relevance of Carroll's pyramid on CSR activities in a sample of telecommunication companies in Nairobi, Kenya were investigated empirically in this study. This study sought to establish the effect of corporate social responsibility on performance among selected telecommunication sector companies in Kenya.

1.1.1 Corporate Social Responsibility Practices

Corporate Social Responsibility (CSR) is the idea that a company should play a positive role in the community and consider the environmental and social impact of business decisions (Hazlett et al., 2007). Existing CSR theories assume that businesses rely on society for survival, continuity, and growth. Businesses that treat society fairly are more likely to have a positive impression of society (Husillos et al., 2011). CSR theories have been founded on principles emphasizing doing the right thing to foster a good society and environment (Hazlett et al., 2007). The CSR stakeholder theory provides the most compelling theoretical insights for conceptualizing the term CSR, and the current study also accepts Freeman's framework (1984). Freeman (1984) stated that, rather than having solely fiduciary duties to stockholders, managers have a fiduciary relationship with a variety of stakeholders. According to Freeman (1984), stakeholders are individuals or organizations who have a stake in or claim to the firm (customers, suppliers, employees, stockholders, and the surrounding community). This study, inspired by Freeman (1984), employed a three-dimensional structure of CSR, focusing on CSR directed toward the community, CSR directed toward employees, and CSR directed toward customers. CSR directed towards the community is concerned with charitable giving in communities, improving people's quality of life, and providing financial assistance to the community (art, culture, education, health). CSR directed towards employees refers to the organization's socially responsible activities for the benefit of its employees. CSR directed toward customers entails providing high-quality services, disseminating necessary information, resolving complaints, and ensuring customer satisfaction (Rettab et al., 2019).

Carroll's (1979) CSR pyramid also offers a conceptual framework for organizations to focus their responsibilities in four areas. The model depicts CSR levels ranging from philanthropic to ethical, legal, and economic obligations. Carroll (1979) expanded on previous scholarship to define CSR as "the economic, legal, ethical, and philanthropic expectations that society has of organizations at a given point in time" (Carroll, 1979). Carroll depicted these four responsibilities in a pyramid in 1991, which ranks business responsibilities in order of relative importance, with economic responsibilities assumed to be the most important, followed by legal, ethical, and finally philanthropic responsibilities.

According to Carroll's (1979) CSR Model, the first and foremost social responsibility of a business is economic responsibility. Before anything else, the business institution is our society's fundamental economic unit (Carroll, 1979). Organizations have a responsibility to engage in productive activities that result in goods or services that society requires and that can be sold for profit (Baden, 2016). Adding that any other business engagement is based on this basic assumption. Carroll (1979) defines the second responsibility as a legal responsibility. "Just as society has sanctioned the economic system by allowing business to assume the productive role, as a partial fulfillment of the "social contract," it has also laid down the ground rules, laws, and regulations under which business is expected to operate." According to Carroll (1991), society requires organizations to achieve their economic goals within a legal framework. Although organizations have four different types of responsibilities, they must be met concurrently, so economic, and legal responsibilities must go hand in hand, and the organization must produce within the boundaries of the laws.

The fourth social responsibility is philanthropy. According to Carroll (1979), both economic and legal responsibilities are manifestations of ethics; some other behaviors and actions are not written into law, but society expects businesses to act in such ways. Carroll (1991) explains that ethical responsibilities are not well-defined and are difficult to deal with in organizations. This is because issues concerning what is and is not ethical are contentious (Christensen et al., 2007). Society has high expectations of organizations that go above and beyond the requirements of the law. Philanthropic responsibility is the fourth social responsibility. According to Carroll (1979), philanthropic responsibilities are responsibilities that are voluntary in nature and are left to individual judgment and choice. The decision to take on these roles is solely motivated by a company's desire to participate in social roles that are not mandated, not required by law, and are not generally expected of businesses in an ethical sense.

CSR and its impact on performance (OP) have received a lot of attention in the last few years (Jin & Drozdenko, 2018). Several studies investigating the direct relationship between CSR and performance, however, have yielded inconclusive and ambiguous results (Oeyono et al., 2011; Mishra & Suar, 2010; Margolis & Walsh, 2013). While some studies show a positive relationship between CSR and OP (Abu Bakar & Ameer, 2011; Van Beurden & Gössling, 2018), others show a negative relationship (Crisóstomo et al., 2011). Even more, some academics have found no

relationship between the two constructs (Aupperle, Carroll, & Hatfield, 1985). Although previous research has provided valuable insights into the direct relationship between CSR and OP, several studies have significant limitations, such as not considering moderating variables that may influence the CSR-OP relationship.

The current study has been operationalized by treating Carroll's CSR pyramid paradigm's dimensions as independent variables and analyzing their impact on organizational performance. This is because it guides organizations in determining the types of social services that are most needed by people in each societal setting (Conde et al., 2013). It also directs the provision of environmental protection services, economic assistance, and consumer protection policies. The theory informs the objectives of the study.

1.1.2 Organizational Performance

The word organizational performance is used frequently yet has a broad definition (Chow et. al, 1994). Although the construct depends on a variety of criteria specific to each company, the absence of a common definition makes it difficult for experts to agree on what organizational performance really means (Conde et al., 2013). In order to arrive at a complete description and provide measures for the operationalization of organizational performance, this study compiles the available empirical research on the financial and non-financial elements of organizational performance. Previously, financial, and non-financial performance was considered to be elements of organizational performance (Husillos et al., 2011). According to Dawit et al. (2020), Financial performance is measured using metrics such as sales growth, return on investment (ROI), return on asset (ROA), profit rate, return on sales, and earnings per share (EPS), while non-financial performance is measured using metrics such as product quality, total quality management (TQM), marketing effectiveness, and so on. Significant efforts have been made in the literature to analyze the relationship between CSR and OP (Pava & Krausz, 1996). Orlitzky et al. (2013) used meta-analysis to show a strong positive relationship between CSR and OP. Previous studies show that the more a company engages in CSR activities, the more likely it is to reap the benefits when compared to companies that do not engage in such activities (Pava & Krausz, 1996).

According to OECD (2011), investing in CSR initiatives can provide an organization with a variety of benefits, including risk reduction, organizational identification, corporate reputation, improved supplier network, cost reduction, increased total productivity and quality, goodwill creation, job per performance, customer loyalty, and ethical culture. As a result, through consistent communication and a good corporate reputation, CSR is likely to provide more opportunities and mutual benefits to all stakeholders. In this study, performance was measured by non-financial performance metrics such as sales growth, reputation, product recognition, dominance in the local community, and brand name. This is because according to Ansoff matrix theory and stakeholder theory, these outcomes are derived from ethical and responsible business practices that improve competitive advantages in terms of image and reputation, resulting in improved performance in a variety of ways (Jensen, 2017; Nguyen et al. 2021). The OP indicators were used as the subjective measure approach in this study because it is difficult to obtain objective data on performance in Kenya, hence a subjective approach based on respondents' self-assessment is an appropriate choice (Nguyen et al., 2021). Furthermore, according to Santos and Brito (2012), the subjective approach is more commonly used than the objective measure.

In an attempt to find characteristics of CSR practices that might have an influence on organizational performance, Nguyen et al. (2021) implemented one of the most comprehensive studies of how CSR practices influence organizational performance. They identified five primary metrics for evaluating organizational performance: Sales growth, reputation, product recognition, dominance in the local community, and brand name. In this study, therefore, Nguyen et al. (2021) model was adopted to measure organizational performance in the telecommunication sector companies in Kenya. This is because the model has a direct impact on organizational performance and provides a novel framework over other organizational performance models.

1.1.3 Telecommunication Sector in Kenya

The telecommunications sector is undoubtedly one of the most important to Kenya's economy because it affects so many different areas and significantly boosts GDP (KNBS, 2019). As a result, the importance of the customer experience as a success driver has never been higher than it is right now, thanks to the disruptive developments that are appearing throughout industries in the 21st century (Gatobu, 2012). According to the Communications Authority of Kenya, there are over six

thousand players in the telecommunication sector and they are differently categorized. Some of these categories include; internet service providers, infrastructure providers, and mobile telephony companies some of which double up as infrastructure providers eg Telkom Kenya Limited, etc. This study focused on the top three participants of mobile telephony companies according to the communication authority of Kenya.

When two mobile providers Safaricom and Airtel were granted licenses in the late 1990s, the Kenyan telecommunications industry underwent liberalization (Rutto, 2018). Since then, the industry has expanded quickly, creating new markets, new players, and new difficulties. The current top three participants in this sector are Airtel Limited, Safaricom Limited, and Telkom Kenya. Kenya has had great growth in its mobile and internet markets since the telecommunication industry was liberalized (Rutto, 2018). This has encouraged the government to position Kenya as the ICT (information and communications technology) leader in East Africa (Cheshire, 2015).

This industry is governed by the Communications Authority of Kenya. It was established in 1999 and charged with encouraging the development of the information and communications sector under the Kenya Information and Communications Act, 1998 (CAK 2020). According to the Communications Authority of Kenya's (CAK) statistics report Q2 FY 2019-2020, the nation of East Africa had 39.1 million mobile users as of the end of 2016. At the end of December 2019, Safaricom had 29.7 million of the total wireless subscribers, followed by Airtel Kenya with 6.8 million and Telkom Kenya with 3.2 million. Total mobile subscriptions recorded by Finserve Africa Limited were 1.9 million. The increase in mobile data subscriptions from 23.79 million at the end of 2019 to 26.52 million after a year is due to the more reasonably priced handsets and data packages provided by service providers. The majority of mobile data subscriptions (67.5%) were held by Safaricom Limited, followed by Airtel Limited (19.7%), Telkom (7.1%), and Finserve Africa Limited (Equitel) (5.6%). Kenya now has 39.1 million mobile users and a mobile penetration rate of 90.2% from January to April 2019 (CAK, 2020). This suggests that the telecommunications sector is very competitive. As a result, businesses should concentrate on CSR to improve performance.

Telecommunications companies in Kenya have gone out of their way in recent years to participate in a variety of CSR initiatives, including economic empowerment, education, health community

health), environmental education, corporate sponsorship, and sports, among others (Rutto, 2018). This is consistent with the need to improve performance in comparison to competitors and to ensure mutual benefits for both the firm and society, which is why companies in Kenya participate in CSR activities (Muriuki, 2018). CSR activities carried out by the four leading telecommunication companies in Kenya involve activities in healthcare, autism, education, disaster relief, sports, environmental protection, and conventions, as well as arts, culture, and music promotion (Rutto, 2018).

Prior research in the telecommunication industry has established that there exist challenges in the areas of ethical, economic, legal, and discretionary responsibilities, and moral dilemmas since the companies have to manage delicate ethical balancing acts and navigate unclear and sometimes contradictory policies (Barsky, 2016). Despite these challenges, telecommunication companies have adopted strategies to address the challenges in the above-mentioned areas. However, it is imperative to establish the nature of influence CSR efforts have on the performance of these telecommunication companies this is because the telecommunication industry contributes up to 10% of the Country's GDP (KNBS, 2020).

1.2 Problem statement

Kenya's telecommunications industry contributes significantly to the country's gross domestic product. The telecommunications industry contributes up to 10% of the country's GDP (KNBS, 2020). Furthermore, the telecommunications sector is a key pillar of Kenya's Vision 2030 economic blueprint. The Kenyan telecommunications industry, however, is dominated by three operators: Safaricom, Airtel, and Telkom. According to the CAK report 2020 report, Safaricom Limited has the largest market share of 67.4 percent, followed by Airtel Networks Limited with a market share of 22.6 percent, and Telkom with an 8.9 percent market share. Unhealthy financial performance is one of the dilemmas and threats to Kenyan telecommunications firms' operational sustainability (Rutto, 2018). This is not good for telecommunication firms looking to expand by creating a favorable business environment (Marita & Marita, 2019). Telecommunication firms' sales growth, return on asset (ROA), profit rate, return on sales, and earnings per share declined at the rate of 19%, 23.7%, 11.9% 7.9%, and 6.3% respectively on average according to CAK 2020.

As one of the ways to mitigate this downward performance, telecommunication companies may need to engage in corporate social responsibilities to appeal to a greater number of stakeholders and thus improve their bottom line.

Although the concept of corporate social responsibility (CSR) is gaining ground in Kenyan policy talks, it is not widely used and is frequently associated with philanthropy. CSR expressions include a wide range of private-sector efforts and commercial actions. New specialty CSR groups are also on the horizon. Consumers tend to favor companies and products that are socially responsible, according to existing studies (Chepkwony, 2018). Many investors have recognized the benefits of being socially responsible as the notion of CSR has matured, and its adoption is increasing as businesses produce strategic capital for this reason (Saeed & Arshard, 2012).

Globally, a study by Khan and Majid (2019), concluded that CSR, profitability, and market share are significantly correlated. Further, a study by Nathaniel (2017), found that respondents were of the view that, telecommunication companies were adopting CSR practices as a strategy to improve performance. Finally, Kavaliauskė and Stancikas (2019) indicated that although customers generally approve of socially or ecologically conscious initiatives taken by the companies, consumers prefer service quality and consumer happiness over social responsibility, especially in the telecoms and financial services sectors.

Regionally, a study by Kusi (2016), found that providing high-quality products was the most significant CSR action, followed by providing high-quality services. The study's conceptual gap, which is how CSR affects organizations, was not adequately addressed. Further, a study by Dlamini (2019) found that there is no causal link between corporate social responsibility and performance and that CSR has no influence on performance. Finally, Al-Abdallah and Ahmed (2019) revealed that the respondents were aware of CSR activities, and as a result, CSR activities were found to have a positive direct significant impact on performance.

Locally, studies by Kivuitu et. al. (2005), concluded that the CSR agenda must be locally owned and relevant to local firms, large and small if it is to make a substantial contribution to local development priorities. Most of the research explores the relationship between CSR and performance. Further, researchers Marita and Marita (2019), The study discovered that CSR efforts have a favorable effect on performance. According to the study, moral obligations have a favorable

impact on customer loyalty. As a result, it was confirmed that telecommunications firms with higher degrees of moral CSR programs are more likely to see an increase in customer loyalty to their goods. Finally, Rutto and Langat (2016) concluded that both economic and legal responsibility had a favorable impact on the performance of the telecommunications sector companies.

The results of global, regional and local empirical studies are uncertain despite the increased interest in CSR, particularly in the area of its association with organizational success. This suggests that there are many unanswered questions in this field, and this hole inspires the research. Additionally, earlier studies concentrated more on profitability than organizational success, which creates a gap in the literature. There isn't much research that focuses on African economies because the majority of earlier studies were carried out in other nations.

Whereas studies have been done linking CSR practices with organizational performance, methodologies vary and there are differences in concepts as well as contexts adopted. The current study aimed to close this gap and add to the CSR practices literature by conceptually and empirically investigating the effect of Carol's four CSR responsibilities (economic, legal, ethical, and philanthropic responsibilities) on performance, specifically in the context of telecommunication companies in Kenya. It also provides a theoretical perspective on how CSR affects performance while relying on the stakeholder theory and Institutional Theory.

1.3 Objectives of the study

The study sought to achieve the following general and specific objectives.

1.3.1 General Objective

The general objective of the study was to establish the effect of corporate social responsibility practices on the performance of selected telecommunication sector companies in Kenya.

1.3.2 Specific Objectives of the Study

The specific objectives were as follows:

- i. To establish the effect of economic CSR practice on the performance of telecommunication firms in Kenya.
- ii. To establish the effect of legal CSR practice on the performance of telecommunication firms in Kenya.
- iii. To establish the effect of ethical CSR practice on the performance of telecommunication firms in Kenya.
- iv. To establish the effect of philanthropic CSR practice on the performance of telecommunication firms in Kenya.

1.4 Research Questions

- i. What is the effect of economic CSR practices on the performance of telecommunication firms in Kenya?
- ii. What is the effect of legal CSR practices on the performance of telecommunication firms in Kenya?
- iii. What is the effect of ethical CSR practices on the performance of telecommunication firms in Kenya?
- iv. What is the effect of philanthropic CSR practice on the performance of telecommunication firms in Kenya?

1.5 The Scope of the Study

This research sought to establish the effect of corporate social responsibility on driving the performance of key actors in the telecommunication sector in Kenya. The conceptual scope covers corporate social responsibility and performance among the selected telecommunication sector

companies in Kenya. This study would therefore be valuable to firms in the telecommunication sector in Kenya and would thus allow them to compare their performance to that of other economies.

The study was carried out at the Nairobi headquarters of Kenyan telecommunication companies. Three major Kenyan telecommunications companies were the subject of the study: Safaricom, Airtel, and Telkom Kenya Limited. The three companies were chosen because they have a sizable client base in Kenya, making it simple to get information on corporate social responsibility and organizational performance. The companies were chosen in part because the study's time and funding limitations prevent it from being able to examine every company in the industry. The study's target group was employees. They were chosen because, although employed, they participate in a variety of CSR initiatives carried out by telecommunications companies

The study was conducted between September 17th, 2022, and October 17th, 2022, and was limited to a quantitative research approach. The study was further underpinned by the stakeholder theory and institutional theory.

1.6 Significance of the study

Managers and practitioners, scholars and academicians, and policymakers, among others, have been identified as key beneficiaries of this study:

1.6.1 Managers and Practitioners

Managers who lack a strategic grasp of corporate social responsibility (CSR) are more likely to defer expenditures, which will later grow if the company is found to have breached its social commitment. CSR activities that are well-coordinated and linked to the company's strategy have a major social impact while also enhancing the firm's long-term competitiveness (Porter & Kramer, 2011). CSR has been identified as a win-win strategy for both business and society, according to research (Iatridis, 2011). This study added to the corpus of knowledge by assisting managers and industrialists in mainstreaming and focusing their efforts on social and environmental challenges

arising from their operations to gain a competitive advantage. Managers and industrialists were enlisted to compile and publish data on CSR to test and supplement the existing research.

1.6.2 Scholars and Academicians

There has been a lot of research on CSR in developed nations, but there has been very little research on CSR in developing nations (Tilakasiri, 2012). This study will provide a rich empirical source for academics and academicians in developing a deeper knowledge of the strategic value of CSR and stimulating future research on the subject, as it is one of the few on the subject in Kenya. It focuses on the telecommunication industry, adding to the small amount of knowledge in this field.

1.6.3 Government and Policy Makers

The impact of operations of private sector firms on the environment and society where they are located, as well as their major impact on a nation's economy, which is the basis for measuring a nation's economic efficiency, has piqued researchers' interest in the private sector (Amakom, 2012). The private sector makes for a significant share of total economic activity in developed economies. The private sector drives economic growth and serves as a catalyst for national development by creating wealth and jobs, and so adding to the country's GDP (Togun & Nasieku, 2015). As a result, it was worthwhile to conduct research into the impact of CSR on the success of companies in this industry. It will assist in the development of policy guidelines that promote harmony among manufacturing enterprises and other stakeholders.

1.7 Chapter Summary

This chapter is composed of six major sections. Sequentially, Section one presents the introduction focusing on the study variables. Section two has the problem statement and develops the research gap. Next, Section three outlines the study's objectives focusing on both general and specific objectives. Section four presents the research questions while Section five presents the scope of the study. Finally, Section 6 concludes with the significance of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section presents a critical literature review on theoretical frameworks as well as empirical literature on corporate social responsibility as a driver of performance. Section 2.2 discusses the theoretical framework, which includes the foundational theories that underpin the study; the stakeholder theory and Institutional theory are discussed, and their selection is justified. Section 2.3 conducts a critical examination of the empirical literature on performance corporate social responsibility on performance using Carroll's CSR Model. Section 2.3 goes into greater detail about the research gap discovered during the critical literature review, Section 2.4 provides the study's conceptual framework. Section 2.5 provides the study's operationalization of variables. Finally, Section 2.6 provides the Chapter summary.

2.2 Theoretical Framework

This study is anchored on two theories namely Stakeholder theory and Institutional theory.

2.2.1 Stakeholder Theory

Freeman proposed the stakeholder theory in 1984 in response to the structure and operations of companies (Freeman, 1984). Stakeholder theory is a comprehensive generalized method for explaining the structure and operation of a corporation as well as serving as a primary guide for the business itself. According to stakeholder theory, stakeholders have the mandate to create value for the business (Freeman, 1984). A business entity, according to stakeholder theory, is made up of stakeholders such as customers, suppliers, employees, and organization management (Freeman, et al., 2010). According to Freeman (1984), stakeholder theory considers not only the sole objective of maximizing the wealth of shareholders but also the interests of all others who are

directly or indirectly related to the organization. A business, from the standpoint of stakeholders, can be defined as a set of relationships between groups that have a vested interest in the activities that comprise the business (Freeman, 1984). It is about how customers, suppliers, employees, financiers, communities, and managers collaborate to create and trade value (Friedman & Miles, 2002).

Internal stakeholders and external stakeholders are the two main types of stakeholders (Bonnafous-Boucher & Porcher, 2010). Internal stakeholders are those who work within the organization, whereas external stakeholders are those who work outside the organization (Pesqueux & Damak-Ayadi, 2005). An organization's stakeholders are both internal and external. Financers, suppliers, customers, communities, and employees are examples of internal stakeholders. External stakeholders include the government, the media, competitors, special interest groups, and customer advocacy organizations (Khan & Majid, 2019b). For long-term profitability and sustainability, a business organization must deal effectively with its stakeholders. Stakeholder theory can help organizations improve their performance. Stakeholder theory is an important example of the importance of theorizing about organizations' social responsibilities. Organizations, according to stakeholder theory, have a moral obligation to operate as socially responsible entities, even if the underlying goal of a firm is to maximize profits. A firm should strive to strike a balance between the interests of its various stakeholders to ensure that each stakeholder's interests are considered.

Carroll's CSR Model is relevant in this study because it gives direction to corporate firms on which aspects of CSR are most important to society. Carroll's pyramid of CSR, as one of the most influential models of corporate social responsibility (CSR), reflected and helped to perpetuate a business-centric notion of CSR, implying that economic responsibilities take precedence over legal and ethical responsibilities. It directs corporate firms in determining the types of social services that people in specific societal settings require. It also directs the provision of environmental protection services, economic assistance, and consumer protection policies. This theory was relevant to this study because its tenets were used to determine how CSR expectations influence the performance of Kenyan telecommunications companies in Kenya.

2.2.2 Institutional Theory

Many scholars have advanced and discussed Institutional Theory, including Meyer and Rowan (1977), DiMaggio and Powell (1983), and DiMaggio and Powell (1984). (1991). They claimed that the environment in any institution has a greater influence on the development of formal structures than market pressures. Meyer and Rowan (1977) contend that organizational forms are dependent on rational myths or shared beliefs in addition to relational networks. Meyer and Rowan (1977) emphasize that institutionalized belief systems are a distinct class of elements influencing organizational structure. The institutional theory explains the isomorphism of organizational fields, specifically institutional norms (Tina et. al., 2002).

The institutional theory investigates the deeper and more resilient aspects of social structure (Peters, 2019). It looks at how structures, such as schemes, rules, norms, and routines, become authoritative guidelines for social behavior (Mohamed & Sawandi, 2017). It looks at how structures, such as schemas, rules, norms, and routines, become established as authoritative guidelines for social behavior (Scott, 2005). It investigates how these elements are created, diffused, adopted, and adapted across space and time, as well as how they decline and fall out of favor. Organizations that adhere to these institutional norms become "optimal, if not efficient," and they use these norms to extend their survival; thus, it reduces the risk of organizational death, as Baum and Olivier (1991) pointed out in their work.

Through the exploration of boundaries between business and society, Institutional Theory is relevant in understanding the effectiveness of corporate social responsibility in economic governance. Institutional Theory is critical in the development of relevant consumer protection policies, rules, and guidelines. Institutional theory can be used to explain the understanding and acceptance of various attitudes and practices in social contexts. This explains why organizations must maintain strong relationships with external constituents to achieve their goals. In general, this is done by the organizational structure, which is essentially included in the organization's design or rules. The formal and social processes serve distinct purposes in maintaining organizational legitimacy. Socialization practices have an impact on social processes, which play a more literal role in assisting the organization in achieving its technical goals. The theory was found useful to

the study since its tenets were used in understanding how the dependent variable relates to the independent variable, CSR.

2.3 Empirical literature review

The section presents a critical examination of the empirical literature on performance corporate social responsibility on performance based on Carroll's CSR Model. Further, it goes into greater detail to illustrate the identified research gaps discovered during the critical literature review.

2.3.1 Economic Corporate Social responsibility and organizational performance

Economic CSR practices reflect a company's responsibility to maintain profitability and economic growth while engaging in business practices that benefit society. Economic CSR practices include creating jobs, supporting local communities, and paying taxes.

Rutto and Langat (2016) investigated the impact of economic corporate social responsibility on the corporate identity of Kenyan small and medium-sized telecommunications firms. A descriptive research design was used for the study. A structured questionnaire with open-ended and closed-ended questions was used. The study concluded that economic corporate social responsibility has a positive effect on the corporate identity of the telecommunications sector, as does legal responsibility. The current study sought to ascertain the impact of CSR practices as defined by Carroll's CSR model on performance.

Firli and Akbar (2016) studied if corporate social responsibility can help the Indonesian telecommunications industry handle its ROA problem. The data is analyzed using panel least square with a three-year window (2012-2015). CSR has a considerable effect on ROA, according to hypothesis testing. This study shows that CSR can help Indonesia's telecommunications industry handle its ROA issues. According to this study, a 1% improvement in CSR results in a 73.9 percent boost in ROA. ROA has an extremely high R Squared (95.87%) according to CSR. CSR may be an extra approach for increasing ROA. In contrast to the current study, which looked at how CSR

affects enterprises' market share, this study focuses on how CSR impacts profitability as assessed by ROA.

Husted and Salazar (2016) examined CSR tactics used by businesses to improve both social performance and earnings. The authors found three forms of social investment (altruistic, selfish, and strategic) through a comparison of corporations, concluding that economic CSR produces superior outcomes for businesses that want to simultaneously optimize profit and social performance. This economic CSR aims to improve well-being and bring benefits to the community and society at large. Since this study focused on performance CSR on social performance and earnings of organizations, the current study sought to determine performance CSR practices on performance thus bridging the knowledge gap.

By looking at social responsibility reporting activities, societal responsibility, environmental responsibility, employee responsibility, and donation projects, Kavaliausk and Stancikas (2014) investigated the importance of Corporate Social Responsibility in Lithuania's Finance and Telecommunication Industries. The research was carried out between July 13th and July 28th, 2013. A total of 100 persons from various parts of Lithuania took part in the study. Customers choose service quality and customer happiness over social responsibility in the telecoms and financial services sectors, according to the report, however, consumers generally approve of companies' social or environmental efforts. The study was unable to demonstrate how corporate social responsibility affected Lithuanian market share.

The local, regional, and global empirical studies examined how economic CSR practices affected performance. Economic CSR practice is a limited indicator of performance. The empirical studies, therefore, presented a contextual gap that this study sought to bridge.

2.3.2 Legal corporate social responsibilities and organizational performance

Legal CSR practices involve companies complying with laws and regulations set by the government and other regulatory bodies. This includes adhering to labor laws, environmental laws, consumer protection laws, and other relevant regulations.

Marita and Marita (2019) investigated the impact of Legal Corporate Social Responsibilities on Customer Loyalty of Telecommunication Firms in Uasin Gishu County, Kenya, focusing on telecommunication firm customers. An explanatory research design was used in the study. According to the findings of the study, CSR initiatives have a positive impact on customer loyalty. According to the findings of the study, ethical responsibilities have a positive effect on customer loyalty. As a result, it was determined that mobile firms providing telecommunication services with higher levels of legal CSR initiatives are more likely to increase customer loyalty to their products. The study is different from the current one in that it was solely concerned with determining how legal CSR affected customer loyalty, yet customer loyalty is a poor predictor of performance.

Akhigbe and Olokoyo (2019) investigated legal corporate social responsibility and brand loyalty in the Nigerian telecommunications industry. 386 questionnaires were distributed to clients of Nigeria's four main mobile phone companies in order to collect data. The formulated hypothesis was tested using simple linear regression. The hypothesis testing revealed that in the Nigerian telecommunications sector, there is no substantial association between legal corporate social responsibility and brand loyalty. Customers, on the other hand, highlighted favorable pricing points, high-quality service, and excellent customer service as factors that influence their brand loyalty. The research was limited to determining how legal CSR affected customer loyalty. Customer loyalty is a poor predictor of company success.

Murila (2018) studied corporate social responsibility in East Africa Portland Cement Company Limited. The study discovered that by improving the firm's efficiency and raising the value of its market, legal corporate social responsibility can be used as a base for creating a competitive advantage. According to the study, the company had more possibilities for formulating strategy and gaining a competitive advantage when it strategically used legal corporate social responsibility. This study focused on the Cement industry as opposed to the current study which focused in the telecommunication industry thus presenting a geographical gap.

Adebese and Taiwo (2017) conducted a study on building a winning strategy for competitive performance through CSR focusing on MTN Nigeria. The study was conducted to evaluate whether an organization may use legal corporate social responsibility as a tactical instrument for competitive success, with special reference to MTN Limited, a significant Nigerian telecom company. The results showed that effective societal-focused legal corporate social responsibility, ethical business practices, and economic empowerment of the host community all substantially impacted the mobile service provider's performance. This study presents a geographical gap since it was conducted in Nigeria. The current study sought to bridge this gap. Legal CSR has been displayed based on how a company pays taxes, complies with legal regulations, provides products that meet legal standards, updates and obeys currently issued laws, and respects contractual agreements, using the selected measurement items from Turker (2009b) and El-Garaihy et al. (2014). This research attempted to apply these legal CSR measuring items in the economic setting of a new research area: Vietnam.

Whereas the empirical studies that have been conducted on this area of study are crucial and have made a significant contribution to the literature, it is important to study performance CSR practices in performance. This is because the empirical studies have shown both location contextual and contextual methodological gaps as has been demonstrated from the local, regional and global studies above.

2.3.3 Ethical corporate social responsibilities and organizational performance

Ethical CSR practices refer to a company's responsibility to act in a socially responsible and ethical manner, beyond legal requirements. This includes ensuring fair treatment of employees, ethical sourcing and supply chain management, and avoiding practices that harm the environment.

Öztürk and Marşap (2018) conducted research on social corporate social responsibility reporting in the telecommunications industry, focusing on the United States, the United Kingdom, and Turkey. A sample was created for this purpose by combining the world's two major telecommunications companies with Turkey's largest telecommunications company within the structure of some constraints. According to this study, community participation and environmental

reporting are the key issues that these telecommunications companies focus on regarding social corporate social responsibility reporting.

Kubai and Waiganjo (2010) studied the relationship between strategic corporate social responsibility and the competitive advantage of commercial banks in Kenya Focusing on Equity Banks' Wings to fly program. The study found that ethical CSR had been a significant factor in shaping positive customer attitudes, particularly among recipients who show a strong capacity to attach to the bank both now and in the future. Aroni (2009) examined new developments in ethical CSR activities used by listed companies in Kenya. The report emphasized taking a broad view of ethical CSR, especially environmental issues, and not simply focusing on financial gains. These studies focused on the banking sector rather than the telecommunication sector, which the current study focused on, leading to a conceptual gap.

Researchers Cedomir, et al., (2012), Filho, et al., (2019), Castelo and Rodrigues (2018) as well as Vilanova, et al., (2019), have identified a positive link between performance to effective ethical CSR activities. Kwalanda (2017) studied corporate social responsibility practices at Safaricom Limited and found that social corporate social responsibility was a key component of both corporate and business strategies, with planning, budgetary, and staff allocations, and that it was incorporated into the corporate strategy to achieve a positive brand image. These studies focused on how ethical CSR practice affected performance. Ethical CSR practice is a limited indicator to performance. The empirical studies, therefore, presented a contextual gap that this study sought to bridge.

2.3.4 Philanthropic Corporate Social Responsibilities and Organizational Performance

Philanthropic CSR practices involve companies voluntarily engaging in charitable activities and providing support to social or environmental causes. This could include donating money or resources to nonprofit organizations, supporting education or healthcare initiatives, or engaging in community development activities.

Kusi (2016) researched customer perceptions of corporate social responsibility in the telecommunications industry. The study employed a quantitative research method based on

primary data collected from customers in the Kumasi telecommunications industry via a self-administered survey questionnaire. According to the findings of the study, mobile phone networks do not engage in philanthropic activities such as natural disaster response and community involvement. Philanthropic activities were rated as the least important activity by the companies on average. According to the study, the most important CSR activity was the provision of high-quality goods, followed by the provision of high-quality services. The study failed to demonstrate how CSR practices influence OP, resulting in a conceptual gap.

Öztürk and Marşap (2018) conducted a study on corporate social responsibility reporting in the telecommunication industry by focusing on US, UK, and Turkey. With a few limitations in place, a sample was created by joining the two largest telecommunications providers in the world with the largest telecommunications firm in Turkey. According to this study, the primary concerns that these telecommunications businesses emphasize in their CSR reporting are community involvement and environmental reporting.

Ma and Parish (2006), Bai et al. (2006), Godfrey (2005), and Wang and Qian (2011) revealed that philanthropic social corporate responsibility practices contribute to the formation of competitive advantages among organizations. This in turn makes the organizations a popular foot of smart investment. To participate charitably with society, many businesses focus on corporate philanthropy. Nonetheless, compared to other social responsibility measures like adhering to environmental and labor regulations, corporate philanthropy places fewer demands on business operations (Luo & Wang, 2012). As a result, corporate giving has become increasingly popular in recent years among businesses (Lev et al., 2010). Furthermore, most corporations define philanthropy to engage in socially responsible actions since it places fewer restrictions on a company's commercial operations than other social responsibility practices like adhering to environmental and labor norms (Luo & Wang, 2012).

Whereas the empirical studies that have been conducted on this area of study are crucial and have made a significant contribution to the literature, it is important to study performance CSR practices in performance. This is because the empirical studies have shown both location contextual and

contextual methodological gaps as has been demonstrated from the local, regional and global studies above.

2.4 Research Gap

Arising from the previous empirical review, several research gaps are evident ranging from contextual to empirical gaps.

Khan and Majid (2019) conducted research on the impact of corporate social responsibility on profitability and performance: a case study of Pakistan's cement industry. According to the concept of sustainable development, business organizations should not only study but used survey methods to collect data through questionnaires in Pakistan's cement industry. CSR was classified into four categories: environmental responsibilities, customer responsibilities, community responsibilities, and legal responsibilities. According to the study's findings, there is a significant relationship between CSR and profitability and performance. However, this study focused on the cement industry, as opposed to the current study, which focuses on companies in the telecommunications sector. The CSR provided by the two sectors may differ depending on the nature of their businesses.

Nathaniel (2017) researched Corporate Social Responsibility as a positioning strategy in the Ghanaian telecommunications industry. The study drew on a sample of University of Ghana students who are customers of telecommunications companies. The questionnaire-based non-probability quantitative survey was used in the study. The study's key findings were that respondents believed network providers were using image and ethos as a positioning strategy, that only two strategies, positioning competition, and image and ethos strategy, were used, and that competition was the dominant positioning strategy. The study, however, failed to demonstrate how Corporate Social Responsibility as a Positioning Strategy impacted the performance of Ghanaian Telecommunication firms, in contrast to the current study, which sought to investigate performance CSR as a driver of OP in the Kenyan telecommunication sector companies.

Mogaka (2016) investigated the impact of corporate social responsibility on financial performance in Kenya's telecommunications industry. This study used a cross-sectional survey to target three companies in the telecommunications industry. For a period of ten years, the quantitative data were

analyzed using a statistical package for social sciences (SPSS version 21.0). According to the study's findings, there is a significant relationship between CSR and financial performance (ROA and ROE) for all aggregated Kenyan telecommunications companies. This study, on the other hand, opined to determine how CSR impacts a firm's profitability, as opposed to the current study, which sought to investigate performance CSR as a driver of OP in Kenyan telecommunication sector companies, presenting a conceptual gap.

Mwanja et al. (2018) used document analysis and a historical research design to investigate the impact of corporate social responsibility on firm performance among companies listed on the Nairobi Securities Exchange. This design was appropriate for this study because it required the collection and analysis of secondary data gathered over the previous five years, from 2010 to 2014. The findings show that ethical CSR, environmental CSR, and philanthropic CSR can be blamed for fluctuations in the EBIT of firms listed on the Nairobi Stock Exchange. However, the study's goal was to determine how CSR affects a firm's profitability, as opposed to the current study's goal of investigating performance CSR as a driver of OP in Kenyan telecommunication sector companies, presenting a conceptual gap. The study also concentrated on firms listed on the NSE, as opposed to the current study, which focused on companies in the telecommunications sector, presenting a contextual gap.

Marita and Marita (2019) investigated the effect of Corporate Social Legal Responsibility on Customer Loyalty of Telecommunication Firms in Uasin Gishu County, Kenya, focusing on telecommunication company customers. An explanatory research design was used in the study. According to the findings of the study, CSR initiatives have a positive impact on customer loyalty. According to the findings of the study, ethical responsibilities have a positive effect on customer loyalty. As a result, it was determined that mobile firms offering telecommunication services with higher levels of ethical CSR initiatives are more likely to increase customer loyalty to their products. The study only investigated how CSR affected customer loyalty. Customer loyalty is a poor predictor of performance.

Al-Abdallah and Ahmed (2019) studied the effect of corporate social responsibility on customer loyalty in the Qatari telecommunications sector. To accomplish this, the study employed a descriptive-analytical methodology as well as a quantitative research approach based on a survey

strategy. Using SPSS software, 476 filtered and screened questionnaires were analyzed using personally submitted questionnaires. The study found that customers perceived CSR activities as an essential component for them and the operating organizations and that their awareness of such activities was evident through their responses to the existing questionnaire. As a result, CSR activities were found to have a positive direct significant impact on customer loyalty. The study only investigated how CSR affected customer loyalty. Customer loyalty is a limited indicator of performance.

Dlamini (2019) investigated the impact of corporate social responsibility on company profitability in Zimbabwe, using Listed Telecommunication Companies as an example. To assess the impact of CSR on profitability, the study used the Vector Auto Regression (VAR) model of regression analysis and Stata as the statistical tool. Secondary data was gathered from EconetWireless Zimbabwe Limited annual reports, and correlation and regression analysis were used. The study's findings revealed that there is no causal relationship between Corporate Social Responsibility and profitability and that CSR practice has no significant impact on profitability.

Hsu (2019) conducted research on the effects of corporate social responsibility on corporate image, customer satisfaction, and customer loyalty. A questionnaire was used to collect data, and regression analysis was used to test the hypotheses. According to the findings, CSR implementation in the telecommunications industry has a positive impact on corporate image, customer satisfaction, and loyalty. The study did not demonstrate how CSR affects performance, resulting in a conceptual gap. Some of the indicators that are expected to have an impact on performance are corporate image, customer satisfaction, and loyalty.

The studies reviewed focused on the influence of CSR practices on the organizational performance of various organizations. From the above studies, there's a clear finding that CSR practices have either a positive or negative impact on organizational performance.

Table 2. 1: Summary of Literature and Research Gaps

Author	Findings	Research Gaps	Focus of Current Study
(Khan & Majid, 2019a)	According to the study's findings, there is a significant relationship between CSR and profitability and performance.	This study focused on the cement industry, as opposed to the current study, which focuses on companies in the telecommunications sector. The CSR provided by the two sectors may differ depending on the nature of their businesses	The study focused on telecommunication companies in Kenya
(Nathaniel, 2017)	The study's key findings were that respondents believed network providers were using image and ethos as a positioning strategy, that only two strategies, positioning competition and image and ethos strategy, were used, and that competition was the dominant positioning strategy.	The study, however, failed to demonstrate how Corporate Social Responsibility as a Positioning Strategy impacted the performance of Ghanaian Telecommunication firms, in contrast to the current study, which sought to investigate performance CSR as a driver of OP in Kenyan telecommunication sector companies.	The current study focused on CSR practices and organizational performance

(Mogaka, 2016)	According to the study's findings, there is a significant relationship between CSR and financial performance (ROA and ROE) for all aggregated Kenyan telecommunications companies.	This study, on the other hand, opined to determine how CSR impacts a firm's profitability, as opposed to the current study, which sought to investigate performance CSR as a driver of OP in Kenyan telecommunication sector companies, presenting a conceptual gap.	The current study focused on CSR practices as a driver of Organizational performance.
(Mwanja et al., 2018)	The findings show that ethical CSR, environmental CSR, and philanthropic CSR can be blamed for fluctuations in EBIT of firms listed on the Nairobi Stock Exchange	The study concentrated on firms listed on the NSE, as opposed to the current study, which focuses on companies in the telecommunications sector, presenting a contextual gap.	The current study focused on telecommunication companies, specifically mobile telephony firms
(Marita & Marita, 2019)	According to the findings of the study, ethical responsibilities have a positive effect on customer loyalty. As a result, it was determined that mobile firms offering telecommunication services with higher levels of ethical CSR initiatives are more	The study only investigated how CSR affected customer loyalty. Customer loyalty is a poor predictor of performance.	Performance Operationalization was based on brand loyalty, sales growth, reputation, product recognition.

likely to increase customer loyalty to their products.

(Al-Abdallah & Ahmed, 2019)	The study found that customers perceived CSR activities as an essential component for them and the operating organizations and that their awareness of such activities was evident through their responses to the existing questionnaire	The study only investigated how CSR affected customer loyalty. Customer loyalty is a limited indicator of performance.	Performance Operationalization was based on brand loyalty, sales growth, reputation, product recognition.
(Dlamini, 2019)	The study's findings revealed that there is no causal relationship between Corporate Social Responsibility and profitability and that CSR has no significant impact on profitability.	The scope of the study was limited to Zimbabwe.	The study focused on Kenya's telecommunication firms.
(Hsu, 2019)	According to the findings, CSR implementation in the telecommunications industry has a positive impact on corporate image, customer satisfaction, and loyalty.	The study did not demonstrate how CSR affects performance, resulting in a conceptual gap	The current study focused on CSR practices and organizational performance

Source: Author (2023)

Empirical findings are uncertain despite increased interest in CSR practice, particularly in the area of its association with organizational success. This suggests that there are many unanswered questions in this field, and this gap inspires the research. Additionally, earlier studies concentrated more on profitability than performance, which creates a gap in the literature. There isn't much research that focuses on African economies because most earlier studies were carried out in other nations.

2.5 Conceptual Framework

A conceptual framework, in the words of Kombo and Tromp (2014), is a collection of overarching concepts and guiding principles used to organize a future presentation. Additionally, a conceptual framework is a model that is postulated and describes the link between the dependent and independent variables as well as the model being studied. A figurative representation of the variables this study looked into is shown below.

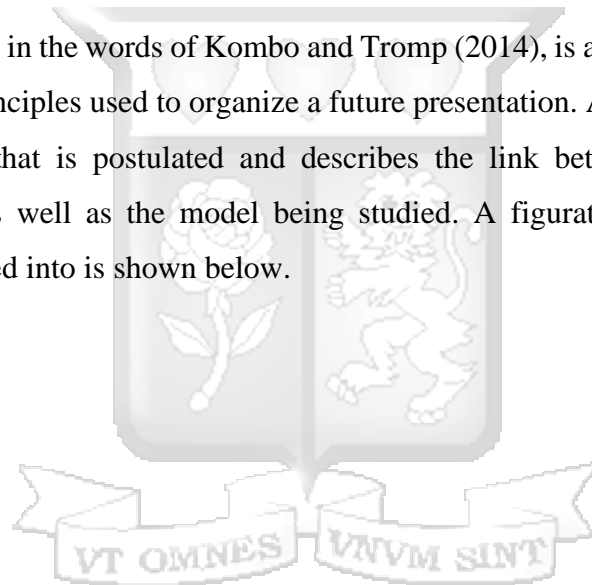
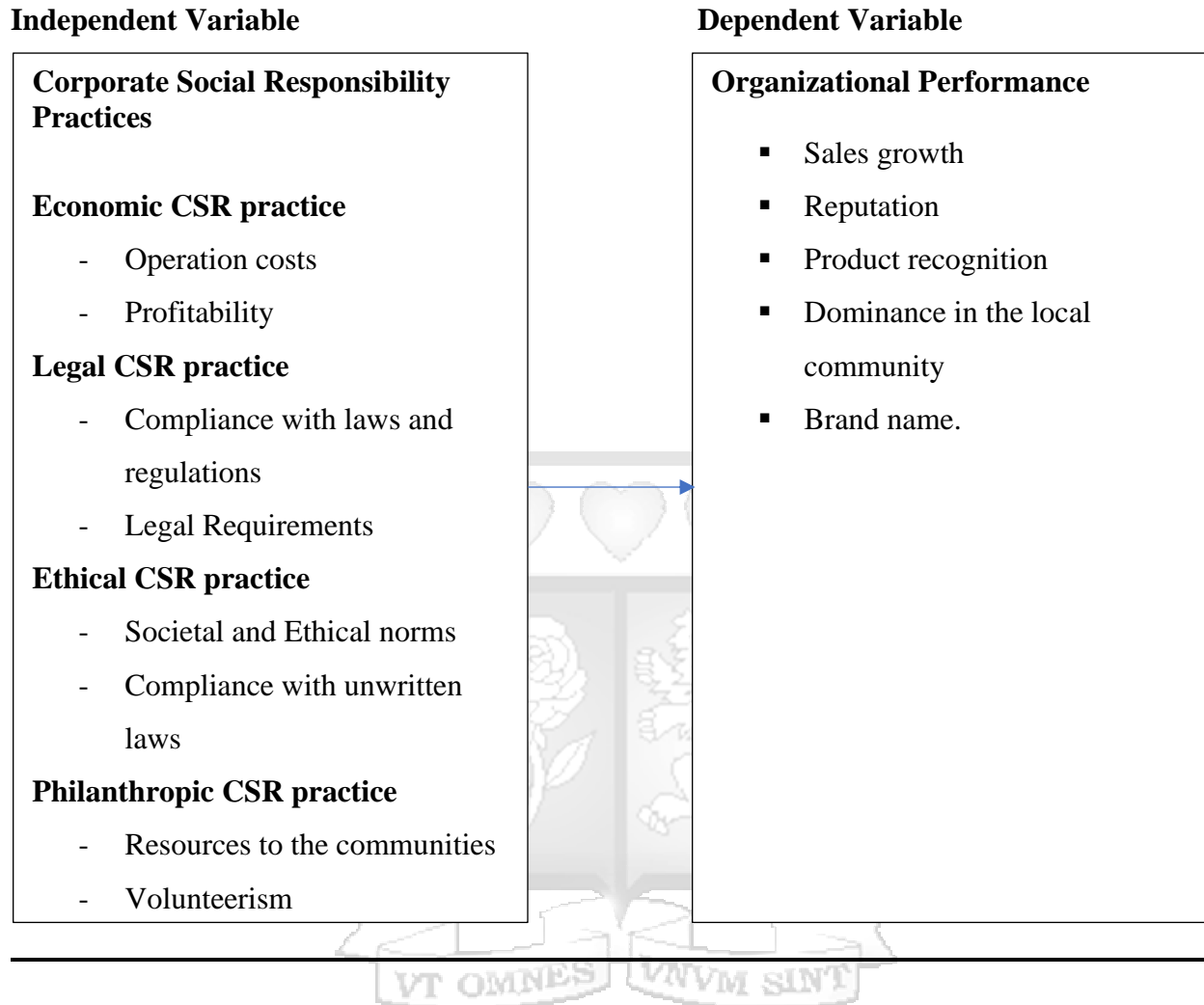


Figure 2. 1: Conceptual Framework



Source: Author (2023)

2.6 Operationalization of Variables

CSR was operationalized as economic CSR practice, legal CSR practice, ethical CSR practice, and philanthropic CSR practice, while performance was operationalized as an increase in sales growth, return on asset, profit rate, return on sales, and earnings per share. Table 2.1 shows the values for each of the independent and dependent variables in the study.

Table 2. 2: Operationalization of Variables

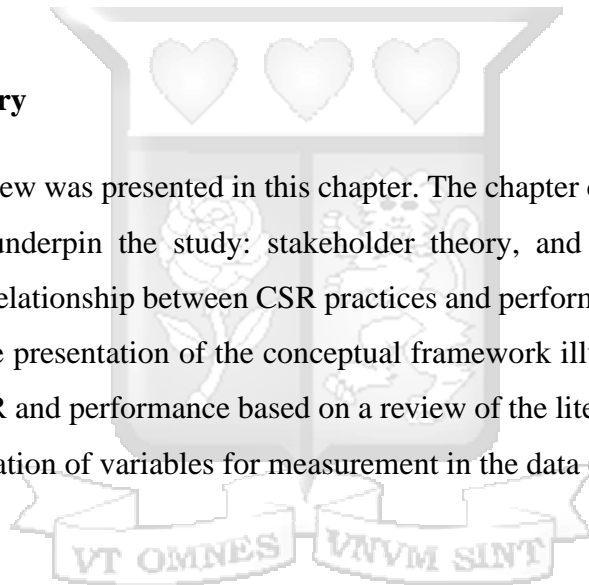
Variables	Measures	Likert Scale	Authors
Economic CSR practice	<ul style="list-style-type: none">▪ Calculated social return on investment▪ Powerful brand name▪ Understanding and adherence to international standards	5 Point Likert scale	(Carroll, 1979)
Legal CSR practice	<ul style="list-style-type: none">▪ Complying with the national development agenda and the 2030 national strategic vision▪ Existence of projects in collaboration with the government▪ Regulations, whether soft or hard, exist.	5 Point Likert scale	(Carroll, 1979)
Ethical CSR practice	<ul style="list-style-type: none">▪ Observance of international standards such as the Global Reporting Initiative (GRI)▪ Consumer rights are respected.▪ Sustainability reports have been published.	5 Point Likert scale	(Carroll, 1979)
Philanthropic CSR practice	<ul style="list-style-type: none">▪ Contributions to communities▪ Aid to human development and poverty alleviation▪ Contribution to environmental balance and improvement	5 Point Likert scale	(Carroll, 1979)

Performance	Changes in	5 Point	(CAK
	<ul style="list-style-type: none"> ▪ Sales growth ▪ Good reputation ▪ Products recognition ▪ Dominance in the local community ▪ Strong Brand name 	Likert	report
		scale	2020)

Source: Author (2023)

2.7 Chapter Summary

The study's literature review was presented in this chapter. The chapter commenced by describing the three theories that underpin the study: stakeholder theory, and institutional theory. The empirical studies on the relationship between CSR practices and performance were next discussed and were followed by the presentation of the conceptual framework illustrating the nature of the relationship between CSR and performance based on a review of the literature. The chapter winds up with the operationalization of variables for measurement in the data collection instrument.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that was employed for the study. The research design, study population, sample size, sampling techniques, and data source, are all explained in this chapter. Furthermore, the chapter identifies the data collection instruments to be used, the data collection procedure to be applied, research quality, data analysis, and ethical considerations.

3.2 Research Philosophy.

Gibson (2017), defines philosophy as a phrase that refers to the evolution of knowledge and the nature of research knowledge. Positivism and Interpretivism are two well-known philosophical approaches in research. The Interpretivism approach relies on naturalistic data collection methods such as interviews and observations (Cooper & Schindler, 2011). On the other hand, a positivist paradigm, according to Mungai (2012), is concerned with things that can be measured, observed, and validated. Research philosophy describes the principles that one considers when looking into a phenomenon and how these principles guide how the researcher approaches achieving the study's goals (Hughes & Sharrock, 2016). The researcher noted that the relationship between the variables was observed objectively and inferences were made on the basis of data gathered from them through objective analysis techniques with limited subjectivism in reporting the findings, indicating that the study adopted a positivist philosophy (Hughes & Sharrock, 2016).

3.3 Research design

According to Creswell (2013), a research design is a framework that offers the researcher tools and strategies for carrying out a study. It is used to determine the research questions' responses and to confirm or reject the hypotheses. A descriptive cross-sectional research design was used for this investigation. The goal of a descriptive research design is to gather data that describes current phenomena connected to a topic population. It establishes and describes the variables' properties

while facilitating data gathering and the formulation of impartial conclusions (Cooper & Schindler, 2011).

Since the study's goal was to describe the study variables, a descriptive research design was adopted. Due to the survey's design, the researcher was able to present the sample population's characteristics while also distributing questionnaires and collecting statistical data for analysis. With the use of correlation and regression analysis, this study used the Statistical Package for Social Sciences to examine the relationship between CSR practices and organizational performance. Similar studies conducted by various researchers, such as Narver and Slater (2000) and Owino (2014), used a cross-sectional design.

3.4 Target Population

The entire set of units for which the study data are to be used to make inferences is referred to as the target population. It thus defines the units for which the study's findings are intended to generalize (Sarason, 2013). Whereas a population includes all elements that meet certain criteria for inclusion in a research study, a population is the entire set of individuals or objects that share some common characteristics as defined by the study's sampling criteria (Burns & Grove, 2013). According to McLeod (2014), a research population is a large group of people or things that are the subject of a scientific inquiry. Research is carried out for the benefit of the entire population.

The study was carried out at the Nairobi headquarters of Kenyan telecommunications firms. Three major mobile telephony telecommunications firms in Kenya according to the communication authority of Kenya were the subject of the study: Safaricom, Airtel, and Telkom Kenya Limited. The three companies were chosen because they have a sizable client base in Kenya, making it simple to get information on corporate social responsibility practices and organizational performance. The companies were chosen in part because the study's time and funding limitations prevent it from being able to examine every company in the category of mobile telephony within the telecommunication sector.

A spot check on the mobile telephony companies in Kenya shows that the companies have twelve departments in common; frequency planning, multimedia services, information technology,

corporate planning, telecom operations, communications and external affairs, human resource management, treasury management, procurement, dispute regulation and commercial services, regional coordination, and risk management and internal audit departments. The study targeted employees at the supervisory level from each of the twelve departments. This is because the employees at the supervisory level are deemed to possess relevant information about organizational performance in their respective departments. The said level of management is also believed to be adequately conversant with CSR practices within the firms. Four hundred and eighteen employees of the Telecommunication companies made up the study population (CAK Bulletin, 2020).

Table 3. 1: Target Population

Company	Frequency	Percent
Safaricom	196	46.90
Airtel	142	33.97
Telcom	80	19.14
Total	418	100

Source: Primary Data (2023)

3.5 Sampling Design

Purposive sampling, according to Mugenda and Mugenda (2003), is a non-probability sampling technique where the researcher uses his or her own discretion to select people from the population to participate in the study. Purposive sampling, which Cooper and Schindler (2010) advise, was used in this study to select respondents from each department at all three telecommunications companies. This indicates that only those employees at supervisory levels were interviewed.

A Yamane formula was used in calculating the study sample size.

The formula is $n = N / [1 + N(e)^2]$

Where n = sample size,

N = population size

e = error term (0.05)

Hence, $n = 418 / [1 + 418(0.05)^2] = 204$ respondents

The sample size of the study was 204 staff members which form 48.80% of the target population.

The sample distribution is shown in Table 3.2

Table 3. 2: Sample Size

Company	Frequency	% Sample	Sample Size
Safaricom	196	48.80	96
Airtel	142	48.80	69
Telcom	80	48.80	39
Total	418	48.80	204

Source: Primary Data (2023)

3.6 Data Collection Method

The study collected primary data. The primary data is unique and has never been published before according to (Kothari & Garg 2004). Structured self-administered questionnaires were used to collect this information. A self-administered questionnaire, according to Kothari and Garg (2004), is a systematic approach to eliciting people's values, beliefs, attitudes, and opinions. The researcher designed questionnaires based on the Likert scale to collect data.

The questionnaires were used to gather primary data. The questionnaire was utilized because it has the capacity to reach out to a lot of respondents quickly, give them enough time to respond to the questions, give the respondents a sense of security, and be an objective approach without bias originating from the respondents' personal qualities (Creswell, 2013). The questionnaire was designed based on the research objectives and was divided into three sections; the first section includes questions about the respondents' backgrounds; the second section covers statements on each of the independent variables i.e Economic CSR practices, Legal CSR practices, Ethical CSR practices and Philanthropic CSR practices as outlined by Carroll's CSR pyramid and finally the third section covers statements on the Organizational Performance.

Closed-ended questions were used to elicit structured responses that allowed for more concrete recommendations. Close-ended questions were used to rate the various attributes, reducing the number of similar responses and allowing for more varied responses. To increase the response rate, trained research assistants were hired to distribute questionnaires to respondents.

3.7 Research quality

Pre-testing provides for error detection prior to data collection (Cooper & Schindler, 2011). The pretesting took place with 10% of the study participants, which included 12 managers from different telecommunication firms. These individuals, however, were not included in the final study. The reliability and validity tests of the research instrument are supported by the pre-tests of the research instrument.

3.7.1 Validity test

The extent to which an instrument measures the construct under investigation is referred to as its validity. To be considered valid, the content chosen and included in a data collection instrument must be relevant to the need or gap identified. According to Liaw and Goh (2002), a pilot survey is not required in research design but is a common practice prior to conducting an actual study. There are various methods for determining validity. The extent to which a test appears to measure what it claims to measure is referred to as face validity. Construct validity describes how well a test or experiment performs in relation to its claims. The content validity of the research instrument was determined in this study. The instrument was discussed with lecturers in the field of study prior to the actual study. Feedback from lecturers and experts aided in the modification of the instrument prior to data collection.

3.7.2 Reliability test

According to Mugenda (2008), reliability is a measure of how well research instruments produce consistent results or data after multiple trials. In the study, the test-retest method was used. Cronbach's Alpha, which measures internal consistency, was used to assess the questionnaire's

reliability. The alpha coefficient has a value between 0 and 1 and can be used to describe the reliability of factors extracted from dichotomous or multi-point formatted questionnaires or scales. A higher value indicates a more dependable generated scale. Cooper and Schindler (2003) determined that 0.7 was an acceptable reliability coefficient, hence 0.7 was used as the cutoff point in this study.

According to the findings in Table 3.3, the alpha for economic CSR practice is 0.711, the alpha for legal CSR practice is 0.793, the alpha for ethical CSR practice is 0.735, the alpha for philanthropic CSR practice is 0.722, and the alpha for performance is 0.734. There was no need to alter the measures and indicators in the questions because, according to the reliability results, the Cronbach reliability alpha for every variable was greater than 0.7.

Table 3. 3: Reliability Analysis

Scale	Cronbach's Alpha	Number of Items
Economic CSR practice	0.711	6
Legal CSR practice	0.793	6
Ethical CSR practice	0.735	6
Philanthropic CSR practice	0.722	6
Performance	0.734	5

Source: Primary Data (2023)

3.8 Data analysis and presentation

The field data was subjected to manual processing, which included editing, classification, coding, data entry, and tabulation. Descriptive analyses were used in this analysis to describe the data in terms of the frequency distribution of occurrence. Means and standard deviation were used as descriptive statistics in this study. Inferential statistics were used to determine the magnitude and strength of the relationships between variables, as well as whether or not the relationships are statistically significant. As a result, inferential statistics such as correlation and multiple linear regression analyses were used to determine performance CSR as a driver of performance among

telecommunication companies in Kenya. The Pearson correlation coefficient was used to test the strength of the relationship between independent and dependent variables.

The analysis aims at determining performance CSR as a driver of performance among telecommunication companies in Kenya. The Statistical Package for the Social Sciences (SPSS) software version 25.0 was used to organize, code and analyze information and generate the quantitative report. The general model for organization performance subject to economic, ethical, legal, and philanthropic practices is represented by the equation below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where; Y = Performance, α - Is the regression constant, β_1 , β_2 , β_3 , and β_4 – Are regression coefficients or changes induced in Y by each X 1, X 2, X 3, and X 4 that are predictor variables, X 1 – economic CSR practice, X 2 – legal CSR practice, X 3 – ethical CSR practice, X 4 – philanthropic CSR practice, ϵ (Extraneous) - Error term that represents the variability in Y that cannot be explained by the linear effect of the predictor variables

3.9 Ethical considerations

The Strathmore Ethics Review Board was consulted for ethical approval of the study. A research permit was obtained from the National Commission for Science, Technology, and Innovation (NACOSTI), which allowed data collection. Strathmore University provided an introduction letter. This aided in introducing the study to the participants. Respondents who agreed to participate in the study were given a consent form to sign, which clearly stated that participation in the study is entirely voluntary and that no one was coerced to participate. The names of the respondents did not appear anywhere in the research instrument to ensure anonymity.

3.10 Chapter Summary

The research methodology was presented in this chapter. The chapter commenced by describing the research philosophy underpinning the study. The study's research design follows. The study target population, sample size, and sampling technique were followed. The data collection and research quality were explained, further, the data analysis and presentation were explained and

finally, the ethical consideration was explained providing assurance to the respondents that participated in the study.



CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

Data analysis, interpretation, and presentation are covered in this chapter. The chapter discusses the general information provided by the respondents as well as conclusions drawn from the study's specific objectives. The study utilized descriptive and inferential statistics results to aid in the presentation of the research findings.

4.2 Response Rate

A sample of 204 employees from the headquarters of the three major Kenyan telecommunication providers namely Safaricom, Airtel, and Telkom were the subject of the study. Only 170 of the 204 questionnaires sent out into the field were returned. The returned questionnaires amounted to 83.33%. Mugenda and Mugenda (2003) assert that a response rate of more than 50% is good for analysis and reporting and more than 70% is outstanding. The study's response rate was considered sufficient and was therefore suitable for analysis and making inference.

Table 4. 1: Response Rate

Response	Frequency	Percent
Returned	170	83.33
Not returned	34	16.67
Total	204	100.00

Source: Primary Data (2023)

4.3 Demographic Information

The purpose of this section was to gather background data on the study's participants. The study specifically aimed to determine their gender, age bracket, the highest level of education, current position within the company, and the number of years of work experience. The summary of the findings is displayed in table 4.2.

Table 4. 2: Demographic Information Results

		Frequency	Percent
Gender	Male	92	54.1%
	Female	78	45.9%
	Total	170	100.0%
Age Bracket	20-29 Years	47	27.6%
	30-39 Years	35	20.6%
	40-49 Years	36	21.2%
	50 Years and above	52	30.6%
	Total	170	100.0%
Highest level of education	PhD	23	13.5%
	Masters Degree	14	8.2%
	Undergraduate Degree	57	33.5%
	Diploma	59	34.7%
	Other	17	10.0%
	Total	170	100.0%
Current Position in the organization	Senior Manager	37	21.8%
	Middle level Manager	61	35.9%
	Supervisor	53	31.2%
	Other	19	11.2%

	Total	170	100.0%
Years of Work Experience	1-5 Years	39	22.9%
	6-10 Years	55	32.4%
	11-15 Years	42	24.7%
	Over 15 Years	34	20.0%
	Total	170	100.0%

Source: Primary Data (2023)

4.3.1 Respondents' Gender

The survey included a question about the respondents' gender. According to the findings shown in Table 4.2, male respondents made up the majority of respondents (54.1%), while female respondents made up the remaining 45.9%. Both male and female respondents were fairly represented. This implies a male and female-dominated industry pointing to an appreciation of performance CSR practices in performance.

4.3.2 Respondents' Age Bracket

The participants were also asked to specify which age groups they fell into. The results are displayed in Table 4.2. According to the findings, 20.6% of respondents said they had a 20 to 39 years age bracket, 27.6% said they had a 20 to 29 years age bracket, 21.2% said they had a 40 to 49 years age bracket, and 30.6% said they had 50 years' age bracket or more. This suggests that most respondents were in their 50s or older, implying that they had a proper understanding of CSR practices and organizational performance.

4.3.3 Respondents' highest level of education

The respondents were also asked to indicate their highest level of education. The results are shown in Table 4.2. According to the results, 13.5% of the respondents had a Ph.D. as their highest level of education, followed by 8.2% with master's degrees, 33.5% with undergraduate degrees, 34.7%

with diplomas, and 10.0% with other qualifications. This is a sign that the respondents utilized in the study had a range of educational backgrounds, which led to them holding different positions within the organizations. This demonstrates that the respondents had developed a variety of abilities that made them suitable for the roles they occupied in the company.

4.3.4 Respondents' current position in their organizations

The respondents were asked to identify their present organizational roles. The outcomes are presented in Table 4.2. According to the results, 21.8% of the respondents said they were in senior management, 35.9% said they were in middle management, 31.2% said they were at the lower level, and 11.2% said they held various roles within their firms. This shows that the respondents were drawn from various managerial levels inside the company, and the study gathered data from all respondents, regardless of their level of employment. In their organizations, the vast majority of responders were in middle-level management roles.

4.3.5 Respondents' number of years of work experience

The respondents were asked to indicate the number of years of work experience. The outcomes are presented in Table 4.2. According to the results, 22.9% indicated between 1 and 5 years, 32.4% indicated between 6 and 10 years, 24.7% indicated between 11 and 15 years, and 20.0% indicated that they have over 15 years of work experience. This shows that the respondents were drawn from various years of work experience and the study gathered data from all respondents, regardless of their number of years of work experience. In their organizations, most of the respondents were in 6-10 years of work experience, implying that the respondents had relevant work experience to understand the CSR practice constructs.

4.4 Descriptive statistics

In this section, the study presents the findings of the respondents on various statements that relate to performance CSR as a driver of performance in telecommunication sector companies. The respondents were asked to give their opinion based on a 5-point Likert scale where 1-strongly

disagree, 2- disagree, 3-moderate, 4-agree, and 5-strongly agree. Means, Median, and Standard deviations were applied in explaining the findings of the study. According to how the means were interpreted, a mean of 0-1 indicated that the respondents strongly disagreed, a mean of 1.1-2 indicated that they disagreed, a mean of 2.1-3 indicated that they were neutral, a mean of 3.1-4 indicated that they agreed, and a mean of 4.1-5 indicated that they strongly agreed.

4.4.1 Descriptive results for Economic Corporate Social Responsibility Practice

Respondents were asked to indicate the level to which they agree or disagree with the statements about the effect of economic corporate social responsibility practice on the performance of telecommunication firms. The results were as presented in Table 4.3.

Table 4. 3: Economic Corporate Social Responsibility Practice Results

	N	Mean	Median	Standard Deviation
Our company's principal purpose is to make as much money as possible.	170	4.25	4.50	1.003
Our Company tries to reduce our operating costs since we are socially responsible.	170	4.23	4.00	.870
Our Company aims for the maximum possible shareholder returns.	170	4.28	4.00	.636
Solving societal problems does not divert our company's attention away from our economic functions.	170	4.14	4.00	.769
Our company pursues those opportunities which will enhance earnings per share.	170	4.04	4.00	.745

Meeting the profitability target is a good indicator of performance	170	3.61	4.00	1.062
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Average Score

4.00

Source: Primary Data (2023)

The findings reveal that the respondents were in agreement that their organizations aim for the maximum possible shareholder returns as shown by a mean of 4.28, their organizations’ principal purpose is to make as much money as possible as shown by a mean of 4.25, their organizations try to reduce their operating costs since they are socially responsible as shown by a mean of 4.23, solving societal problems does not divert their organizations’ attention away from their economic functions as shown by a mean of 4.14, their organizations pursue those opportunities which will enhance earnings per share as shown by a mean of 4.04, and that meeting the profitability target is a good indicator of performance.

This implies that there’s an agreement to some extent that economic corporate social responsibility plays a role in enhancing the performance of telecommunication companies. These findings agree with Rutto and Langat (2016) who investigated the impact of economic corporate social responsibility on the corporate identity of Kenyan small and medium-sized telecommunications firms. The study concluded that economic corporate social responsibility has a positive effect on the corporate identity of the telecommunications sector, as does legal responsibility.

4.4.2 Descriptive Results for legal corporate social responsibility practice

Respondents were asked to indicate the level to which they agree or disagree with the statements about the effect of legal corporate social responsibility on the performance of telecommunication companies. The results were as presented in Table 4.4.

Table 4. 4: Legal Corporate Social Responsibility Results

	N	Mean	Median	Standard Deviation
Our company is well run and attempts to follow all government rules and regulations.	170	4.31	4.00	.671
Our Company operates strictly within society's legal framework.	170	4.19	4.00	.787
Our Company finds it advantageous to break certain rules and regulations on occasion.	170	4.19	4.00	.863
Our company follows all government rules and regulations, even if it is costly to them.	170	4.24	4.00	.716
Our company does not ignore contract safety violations in order to complete a project.	170	4.27	4.00	.736
Our company views compliance with the law as a useful indicator of performance.	170	3.21	3.50	1.259
Average Score			4.01	

Source: Primary Data (2023)

The findings reveal that the respondents were in agreement that their companies are well-run and attempt to follow all government rules and regulations as shown by a mean of 4.31, their organizations do ignore contract safety violations in order to complete a project as shown by a mean of 4.27, their organizations follow all government rules and regulations, even if it is costly to them as shown by a mean of 4.24, their organizations operate strictly within society's legal framework as shown by a mean of 4.19, their organizations find it advantageous to break certain

rules and regulations on occasion as shown by a mean of 4.19, and finally that their organizations view compliance with the law as a useful indicator of performance as shown by a mean of 3.21.

This implies that there's an agreement to some extent that legal corporate social responsibility plays a role in enhancing the performance of telecommunication companies. These findings agree with Marita and Marita (2019) who investigated the impact of Legal Corporate Social Responsibilities on Customer Loyalty of Telecommunication Firms in Uasin Gishu County, Kenya, focusing on telecommunication firm customers. According to the findings of the study, legal CSR initiatives have a positive impact on customer loyalty. As a result, it was determined that mobile firms providing telecommunication services with higher levels of legal CSR initiatives are more likely to increase customer loyalty to their products.

4.4.3 Descriptive results for social corporate social responsibility practice

Respondents were asked to indicate the level to which they agree or disagree with the statements about the effect of social corporate social responsibility practice on the performance of telecommunication companies. The results were as presented in Table 4.5.

Table 4. 5: Ethical Corporate Social Responsibility results

	N	Mean	Median	Standard Deviation
Our company is socially responsible and always do what is right, fair, and just.	170	4.09	4.00	.947
Our company believes that It is critical to act in accordance with societal and ethical expectations	170	3.66	4.00	.986
In our company, we remember that the ends don't always justify the means	170	4.05	4.00	.872
Our company does not make promises that are not meant to be kept while acquiring new business.	170	3.85	4.00	1.091

Our company considers compliance with societal conventions, norms, and unwritten rules as a useful indicator of performance.	170	3.26	4.00	1.252
Our company encourages Whistleblowing at all levels of the organization.	170	3.26	3.00	.993
Average Score			4.00	

Source: Primary Data (2023)

From the findings, the study established that the companies are socially responsible and always do what is right, fair, and just as shown by a mean of 4.09, the companies remember that the ends don't always justify the means as shown by a mean of 4.05, the companies do not make promises that are not meant to be kept while acquiring new business as shown by a mean of 3.85, the companies believe that It is critical to act in accordance with societal and ethical expectations as shown by a mean of 3.66 and finally, the companies consider compliance with societal conventions, norms, and unwritten rules as a useful indicator of performance, and the companies encourage Whistleblowing at all levels of the organization as shown by a mean of 3.26.

This implies that there's an agreement to some extent that social corporate social responsibility plays a role in enhancing the performance of telecommunication companies. These findings agree with Öztürk and Marşap (2018) who conducted research on social corporate social responsibility reporting in the telecommunications industry, focusing on the United States, the United Kingdom, and Turkey. According to this study, community participation and environmental reporting are the key issues that these telecommunications companies focus on when it comes to Social corporate social responsibility reporting.

4.4.4 Descriptive Results for philanthropic corporate social responsibility practice

Respondents were asked to indicate the level to which they agree or disagree with the statements about the effect of philanthropic corporate social responsibility practices on the performance of telecommunication companies. The results were as presented in Table 4.6.

Table 4. 6: Philanthropic Social Corporate Responsibility results

	N	Mean	Median	Standard Deviation
Our Company gives back to the communities.	170	3.67	4.00	1.239
Our company volunteer for projects that improve a community's 'quality of life	170	4.20	4.00	.650
Our company considers Philanthropic actions as a useful indicator of our success	170	4.14	4.00	.859
Our organization aggressively promotes volunteerism and philanthropic activities in the community	170	4.22	4.00	.757
Our organization keeps an eye on emerging prospects that will assist it to solve social concerns	170	4.34	5.00	.814
Our Company is socially responsible and aims to improve the surrounding communities	170	4.24	4.00	.766
Average Score			4.00	

Source: Primary Data (2023)

The findings showed that the respondents were in agreement that the companies keep an eye on emerging prospects that will assist them to solve social concerns as shown by a mean of 4.34, companies are socially responsible and aim to improve the surrounding communities as shown by a mean of 4.24, companies aggressively promote volunteerism and philanthropic activities in the community as shown by a mean of 4.22, companies volunteer for projects that improve a community's 'quality of life as shown by a mean of 4.20, companies consider Philanthropic actions as a useful indicator of our success as shown by a mean of 4.20 and finally companies give back to the communities as shown by a mean of 3.67.

This implies that the provision of philanthropic CSR activities to customers helps enhance telecommunication companies' performance. The findings are contrary to the findings of Kusi

(2016) who researched customer perceptions of philanthropic corporate social responsibility in the telecommunications industry. According to the findings of the study, the telco industry does not engage in philanthropic activities such as natural disaster response and community involvement. The companies rated Philanthropic activities as the least important activity on average.

4.4.5 Descriptive Results for the Performance of telecommunication companies

Respondents were requested to indicate their level of agreement with statements about the performance of telecommunication companies. The results are shown in Table 4.7.

Table 4. 7: Performance of telecommunication companies' results

	N	Mean	Median	Standard Deviation
Our organization's sales are greatly high in the local community	170	4.36	4.00	.630
In the local community, our organization has a good reputation	170	4.02	4.00	.870
Our organization's products are easily recognized in the community	170	4.18	4.00	.826
Our organization is widely regarded as the industry's dominant player in the local communities	170	3.25	4.00	1.245
Compared to the competitors, our organization's brand is easily recommended in the community	170	4.21	4.00	.791
The local community generally views our organization's brand favorably	170	3.64	4.00	1.200
Average Score			4.00	

Source: Primary Data (2023)

The findings show that the respondents were in agreement that companies' sales are greatly high in the local community as shown by a mean of 4.36, companies' brand is easily recommended in the community compared to the competitors' as shown by a mean of 4.21, companies' products are easily recognized in the community as shown by a mean of 4.18, companies have a good reputation in the local community as shown by a mean of 4.02, companies' brand is favorably viewed in the local community as shown by a mean of 3.64, and finally, the companies are widely regarded as the industry's dominant player in the local communities as shown by a mean of 3.25.

These findings concurred with Mogaka (2016) who investigated the impact of corporate social responsibility on financial performance in Kenya's telecommunications industry. This study used a cross-sectional survey to target three companies in the telecommunications industry. For a period of ten years, the quantitative data were analyzed using a statistical package for social sciences (SPSS version 21.0). According to the study's findings, a significant relationship exists between CSR and financial performance (ROA and ROE) for all aggregated Kenyan telecommunications companies.

4.5 Inferential Statistics

The objective of the study was to ascertain how the variables connected to organizational performance. A correlation analysis was performed to ascertain how and to what extent the research variable connected, and the results are shown in Table 4.8 below. According to Curtis et al. (2016), correlation analysis is essential for identifying patterns and connections between variables as well as for predicting future events based on available information.

Table 4. 8: Correlation of independent and dependent variables

		Economic Social Corporate Responsibility	Legal Social Corporate Responsibility	Ethical Social Corporate Responsibility	Philanthropic Social Corporate Responsibility	Performance
Economic Social Corporate Responsibility	Pearson Correlation Sig. (2-tailed) N	1 170				
Legal Social Corporate Responsibility	Pearson Correlation Sig. (2-tailed) N	.631* .000 170	1 170			
Ethical Social Corporate Responsibility	Pearson Correlation Sig. (2-tailed) N	.069 .229 170	.591* .000 170	1 170		
Philanthropic Social Corporate Responsibility	Pearson Correlation Sig. (2-tailed) N	.162* .017 170	.523* .000 170	.311* .000 170	1 170	
Performance	Pearson Correlation Sig. (2-tailed) N	.117* .001 170	.404* .000 170	.641* .000 170	-.371* .000 170	1 170

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Primary Data (2023)

From the findings in Table 4.8. there was a strong positive correlation between Ethical CSR practices and organizational performance with a correlation coefficient of .641, and a moderate positive correlation between Legal CSR practices and organizational performance with a correlation of .404 respectively. There was a weak correlation between Economic CSR practices and organizational performance with a coefficient correlation of 0.117. Finally, there was a moderate negative correlation between Philanthropic CSR practices and organizational performance with a correlation coefficient of -0.37. These results mean that the organizational performance of telecommunication companies is determined to a greater extent, by Ethical CSR practices and Legal CSR practices. Economic CSR practices had a weak correlation which means that Economic CSR practice do not have much influence on organizational performance on its own. On the other hand, Philanthropic CSR practices had a negative moderate correlation with organizational performance which means Philanthropic CSR practice do not have an influence on organizational performance on its own.

4.6 Multiple Regression Analysis

In order to understand the link between the independent and dependent variables, the study generated several linear regression models. Three tables with the findings were displayed.

4.6.1 Model Summary

The model summary was used to determine changes in the dependent variable as a result of changes in the independent variables. This study examined how changes in economic, legal, social, and philanthropic corporate social responsibilities affected performance in telecommunication companies.

Table 4. 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644 ^a	.600	.570	.618

a. Predictors: (Constant), Philanthropic CSR, Ethical CSR, Economic CSR, Legal CSR

b. Dependent Variable: Performance

Source: Primary Data (2023)

It was discovered that the adjusted R Square value was 0.570. This shows that changes in economic CSR, legal CSR, ethical CSR, and philanthropic CSR can account for the 57.0% shift in performance among telecommunication companies. Therefore, the remaining 43.0% difference in performance among telecommunication companies was caused by other factors that were not examined in this study. The relationship between the variables under study was demonstrated by the correlation coefficient, or R. A correlation coefficient value of 0.644 indicated that the variables under study were highly and positively connected, according to the findings.

4.6.2 Analysis of Variance

An analysis of variance (ANOVA) was carried out to establish the significance of the study's findings. The data were deemed appropriate for analysis if the p-value was less than the chosen significance level of 0.05, which was the chosen level of significance.

Table 4. 10: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.690	1	1.690	24.341	.000 ^b
	Residual	65.421	168	.389		
	Total	67.112	169			

a. Dependent Variable: Performance

b. Predictors: (Constant), Economic CSR, Legal CSR, Ethical CSR and Philanthropic CSR

Source: Primary Data (2022)

The ANOVA results showed an F value of 24.341 significance value associated with the F statistic, which was lower than 0.05 thereby indicating that the generated model was valid at a 95% confidence interval. The study's null hypothesis was that there wouldn't be a discernible difference in the generated model compared to an intercept-only model; as a result, the null hypothesis was rejected. The fact that there is a substantial correlation between CSR practices and the performance of telecommunication companies suggests that conclusions drawn based on the link between the variables should be regarded as valid.

4.6.3 Beta Coefficients of the Study Variables

The beta coefficients were used to illustrate the association between the variables using a model of the structure: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Where Y = Performance; β_0 = regression constant; $\beta_1, -\beta_4$ = Coefficients; X1 is Economic CSR; X2 is Legal CSR; X3 is Ethical CSR and X4 is Philanthropic CSR.

Table 4. 11: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.756	.509		7.381	<.000
Econ CSR	.282	.077	.083	6.062	.029
Legal CSR	.201	.074	.215	6.717	.005
Ethical CSR	.194	.052	.141	7.119	.003
Philanthropic CSR	.737	.061	-.099	-5.253	.001

a. Dependent Variable: Performance

Source: Primary Data (2023)

Based on the findings of the regression analysis presented in Table 4.14, the regression model became; $Y = 0.756 + 0.282X_1 + 0.201X_2 + 0.194X_3 + 0.737X_4$.

The equation above reveals that holding Economic CSR, Legal CSR, Ethical CSR, and Philanthropic CSR variables to a constant zero will significantly ($p=0.000$) influence the performance in the telecommunication companies by a constant value of 0.756.

The study found that economic CSR is statistically significant to performance in telecommunication companies ($\beta = 0.282, P = 0.029$). Economic CSR had a significant positive

relationship with performance in telecommunication companies. Therefore, increasing economic CSR by a single unit would increase performance in telecommunication companies by 0.282 units.

The study found that Legal CSR is statistically significant to performance in telecommunication companies ($\beta = 0.201$, $P = 0.005$). Legal CSR had a significant positive relationship with performance in telecommunication companies. Therefore, increasing legal CSR by a single unit would increase performance in telecommunication companies by 0.201 units.

The study found that Ethical CSR is statistically significant to performance in telecommunication companies ($\beta = 0.194$, $P = 0.003$). Ethical CSR had a significant positive relationship with performance in telecommunication companies. Therefore, increasing Ethical CSR by a single unit would increase performance in telecommunication companies by 0.194 units.

The study found that Philanthropic CSR is statistically significant to performance in telecommunication companies ($\beta = 0.737$, $P = 0.001$). Philanthropic CSR had a significant positive relationship with performance in telecommunication companies. Therefore, increasing Philanthropic CSR by a single unit would increase performance in telecommunication companies by 0.737 units.

4.7 Chapter Summary

The chapter presented the findings from the data collection, including correlation, regression, and descriptive statistics. Every variable's results, including means and standard deviations, are also presented. The outcomes and findings of the investigation are presented in tables throughout the chapter along with thorough explanations for each table.

CHAPTER FIVE

DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study's findings, conclusions, contributions, recommendations, limitations, and suggested areas for further research. Based on the study's objectives, the chapter gives a summary of the results which are to establish the effect of economic CSR practice on the performance of telecommunication firms in Kenya; to establish the effect of legal CSR practice on the performance of telecommunication firms in Kenya; to establish the effect of ethical CSR practice on the performance of telecommunication firms in Kenya, and to establish the effect of philanthropic CSR practice on the performance of telecommunication firms in Kenya. The chapter also presents the conclusions based on the findings and finally, recommendations are made.

5.2 Summary of the study

The purpose of this study was to determine performance Corporate Social Responsibility practices as a driver of performance in Kenya's telecommunications sector, with particular emphasis on these companies' responsibilities in four areas, namely economic, legal, social, philanthropic, and how these responsibilities or practices influence the performance of telecommunications sector companies. The study adopted a survey-based descriptive design. The study's sample size was 204 staff members from the telecommunication companies selected using stratified random sampling. Structured questionnaires were used to collect data which was then analyzed using descriptive and inferential statistics correlation analysis and multiple regression analysis in SPSS Version 25.0 software. The results were presented using percentages, and tabulations. The study found that economic corporate social responsibility practice had a significant positive relationship with the performance of telecommunication sector firms; legal corporate social responsibility practice had a significant positive relationship with the performance of telecommunication sector firms; social corporate social responsibility practice had a significant positive relationship with the performance of telecommunication sector firms and philanthropic corporate social responsibility had a significant negative relationship with the performance of telecommunication sector firms.

5.3 Discussion of findings

5.3.1 Economic CSR practice and Organizational Performance

The study established that telecommunication firms aim for the maximum possible shareholder returns. The findings concurred with Rutto and Langat (2016) who investigated the impact of economic corporate social responsibility practice on the corporate identity of Kenyan small and medium-sized telecommunications firms. A descriptive research design was used for the study. A structured questionnaire with open-ended and closed-ended questions was used. The study concluded that economic corporate social responsibility practice has a positive effect on the corporate identity of the telecommunications sector, as does legal responsibility.

The study revealed that telecommunication firms' principal purpose is to make as much money as possible. The findings are in agreement with the findings of Firli and Akbar (2016) who studied if economic corporate social responsibility practice can help the Indonesian telecommunications industry handle its ROA problem. The data was analyzed using panel least square with a three-year window (2012-2015). Economic CSR had a considerable effect on ROA, according to hypothesis testing. This study shows that economic CSR practice can help Indonesia's telecommunications industry handle its ROA issues. According to this study, a 1% improvement in economic CSR practice results in a 73.9 percent boost in ROA. ROA has an extremely high R Squared (95.87%) according to economic CSR practice.

The study also established that telecommunication firms reduce their operating costs since they are socially responsible. The findings are in agreement with Kavaliausk and Stancikas (2014) who investigated the importance of economic corporate social responsibility practice in Lithuania's Finance and Telecommunication Industries. The research was carried out between July 13th and July 28th, 2013. A total of 100 persons from various parts of Lithuania took part in the study. Customers choose service quality and customer happiness over social responsibility in the telecoms and financial services sectors, according to the report, however, consumers generally approve of companies' social or environmental efforts.

The finding of the study is in agreement with stakeholder theory which provides that organizations have a moral obligation to operate as socially responsible entities, even if the underlying goal of a firm is to maximize profits. A firm should strive to strike a balance between the interests of its various stakeholders to ensure that each stakeholder's interests are considered thus enhancing the performance of organizations.

5.3.2 Legal CSR practice and Organizational Performance

The study established that telecommunication firms in Kenya are well-run and attempt to follow all government rules and regulations. The findings are in agreement with Marita and Marita (2019) who investigated the impact of legal corporate social responsibilities practice on Customer Loyalty of Telecommunication Firms in Uasin Gishu County, Kenya, focusing on telecommunication firms' compliance with rules and regulations. An explanatory research design was used in the study. According to the findings of the study, legal CSR initiatives have a positive impact on customer loyalty. According to the findings of the study, ethical responsibilities have a positive effect on customer loyalty. As a result, it was determined that mobile firms providing telecommunication services with higher levels of legal CSR initiatives are more likely to increase customer loyalty to their products and adhere to rules and regulations.

The study also found that telecommunication firms follow all government rules and regulations, even if it is costly to them, and operate strictly within society's legal framework. The findings are in agreement with Akhigbe and Olokoyo (2019) investigated legal corporate social responsibility practices and brand loyalty in the Nigerian telecommunications industry. 386 questionnaires were distributed to clients of Nigeria's four main mobile phone companies in order to collect data. The formulated hypothesis was tested using simple linear regression. The hypothesis testing revealed that there is no substantial association between legal corporate social responsibility and brand loyalty in the Nigerian telecommunications sector. On the other hand, the study found that firms in the telco industry in Nigeria strictly follow government rules and regulations however costly it is to do so.

The study's findings concur with the institutional theory which is relevant in understanding the effectiveness of corporate social responsibility practice in legal governance. Institutional Theory

is critical in the development of relevant consumer protection policies, rules, and guidelines. Institutional theory can be used to explain the understanding and acceptance of various attitudes and practices in social contexts.

5.3.3 Ethical CSR practice and Organizational Performance

The study established that telecommunication firms are socially responsible and always do what is right, fair, and just. The findings are in agreement with Öztürk and Marşap (2018) who conducted research on social corporate social responsibility reporting in the telecommunications industry, focusing on the United States, the United Kingdom, and Turkey. A sample was created for this purpose by combining the world's two major telecommunications companies with Turkey's largest telecommunications company within the structure of some constraints. According to this study, community participation and environmental reporting are the key issues that these telecommunications companies focus on regarding social corporate social responsibility reporting.

The study also found that telecommunication firms remember that the ends don't always justify the means; and that it is critical to act in accordance with societal and ethical expectations. These findings are in agreement with Hsu (2019), who studied the effect of corporate social responsibility on the business image, customer happiness, and customer loyalty in the telecommunications sector. A questionnaire was utilized to collect the data, and regression analysis was employed to assess the hypotheses. The findings demonstrate how ethical CSR practice benefits corporate reputation, client happiness, and brand loyalty in the telecommunications sector.

Finally, the study established that telecommunication firms consider compliance with societal conventions, norms, and unwritten rules as a useful indicator of performance, and the companies encourage Whistleblowing at all levels of the organization. These findings are in agreement with Al-Abdallah and Ahmed (2019) that looked into how CSR affected customer loyalty in the Qatari telecommunications industry. The study used a descriptive-analytical technique, a quantitative research approach, and a survey strategy to achieve this. 476 filtered and screened questionnaires that were individually submitted were examined using SPSS software. Ethical CSR activities as

essential to the operating organizations were revealed by the study. In addition, their responses to the questionnaire indicated that they were aware of these activities, and as a result, ethical CSR activities were found to have a positive direct significant impact on customer loyalty and performance.

The study's findings concur with institutional theory which is relevant in understanding the effectiveness of social corporate social responsibility practice in economic governance. Institutional Theory is critical in the development of relevant consumer protection policies, rules, and guidelines. Institutional theory can be used to explain the understanding and acceptance of various attitudes and practices in social contexts.

5.3.4 Philanthropic CSR Practice and Organizational Performance

Philanthropic CSR practices had a negative moderate correlation with organizational performance which means Philanthropic CSR practices do not have an influence on organizational performance on their own. The study established that telecommunication firms keep an eye on emerging prospects that will assist them to solve social concerns and are socially responsible and aims to improve the surrounding communities. These findings are in agreement with Mwanja et al. (2018) which investigated the impact of corporate social responsibility on company performance among companies listed on the Nairobi Securities Exchange. The study's design was document analysis and a historical study approach. This study's design was appropriate because it required gathering and analyzing secondary data that was obtained over the course of the previous five years, from 2010 to 2014. The outcome indicates that the variations in the EBIT of companies listed on the Kenyan stock exchange (NSE) can be attributed to philanthropic CSR, environmental CSR, and charitable CSR practices.

The study also established that telecommunication firms aggressively promote volunteerism and philanthropic activities in the community, and volunteer for projects that improve a community's 'quality of life. These findings are in agreement with Nathaniel (2017) that looked into the Ghanaian telecommunications industry's use of CSR as a positioning tool. The study used a sample of the University of Ghana students who use telecommunications services. A non-probability

quantitative survey using questionnaires was used in the investigation. The study's main findings were that respondents believed network providers were promoting volunteerism and philanthropic practices as a positioning strategy.

Finally, the study found telecommunication firms consider Philanthropic actions as a useful indicator of their success. These findings are in agreement with Khan and Majid (2019) that investigated the impact of corporate social responsibility on profitability and market share: the case of the Pakistani cement industry. According to the idea of sustainable growth, corporate organizations should not just employ survey techniques to get information on the Pakistani cement sector through questionnaires. Environmental duties, customer responsibilities, philanthropic responsibilities, and legal responsibilities are the four categories into which CSR was subdivided. According to the study's conclusions, philanthropic CSR and profitability and market share are significantly correlated.

5.4 Conclusions

The study sought to examine the effect of corporate social responsibility practices on the performance of selected telecommunication sector companies in Kenya. The study found that economic social corporate responsibility practice is statistically significant to performance among telecommunication firms in Kenya. The study further found that economic social corporate responsibility practices had a significant positive relationship with the performance of telecommunication companies in Kenya. Therefore, based on the findings of the study, the study concluded that increasing economic social corporate responsibility practice by a single unit would lead to an increase in the performance of the telecommunication firms in Kenya.

The study examined the effects of legal corporate social responsibility practice on the performance of telecommunication firms in Kenya. The study found that legal corporate social responsibility practice is statistically significant to the performance of telecommunication firms in Kenya. The study further established that legal corporate social responsibility practice had a significant positive relationship with the performance of telecommunication firms in Kenya. From the findings, the study concluded that increasing legal social corporate responsibility practice by a single unit would lead to an increase in the performance of telecommunication firms in Kenya.

The study sought to determine the effect of social corporate responsibility practice on the performance of telecommunication firms in Kenya. The study found that social corporate responsibility practice is statistically significant to the performance of telecommunication firms in Kenya. The study also established that social corporate responsibility practice had a significant positive relationship with the performance of telecommunication firms in Kenya. From the findings, the study concluded that increasing social corporate responsibility practice by a single unit would lead to an increase in the performance of telecommunication firms in Kenya.

Finally, the study sought to determine the effect of philanthropic corporate social responsibility practice on the performance of telecommunication firms in Kenya. The study found that philanthropic corporate social responsibility is statistically significant to the performance of telecommunication firms in Kenya. It was further established that philanthropic corporate social responsibility practice had a significant negative relationship with the performance of telecommunication firms in Kenya. Therefore, based on the findings, the study concludes that increasing philanthropic corporate social responsibility practice by a single unit would lead to a decrease in the performance of the telecommunication firms in Kenya.

5.5 Implications of Research

Depending on their needs, different stakeholders may use the study's findings to form different opinions. The results of the study have an impact on theory, practice, and policy.

5.5.1 Contribution to Knowledge

The study specifically viewed CSR practices using economic CSR practices, legal CSR practices, ethical CSR practices, and philanthropic CSR practices while organizational performance using sales growth, reputation, product recognition, dominance in the local community, and brand name. In both instances, the study results showed statistically significant relationships with Ethical CSR practices, Legal CSR practices, and Economic CSR practices with Ethical CSR practices being higher than legal and economic CSR practices. Reference to stakeholder theory provided insights into linking CSR practices to the Organizational performance of telecommunication sector companies while noting that companies that invest in CSR practices often realize increased sales

growth, reputation, product recognition, and dominance in the local community. Based on the findings, scholars will use it as a basis for further studies to expand the body of knowledge. The study builds into stakeholder theory.

5.5.2 Contribution to Management

The study findings suggest that telecommunication companies in Kenya that need to succeed in this dynamic sector must adopt CSR practices that assure them of improved organizational performance and success. Specifically, they should consider adopting Ethical, Legal, and Economic CSR practices for the delivery of outstanding services and performance. Based on the findings legal and economic CSR practices recommends that organizations need to continuously monitor the external environment and adapt to changes. Further, telecommunication companies need to identify the relevant CSR practices that encourage the ease of product recognition and reputation. All these will assure telecommunication companies of improved organizational performance. The management should also connect the SDGs and national aspirations for sustainable development to CSR plans. It is possible to facilitate the coordination of CSR practices, thereby accomplishing critical SDGs. It is essential that the results of CSR practices be evaluated both subjectively and statistically in order to establish KPIs and determine the social return on investment. This would make CSR efforts transparent and make monitoring and evaluation easier. Thus, CSR initiatives could be improved.

5.5.3 Contribution to Policy

The provision of improved communication for people and organizations is greatly facilitated by telecommunications firms, particularly mobile telephony providers. Telecommunication firms are also a source of employment for the Kenyan population. This makes the nature of services offered, the scope of operations, and performance a matter of policy concern. Additionally, with mobile telephony services being identified as one of the priority sectors, the Communication Authority of Kenya and the Ministry of ICT focus will assure the country of unquestionable services. Based on the findings of this study, employees in the telecommunication sector entities value teamwork, learning, and getting involved in order to create change in terms of innovation, the Ministry of ICT

and Communication Authority of Kenya can intervene with policies that encourage and provide resources for learning and innovation.

Based on the findings of this study, deliberate policy measures aimed at engaging in CSR practices will enhance the organizational performance of telecommunication companies. The policymakers within the sector can offer support in passing laws that allow telecommunication companies to be involved in CSR practices. For CSR activities to have a lasting impact, policymakers must prioritize institutionalizing them. A national CSR policy that includes distinct legislative, institutional, and resource allocation frameworks must be created and made public announcement to the private sector. This is crucial for coordinating CSR initiatives with any nation's vision for sustainable development.

5.6 Suggestions for Further Studies

There are some restrictions that offer fascinating potential for future studies. The current study is carried out utilizing a convenient sample of 204 CSR representatives. Since all of the respondents are based in Nairobi, Kenya's commercial center. It is appropriate to use caution when extrapolating the results due to the convenient sample. Future studies could think about using a random and cross-sectional sample of respondents for increased generalizability as CSR practices expand in Kenya. Future studies could try to assess the connection between CSR practices and corporate performance generally to contribute to the discussion on the CSR practices-Performance Nexus.

The study also suggests using various research designs, particularly qualitative research, to conduct research because components of CSR practices need to be tracked over time because they might be impacted by events like a change in organizational leadership.

The study also suggests that telecommunication firms help employees learn and receive training so they can adjust to new policies, plans, and changes that have a direct impact on organizational performance. Telecommunications firms should also make sure that CSR practices are in line with the objectives, plans, and guidelines of the organization.

This study used Carol's CSR Model which includes economic, legal, social, and philanthropic responsibilities as the link between CSR and the performance of telecommunication firms. Future studies should therefore consider other variables or moderators in this relationship to determine how CSR produces results in the new contexts.

5.7 Study limitations

There are some restrictions that offer fascinating potential for future study. Given that CSR initiatives in Kenya are still in their infancy, the current study's 204 employees from top mobile telecommunications firms served as a convenient sample. All the responders are based in Nairobi, Kenya's capital city. It is appropriate to use caution when extrapolating the results due to the convenient sample. Future studies could think of using a random and cross-sectional sample of respondents for better generalizability as CSR practices in Kenya expand. Future studies could try to assess the connection between CSR activities and corporate performance generally to contribute to the discussion on the CSR Practices - Organizational Performance Nexus.

The study was also limited by the measurement of organizational performance to five metrics; sales growth, reputation, product recognition, dominance in the local community and brand name. There are other measures of organizational performance such as profitability which has been adopted by other scholars.



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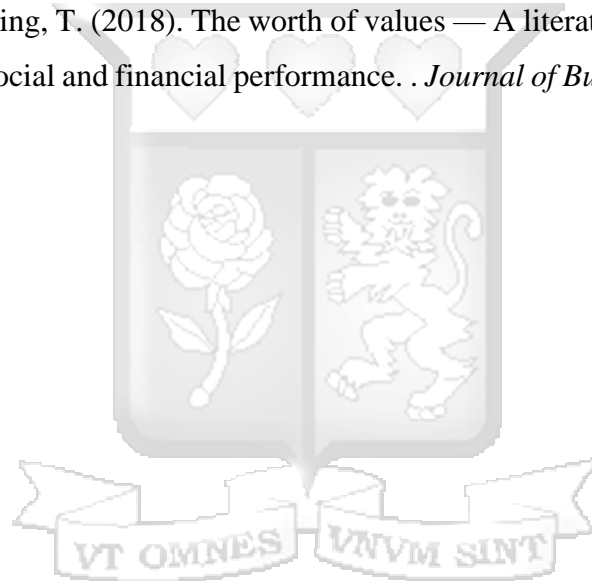
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APPENDIX

APPENDIX 1: Letter to the Respondents

Lydia Mutheu Mwanja
Strathmore University,
Strathmore Business School
P.O. Box 59857 – 00200,
Nairobi.

Dear Respondent,

RE: REQUEST FOR RESEARCH DATA COLLECTION

I am a Strathmore University Master of Commerce final year student. My area of specialization is International Business Management (IBM), and I am currently conducting research on **Performance Corporate Social Responsibility as a Driver of Performance: Evidence from Kenyan Telecommunications Sector Companies.** This research counts toward the completion of my Master's Degree.

I respectfully request your participation in this study. I assure you that all information shared in this research was kept strictly confidential and used only for the purposes of this research only.

I respectfully request that you do not write your name in the questionnaire to ensure strict confidentiality. Your participation and assistance in this study was greatly appreciated.

Thank you very much,



Lydia Mutheu Mwanja

APPENDIX 2: Participants Informed Consent

PARTICIPANT INFORMATION AND CONSENT FORM FRAUD MANAGEMENT POLICIES AS A TOOL FOR FRAUD DETECTION AND PREVENTION AMONG KENYAN COUNTY GOVERNMENTS

SECTION 1: INFORMATION SHEET

Investigator: Lydia Mutheu Mwanja

Institutional affiliation: Strathmore Business School (SBS)

SECTION 2: INFORMATION SHEET – THE STUDY

2.1: Why is this study being carried out?

The study is being carried out in partial fulfillment of the requirements for the degree of Master of Commerce at Strathmore University.

2.2: Do I have to take part?

No. Taking part in this study is entirely optional and the decision rests only with you. If you decide to take part, you will be asked to complete a questionnaire to get information on the specific inquiries. If you are not able to answer all the questions successfully the first time, you may be asked to sit through another informational session after which you may be asked to answer the questions a second time. You are free to decline to take part in the study from this study at any time without giving any reasons.

2.3: Who is eligible to take part in this study? The study targeted 204 respondents from the 3 leading telecommunication firms in Kenya.

2.4: Who is not eligible to take part in this study?

Anyone who's not falling in the category highlighted in section 2.3 above.

2.5: What will taking part in this study involve for me?

You will be approached by the investigator (me) Lydia Mutheu Mwanja and requested to take part in the study. If you are satisfied that you fully understand the goals behind this study, you will be

asked to sign the informed consent form (this form) and then taken through a questionnaire to complete.

2.6: Are there any risks or dangers in taking part in this study?

There are no risks in taking part in this study. All the information you provide will be treated as confidential and will not be used in any way without your express permission.

2.7: Are there any benefits of taking part in this study?

The information will be used to improve performance within your organization.

2.8: What will happen to me if I refuse to take part in this study?

Participation in this study is entirely voluntary. Even if you decide to take part at first but later change your mind, you are free to withdraw at any time without explanation.

2.9: Who will have access to my information during this research? All research records will be stored in securely locked cabinets. That information may be transcribed into our database, but this will be sufficiently encrypted, and password protected. Only the people who are closely concerned with this study will have access to your information. All your information will be kept confidential.

2.10: Whom can I contact in case I have further questions?

You can contact me, Lydia Mutheu Mwanja at SBS, or by e-mail at lydia.mwanja@strathmore.edu or by phone +254 728 871 588. You can also contact my supervisor, Dr. Stella Nyongesa at the Strathmore Business School, Nairobi, or by e-mail at snyongesa@strathmore.edu

If you want to ask someone independent anything about this research, please contact:

The Secretary–Strathmore University Institutional Ethics Review Board, P. O. BOX 59857, 00200, Nairobi, email ethicsreview@strathmore.edu Tel number: +254 703 034 375

I, _____, have had the study explained to me. I have understood all that I have read and have had explained to me and had my questions answered satisfactorily. I understand that I can change my mind at any stage.

Please tick the boxes that apply to you.

Participation in the research study

I AGREE to take part in this research

I DO NOT AGREE to take part in this research **Storage of information on the completed questionnaire**

I AGREE to have my completed questionnaire stored for future data analysis

I DO NOT AGREE to have my completed questionnaire stored for future data analysis

Participant's Signature:

_____ **Date:** ____/____/____

DD / MM / YEAR

Participant's Name:

_____ **Time:** ____ / ____

(Please print name) HR / MN

I, _____ (Name of person taking consent) certify that I have followed the SOP for this study and have explained the study information to the study participant named above, and that s/he has understood the nature and the purpose of the study and consents to the participation in the study. S/he has been given the opportunity to ask questions which have been answered satisfactorily.

Investigator's Signature:



_____ **Date:** 05 / 05 / 2022

DD / MM / YEAR Investigator's Name:

LYDIA MUTHEU MWANIA

_____ **Time:** ____ / ____

(Please print name) HR / MN

APPENDIX 3: Questionnaire

Dear respondent,

This research questionnaire sought to establish performance corporate social responsibility as a driver of performance, Evidence from Kenya’s Telecommunication Sector Companies. The study is strictly for academic purposes.

Please Tick and fill where appropriate

SECTION A: DEMOGRAPHIC PROFILE OF RESPONDENTS

1. Please indicate your gender

Male []

Female []

2. Please select the age bracket you belong to

20 - 29 []

30 - 39 []

40 - 49 []

50 and above []

3. Please state your highest level of education

PhD []

Masters Degree []

Undergraduate Degree []

Diploma []

Other

4. Please indicate your current position in the organization



- Senior Manager []
- Middle level Manager []
- Supervisor []
- Other

5. Please indicate the number of years of working experience

- 1 - 5 []
- 6 – 10 []
- 11 - 15 []
- Over 15 []

SECTION B: ECONOMIC CSR PRACTICES

This section assesses the extent to which your company is involved in Economic CSR practices. Please indicate your level of agreement with the statements below where (1) – Strongly Disagree, (2) – Disagree, (3) – Neutral, (4) – Agree, (5) – Strongly Agree

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
6. Our company’s principal purpose is to make as much money as possible.					
7. Our Company tries to reduce our operating costs since we are socially responsible.					

8. Our Company aims for the maximum possible shareholder returns.					
9. Solving societal problems does not divert our company's attention away from our economic functions.					
10. Our company pursues those opportunities which will enhance earnings per share.					
11. Meeting the profitability target is a good indicator of performance.					

LEGAL CSR PRACTICES

This section assesses the extent to which your company is involved in Legal CSR practices. Please indicate your level of agreement with the statements below where (1) – **Strongly Disagree**, (2) – **Disagree**, (3) – **Neutral**, (4) – **Agree**, (5) – **Strongly Agree**

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
12. Our company is well run and attempts to follow all government rules and regulations.					
13. Our Company operates strictly within society's legal framework.					

14. Our Company finds it advantageous to break certain rules and regulations on occasion.					
15. Our company follows all government rules and regulations, even if it is costly to them.					
16. Our company does not ignore contract safety violations in order to complete a project.					
17. Our company views compliance with the law as a useful indicator of performance.					

ETHICAL CSR PRACTICES

This section assesses the extent to which your company is involved in Ethical CSR practices. Please indicate your level of agreement with the statements below where **(1) – Strongly Disagree, (2) – Disagree, (3) – Neutral, (4) – Agree, (5) – Strongly Agree**

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
18. Our company is socially responsible and always do what is right, fair, and just.					
19. Our company believes that It is critical to act in accordance with societal and ethical expectations.					

20. In our company, we remember that the ends don't always justify the means.					
21. Our company does not make promises that are not meant to be kept while acquiring new business.					
22. Our company considers compliance with societal conventions, norms, and unwritten rules as a useful indicator of performance.					
23. Our company encourages Whistleblowing at all levels of the organization					

PHILANTHROPIC CSR PRACTICES

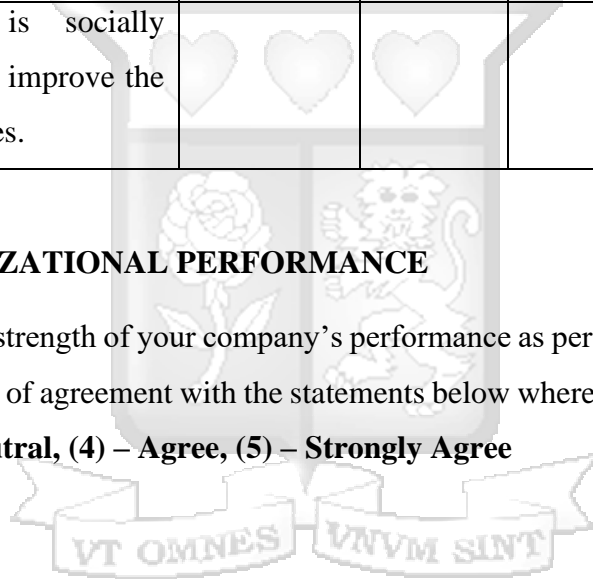
This section assesses the extent to which your company is involved in Philanthropic CSR practices. Please indicate your level of agreement with the statements below where (1) – Strongly Disagree, (2) – Disagree, (3) – Neutral, (4) – Agree, (5) – Strongly Agree

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
24. Our Company gives back to the communities.					
25. Our company volunteer for projects that improve a community's 'quality of life.'					

26. Our company considers Philanthropic actions as a useful indicator of our success.					
27. Our organization aggressively promotes volunteerism and philanthropic activities in the community.					
28. Our organization keeps an eye on emerging prospects that will assist it to solve social concerns.					
29. Our Company is socially responsible and aims to improve the surrounding communities.					

SECTION C: ORGANIZATIONAL PERFORMANCE

This section assesses the strength of your company’s performance as perceived by the community. Please indicate your level of agreement with the statements below where (1) – Strongly Disagree, (2) – Disagree, (3) – Neutral, (4) – Agree, (5) – Strongly Agree



	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
30. Our organization’s sales are greatly high in the local community.					
31. In the local community, our organization has a good reputation.					
32. Our organization’s products are easily recognized in the community.					

33. Our organization is widely regarded as the industry's dominant player in the local community.					
34. Compared to the competitors, our organization's brand is easily recommended in the community.					
35. The local community generally views our organization's brand favorably.					

Thank you for taking the time to complete this survey



APPENDIX 4: List of Participating Organizations

No.	Name
1	Safaricom Plc
2	Airtel Kenya Limited
3	Telcom Kenya Limited

Source: CAK, 2021



APPENDIX 5: Ethics Review Letter



3rd August 2022

Ms Mwanja Lydia,
lydia.mwanja@strathmore.edu

Dear Ms Mwanja,

RE: The role of corporate social responsibility as a driver of organizational performance

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU- master's** research proposal. Your application reference number is **SU-ISERC1447/22**. The approval period is from **3rd August 2022 to 2nd August 2023**.

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 48 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 48 hours
- v. Clearance for 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 expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-ISERC.

Prior to 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,

for: **Dr Ben Ngoye,**
Secretary; SU-ISERC

Cc: Prof Fred Were,
Chairperson; SU-ISERC



APPENDIX 6: NACOSTI Research Permit


REPUBLIC OF KENYA


NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **670849** Date of Issue: **22/July/2022**

RESEARCH LICENSE



This is to Certify that Ms. Lydia Muthu mwania of Strathmore University, has been licensed to conduct research in Nairobi on the topic: The Role of corporate social responsibility as a driver of organizational performance: Evidence from Kenya's Telecommunication sector companies for the period ending : 22/July/2023.

License No: **NACOSTI/P/22/19092**

670849
Applicant Identification Number

Walter Mwangi
Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



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