

## **SECURITY AND WEALTH AS DETERMINANTS OF ACTUALIZATION OF THE SOCIAL BOTTOM LINE AMONG SELECTED LISTED FIRMS IN KENYA**

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## **ABSTRACT**

This study intended to analyze Security and Wealth as factors determining actualization of the Social Bottom line among selected listed firms in Kenya. This formed the general objective of the study. In the background of the study the researcher acknowledges that in Kenya, there are no set standards on the manner in which firms compensate the communities within which they operate. Currently, sustainable business practices are voluntary for firms, many of which operate at the expense of the immediate communities and environment around them. This has been made clear by the well-publicized confrontations between several mining firms and the communities they operate within. Also, insufficient research, if any, has been done within the country to analyze the importance of triple bottom line reporting to firms and in particular, the Social bottom line. This has posed a research gap in this field. Descriptive research design and quantitative analysis were used in the study. Descriptive research design was chosen as the researcher wished to ascertain and describe the characteristics of variables in a situation. It also enabled the researcher to generalize the findings to a larger population and it aimed at describing the influence of the independent variables on actualization of the social bottom line. The study population was 448 individuals (middle level managers) from the 64 listed firms in Kenya. Using the recommended formula to calculate a desired sample size

when the population is less than 10,000, the sample size for the study came to a total of 208 middle level managers from within the listed firms in Kenya. Simple random sampling technique was used to select the sample. Data was collected by use of self-administered questionnaires. Descriptive statistics including means, standard deviation and frequency distribution were used to analyze the data. In addition, the study used multiple regression analysis to assess the influence of the independent variables on the dependent variable. The study found that security and wealth & income are important factors in explaining the actualization of social bottom-line in organizations. Security had a positive coefficient in the regression model when used as a factor determining actualization of social bottom line ( $\beta_1 = .1802$ ) and has a t-statistic of 2.907 which is significant at 5% significant level. Wealth & income had a positive coefficient in the regression model ( $\beta_2 = .4427$ ) and had a t-statistic of 2.820 which is significant at 5% significant level. The study recommends that in order for the listed firms to actualize the social bottom line, there is need to uphold peace, engage in education improvement, get involved in empowerment of women and have greater regard for social justice and intergenerational equity.

**Keywords:** Security, Wealth and Actualization of the Social Bottom Line.

## **INTRODUCTION**

Actualization of the Social Bottom Line (SBL) refers to realizing in action or making real the SBL. The SBL, also known as the 'people account', is one of three parts of the Triple Bottom Line which pertains to fair and beneficial business practices toward labour and the community and region in which a corporation conducts its business. It is a measure in some shape or form of how socially responsible an organization has been throughout its operations (Elkington, 1994; Savitz, 2005).

The Triple bottom line (TBL) was designed by John Elkington in 1994 and is an accounting framework with three parts: social, environmental (or ecological) and financial. These three divisions are also called the three Ps: people, planet and profit, or the "three pillars of sustainability", sometimes also referred to as The Three E's (Equity, Environment, and Economics). Interest in triple bottom line accounting has been growing in both for-profit, nonprofit and government sectors. Many organizations have adopted the TBL framework to evaluate their performance in a broader context (Slapper & Hall, 2011; United Nations General Assembly, 1987).

In this regard a TBL business that attempts to actualize the Social bottom line would not use child labour and would monitor all contracted companies for child labour exploitation, would pay fair salaries to its workers, would maintain a safe work environment and tolerable working hours, and would not otherwise exploit a community or its labour force (Boccone, 2010). A TBL business also typically seeks to "give back" by contributing to the strength and growth of its community with such things as health care and education (Kimball, 2015).

### **Statement of the Problem**

Currently, apart from India, sustainable business practices are voluntary for firms worldwide, many of which, operate at the expense of the immediate communities and environment around them (Business Standard, 2014). Further information from an official at the Ministry of Environment, Water and Natural Resources, Kenya, shows that as much as consultations between the firms, communities and government are encouraged to discuss and agree upon compensation to the community, there are no set standards on the manner in which firms will compensate the communities within which they operate. This has been elaborated by the well-publicized confrontations between several mining firms, including Tullow Oil, Tiomin Kenya and Fenxi Industry Mining Group, and the communities they operate within as depicted in studies by Ng'asike (2013) and Jenje (2014). Depending on the findings of the study recommendations will be made on whether to introduce clear legislation governing the manner in which such firms will relate with the communities they operate in.

As it stands, insufficient research, if any, has been done in Kenya to analyze the importance of TBL reporting to firms in the country, and in particular, the Social bottom line. This has posed a research gap in this crucial field and hence the researcher's motivation to shed some light in this area. Adequate research and determination of the key factors that determine actualization of the SBL that would allow firms in Kenya to 'behave' in a socially responsible manner would

be significant due to the benefits it will impose on the communities within which the businesses operate once businesses become socially responsible. It would allow communities to draw significantly more value from the firms operating within them as opposed to the firms operating at the expense of the communities. It will greatly serve to uplift the well being of the communities within which the businesses operate.

### **Purpose of the Study**

The purpose of the study was to analyze security and wealth as factors determining actualization the Social Bottom line among selected listed firms in Kenya.

### **Objectives**

- i. To analyze Security as a factor determining actualization of the Social bottom line among listed firms in Kenya.
- ii. To analyze Wealth & Income as a factor determining actualization of the Social bottom line among listed firms in Kenya.

### **Justification of the Study**

Actualization of the social bottom line (SBL) is seen, in the management literature, as an integral part of organizations strategy. SBL is generally used to describe the complex and multi-faceted relationship between business and society, and the accountability of business and business activity in terms of social and environmental impact. The extant literature has investigated the effect of SBL on firms' financial performance. The results of these studies are mixed, with some reporting a positive relationship, some a negative relationship and others no relationship.

However, most of the studies have been done in developed countries. The literature may not be complete if the theories are drawn from data and results derived from developed countries and applied directly to African countries. The reason for this incompleteness is that Africa has unique contextual issues that may not apply in developed countries. Most importantly, Africa seems to accumulate major environmental, economic, and social problems, in comparison to developed countries. Environmental concerns that seem to play an important role in Africa include climate change, pollution, deforestation and desertification. Africa is also characterized by economic and social problems, particularly poverty, violations of human rights, health challenges, insecurity, poverty, weak institutional frameworks, corruption, conflict, and a lack of government support in addressing environmental, social and economic problems. Indeed, actualization of SBL in Africa has been found to have different manifestations, as compared to developed countries. This therefore justified the current study to analyze the key factors determining actualization the Social Bottom line among listed firms in Kenya.

### **Theoretical Review**

#### **Utilitarianism**

Utilitarianism is a theory in normative ethics holding that the moral action is the one that maximizes utility (Bentham, 1776). He defines utility may be defined in various ways,

including as pleasure, economic well-being and the lack of suffering. He also holds that Utilitarianism is a form of consequentialism, which implies that the consequences of an action are of moral importance. According to Utilitarianism the moral worth of an action is determined only by its resulting outcome (Bentham, 1776). The theory of Utilitarianism will impact highly on Wealth & Income and Security, and will be of significance to the study as it upholds economic well-being and the lack of suffering. This is fundamental towards actualizing the social bottom line.

### **Stakeholder Theory**

According to Freeman (1994), the stakeholder theory is a theory of organizational management and business ethics that addresses morals and values in managing an organization. The stakeholder concept was originally defined as including those groups without whose support the organization would cease to exist. The Stakeholder theory argues that there are other parties involved, including employees, customers, suppliers, financiers, communities, governmental bodies, political groups, trade associations, and trade unions. The interests of all stakeholders are of intrinsic value (Donaldson & Preston, 1995). The Stakeholder theory will impact highly on Security, Wealth & Income, and will be of significance to the study as it acknowledges the community as a stakeholder of a company and which a company is obligated to care for. This is fundamental towards actualizing the social bottom line.

### **Empirical Review**

Studies have been conducted worldwide in the area of the social bottom line and its determining factors. A number of these include: Ekwueme, Egbunike & Onyali (2013), Dutta (2011), Brown, Dillard & Marshall (2006), Blanchard, D. (2012), Porter and Kramer (2011), Norman and MacDonald (2004), McEntyre (2003), Fauzi, Svensson and Rahman (2010), Jackson, Boswell and Davis (2011), Miller, Buys & Summerville (2007).

A study carried out by Ekwueme, Egbunike & Onyali (2013) on Benefits of Triple Bottom Line Disclosures on Corporate Performance shows that advocates of CSR argue that transparency and accountability are essential components of a successful sustainability strategy. In this context, sustainability reporting is one such tool for communicating organizational performance with respect to organizational CSR practices. They noted that with the current breakdown of confidence in financial reporting, large companies are facing increasing demands and expectations from stakeholders and are being held more accountable for their performance and actions. The TBL approach is a proactive step in providing shareholders with increased transparency and a broader framework for decision making. It is a great way for companies to disclose meaningful non-financial results’.

A study by Dutta (2011) on Triple Bottom Line Reporting: an innovative accounting initiative noted that to cope up with the globalized challenges, corporates all around the globe want to consider applying a corporate sustainability plan by addressing their “Triple Bottom Line Reporting” which includes paying close attention to their economic (financial factors), environmental (risk and requirement factors) and social (human factors) issue. They also noted that if managers are held accountable for the social and environmental impact of their decisions

through external reporting of results in these areas, thus they will of necessity more fully incorporate them into their decision processes. Thus, identifying possible trade-offs between disclosure of social, environmental and economic activities encourage managers to more fully incorporate sustainability practices in to their corporate strategy.

### **Security & Actualization of SBL**

Security may be defined as the quality or state of being secure: as freedom from danger, freedom from fear or anxiety and upholding peace, while Peace may be defined as a state of tranquility or quiet: as freedom from civil disturbance; a state of security or order within a community provided for by law or custom (Mariam-Webster, 2015). Social disruptions like war, crime and corruption divert resources from areas of greatest human need, damage the capacity of societies to plan for the future, and generally threaten human well-being and the environment (Blewitt, 2008). Depletion of natural resources, such as fresh water, increases the likelihood of war among communities which we have seen between the Pokot, Turkana and Samburu as they compete for limited resources.

A study by Pkalya, Adan & Masinde (2003) on Conflict in Northern Kenya that focused on internally displaced conflict victims showed that one of the major causes for conflict among pastoralists in northern Kenya is competition over control and access to natural resources such as pasture and water. Hence, social justice is key towards maintaining peace and security.

According to a study by Stewart (2010) on Development and security, people may have the potential to do and be many things, yet this potential may be cut off, or people's sense of well-being may be seriously adversely affected with high levels of insecurity.

### **Wealth & Income & Actualization of SBL**

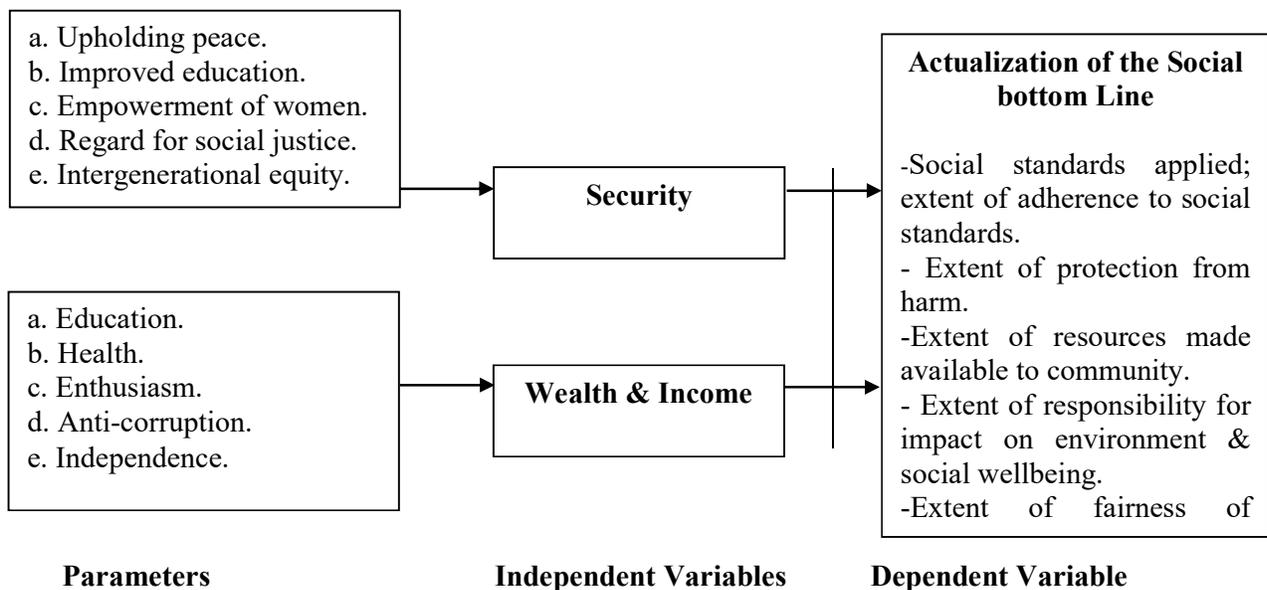
Wealth may be said to be a measure of the value of all of the assets of worth owned by a person, community, company or country, while income may be said to be the flow of cash or cash-equivalents received from work (wage or salary), capital (interest or profit), or land (rent) (Business Dictionary, 2015). Wealth & Income creation are key towards poverty reduction. Poverty is the state of human beings who are poor. That is, they have little or no material means of surviving—little or no food, shelter, clothes, healthcare, education, and other physical means of living and improving one's life. Poverty reduction is the active effort to curb this state (Sanchez, 2014).

A study by Bartle (2013) on the Factors of Poverty, it is noted that poverty as a social problem is a deeply embedded wound that permeates every dimension of culture and society. It includes sustained low levels of income for members of a community. It includes a lack of access to services like education, markets, health care, lack of decision making ability, and lack of communal facilities like water, sanitation, roads, transportation, and communications.

According to a study by Prospectors and Developers Association of Canada (2013) that focuses on Excellence in Social responsibility and Community Development, community development involves different organizations and individuals in a community working collaboratively to improve the well-being of the community. The goals of community development include:

improving the health and prosperity of the community as a whole; creating equitable conditions and outcomes for health and well-being; fostering sustainable community initiatives; fostering sustainable self-sufficiency for the people involved; increasing personal worth, dignity, and value; and building awareness of and resolving issues in the community. important for explorers as areas of focus for their community development initiatives. Issues such as sustainable development, human rights, poverty alleviation and security are increasingly interlinked.

A business should actively and proactively uphold and engage in alleviation of poverty within the community in which it operates through education (ignorance reduction), health (disease eradication), enthusiasm (apathy reduction), anti-corruption (corruption eradication) and promoting independence (dependence reduction), in turn upholding the social dimension of the triple bottom line.



## RESEARCH METHODOLOGY

### Research Design

Descriptive research design enabled the researcher to generalize the findings to a larger population and it aimed at analyzing the factors determining actualization of the social bottom line. According to Saunders (2003), a quantitative approach is strongly linked to deductive testing of theories through hypotheses, while a qualitative approach to research is generally concerned with inductive testing. The main focus of the study was quantitative.

### Target Population

Management Levels	Frequency	No. of Firms	Total
Middle level managers	7	64	448
Total	7	64	448

The target population was a total of 448 middle level managers from within the listed firms in Kenya. The Table depicts the average number of middle level managers within the firms (frequency) which in this case is 7. It also depicts the total number of listed firms in Kenya, 64, which gives a total of 448 middle level managers which in turn forms the target population.

For this study, probability sampling was used.

When the population is more than 10,000 individuals, 384 of them are recommended as the desired sample size (Mugenda & Mugenda, 1999). The study population in this study was 448 middle level managers.

Mugenda and Mugenda (1999) recommended the formula:

$$nf = \frac{n}{1 + \frac{n}{N}}$$

to be used to calculate samples size.

According to the above formula:

nf= desired sample size when the population is less than 10,000,

n= desired sample when the population is more than 10,000,

N= estimate of the population size.

Using the above formula the sample size is given by:

$$nf = \frac{384}{1 + \frac{384}{448}} = 208$$

### **Sample Size**

<b>Management Levels</b>	<b>Study Population</b>	<b>Sample size</b>
Middle level managers	448	208
Total	448	208

The sample size was a total of 208 middle level managers from within the listed firms in Kenya.

Data was collected by use of comprehensive questionnaires with the aim of bringing out the objectives of the research were passed out to relevant and knowledgeable individuals in the institutions indicated (middle management personnel).

The data collected was inspected and the completed questionnaire was edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories. The responses were tabulated accordingly. Inferential statistics and descriptive statistics including means, standard deviation and frequency distribution were used to analyze the data. In addition, the study used multiple regression analysis to assess the influence of the independent variables on the dependent variable. The Security and Wealth as factors determining actualization of the SBL can be expressed in the following function:

$y = f(X_1, X_2, \varepsilon)$

From the above we can derive the research model as:

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Whereby:

y = Actualization of the Social Bottom Line (extent of adherence to social standards).

$\beta_0$  = constant

$\beta_1, \beta_2$ , = coefficients of the factors determining actualization of the social bottom line.

$X_1$  = Security.

$X_2$  = Wealth & Income.

$\varepsilon$  = Error term

## RESULTS AND FINDINGS

A total of 208 questionnaires were administered to the middle level managers in the selected firms of which 106 responded. This represented 51% of the total sample population, while 102 managers did not respond represented by 49%. This response rate was adequate according to Mugenda and Mugenda (2003) in which they assert that a 50% response rate is adequate, 60% good and above 70% rated very well.

This was the first objective of the study, to analyze security as a factor determining the actualization of social bottom line actualization in the listed firms. To achieve this objective, the facets of security were listed and respondents were required to indicate the extent to which they determine bottom line actualization among listed firms in Kenya. The ratings were as follows: 1 - very low extent, 2 - low extent, 3- moderate extent, 4- high extent and 5 - very high extent. Mean scores were used to analyse the responses given. The study results indicate that the five facets of Security had very high extent of influence as they were all indicated by a mean of above 4.5. Moreover, the facet ‘intergenerational equity, which means fairness or interrelationships between children, youth, adult and seniors, particularly in terms of treatment and interactions, had a mean of (4.44)’ for high extent of influence.

### Security and Social Bottom Line Actualization

Facet	N	Mean
Upholding Peace	106	4.95
Improved Education	106	4.99
Political empowerment of women in Kenya	106	4.49
Greater regard for social justice	106	4.76
Intergenerational equity	106	4.44

*Source: Researcher (2015)*

### Wealth & Income

The second objective of the study was to analyze Wealth & Income as a factor determining actualization of the social bottom line among listed firms in Kenya. The study sought to fulfil this objective by listing the facets of Wealth & Income creation and the respondents were required to indicate the extent to which these facets determined actualization of social bottom line in their firms. The results indicate that there was very high extent of influence in all the statements as they all gave a mean of above 4.5.

### **Wealth & Income on Social Bottom Line Actualization**

<b>Facet</b>	<b>N</b>	<b>Mean</b>
Education	106	4.89
Health	106	4.96
Enthusiasm	106	4.51
Anti-corruption	106	5.00
Independence	106	4.86

*Source: Research (2015)*

### **Actualization of Social bottom-line**

The study sought to establish the extent to which the surveyed firms actualized social bottom-line. First, respondents were asked to indicate the extent to which they thought their firms actualized social bottom-line. The results revealed that 46% of the respondents revealed that their firms actualized social bottom line to a high extent with 10% indicating that their firms actualized social bottom line to a very high extent.

### **Extent of Firm Actualization of Social Bottom Line**

<b>Extent</b>	<b>Frequency</b>	<b>Percent</b>
Moderate extent	46	44
High extent	49	46
Very high extent	11	10
<b>Total</b>	<b>106</b>	<b>100</b>

Moreover, respondents were asked to indicate the extent to which their firms should actualize social bottom line. The results revealed that 95% (n = 75) of the respondents indicated that their firms should actualize social bottom line to a very high extent while 5% (n = 4) indicated that their firms should actualize social bottom line to a high extent.

### **Extent that Firms should Actualize Social Bottom Line**

<b>Extent</b>	<b>Frequency</b>	<b>Percent</b>
High extent	5	5
Very high extent	101	95
<b>Total</b>	<b>106</b>	<b>100</b>

Further, the researcher sought to find out the standards employed by listed firms so as to ensure that they actualize social bottom line. 89% (n=94) of the respondents indicated that their firms used in-house standards, while 11% (n=12) of the respondents indicated that their firms never used any standards. These results show that most of the listed firms surveyed employed internal policies and standards to ensure that they actualized social bottom-line. None of the firms surveyed, however, employed any internationally accredited standard to ensure that they actualized social bottom-line.

**Standards used to Actualize Social Bottom Line**

<b>Standard</b>	<b>Frequency</b>	<b>Percent</b>
None	12	11
In-house standard	94	89
Internationally accredited standard	0	0
<b>Total</b>	<b>106</b>	<b>100</b>

Additionally, the researcher sought to find from the respondents whether the actualization of social bottom line should be made mandatory and effected through legislation as opposed to being voluntary as it was at the time of the study. The results revealed that, 47% (n=50) of the respondents indicated that actualization should be made mandatory to a very high extent, 41% (n=43) indicated to a high extent, while 12% (n=13) indicated that they should be made mandatory to a moderate extent.

**Extent making Social Actualization Mandatory**

<b>Extent</b>	<b>Frequency</b>	<b>Percent</b>
Moderate extent	13	12
High extent	43	41
Very high extent	50	47
<b>Total</b>	<b>106</b>	<b>100</b>

The study further sought to investigate the point at which the respondents deemed that Security and Wealth as factors of the Social bottom line have been actualized (the point at which they would be comfortable saying the specific factor has been actualized). This provided the standard against which actualization of the factors of the SBL would be measured. The respondents indicated that ‘security (4.68)’ would be deemed to have actualized at a very high extent, while ‘wealth & income (4.05) would be deemed to have been actualized to a high extent.

**Actualization of Social Bottom Line**

<b>Factor</b>	<b>N</b>	<b>Mean</b>
Security	106	4.68
Wealth & Income	106	4.05

**Correlation Results**

Pearson correlation coefficients were established for all the variables with the findings as indicated in Table 4.15. Using Pearson correlation test, any value between 0 - 0.3 means weak correlation, 0.31 - 0.69 moderate correlation, and 0.7 and above means strong correlation. The results indicate that there was strong correlation between Wealth & Income and actualization of social bottom line with a correlation of 0.896 and security with a Pearson’s correlation of 0.798. All the variables were significant at 5% significant level as they were all indicated by a p-value less than 0.05. This indicates that having social practices such as enhancing security and wealth & income, were highly related with firms actualizing social bottom line. The correlations among the independent variables are also provided. ASBL = Actualization of social bottom-line, SEC = security, W&I = wealth and income.

**Correlation Matrix**

		ASBL	SEC	W&I
ASBL	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	106		
SEC	Pearson Correlation	.798	1	
	Sig. (2-tailed)	.003		
	N	106	106	
W&I	Pearson Correlation	.896	.661	1
	Sig. (2-tailed)	.007	.020	
	N	106	106	106
CSR	Pearson Correlation	.793	.874	.680
	Sig. (2-tailed)	.001	.023	.011
	N	106	106	106
FT	Pearson Correlation	.931	.340	.590
	Sig. (2-tailed)	.009	.018	.001
	N	106	106	106
SRI	Pearson Correlation	.744	.202	.140
	Sig. (2-tailed)	.001	.133	.141
	N	106	106	106

**Regression Results**

The regression analysis was performed with the independent variables being security and wealth & income, the dependent variable was the actualization of social bottom line in the surveyed listed firms in Kenya.

**Coefficients of Determination**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839	.704	.679	.70914

*Predictors: (Constant), security, wealth & income.*

R-squared measures the proportion of the variation in the dependent variable (y) explained by your independent variables (X) for a linear regression model. Adjusted R-squared adjusts the statistic based on the number of independent variables in the model. The standard error of the estimate is a measure of the accuracy of predictions made with a regression line.

**Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.290	3.383		.0857	.803
Security	.1802	.062	.001	2.907	.003
Wealth & Income	.4427	.157	.230	2.820	.007

*a. Dependent Variable: Actualization of social bottom line*

Standardized coefficients or beta coefficients are the estimates resulting from a regression analysis that have been standardized so that the variances of dependent and independent variables are 1. The column labelled "B" under "unstandardized coefficients" tells you how much the dependent variable goes up, on average, given that the independent variable goes up one unit. The t-test assesses whether the means of two groups are statistically different from each other.

The test of statistical significance of the independent variables in the model was done using t-tests. The regression model was as follows:  $y = \beta_0 + \beta_1 X_1 + \varepsilon$

Y in the equation is the dependent variable (actualization of the social bottom line).  $X_1$  = was security,  $X_2$  = Wealth & Income. The regression equation indicates that if organizations do not observe any of the facets, social bottom-line will be actualized at 0.290.

### **Summary, conclusion and recommendation**

#### **Summary**

##### **Security**

The findings also shows that security has a positive coefficient when used as a predictor for actualization of social bottom line ( $\beta_1 = .1802$ ) and has a t-statistic of 2.907 which is significant at 5% significant level. This showed that security is a significant predictor of actualization of social bottom line in the listed firms. The positive coefficient of the security indicated that improvement in security within the community in which a business operates would lead to increase in actualization of social bottom line. The study findings also show that, upholding peace, education improvement, and political empowerment of women greater regard for social justice and intergenerational equity determine actualization of social bottom line to a large extent.

##### **Wealth & Income**

Wealth & income had a positive coefficient in the regression model ( $\beta_2 = .4427$ ) and had a t-statistic of 2.820 which is significant at 5% significant level. The positive coefficient of Wealth & Income indicated that wealth and income creation by a business within the community in which it operates will lead to an increase in actualization of social bottom line. Hence, education (ignorance reduction), health (disease eradication), enthusiasm (apathy reduction), anti-corruption (corruption eradication) and promoting independence (dependence reduction) to a high extent determine actualization of social bottom line.

#### **Conclusions**

The main study conclusion is that there is a high correlation between all the variables under study which are Security, Wealth & Income. All the variables were statistically significant in determining actualization of social bottom-line.

Wealth & Income contributes positively to actualization of social bottom-line via businesses actively and proactively upholding and engaging in alleviation of poverty within the community in which they operate through education (ignorance reduction), health (disease eradication), enthusiasm (apathy reduction), anti-corruption (corruption eradication) and

promoting independence (dependence reduction), in turn upholding the social dimension of the triple bottom line. On security, the study concludes that businesses should actively and proactively engage in effective strategy formulation to uphold security within the community it operates.

### **Recommendations**

Businesses and government have the duty and responsibility of actively finding ways of promoting sustainable development. An organization's performance in relation to the society in which it operates and to its impact on the environment has become a critical part of measuring its overall performance and its ability to continue operating effectively. This is, in part, a reflection of the growing recognition of the need to ensure healthy ecosystems, social equity and good organizational governance.

Organizations should be subject to greater scrutiny by their various stakeholders. In this regard the Kenya Government and the country at large should vehemently impose on firms to internalize the initiative of actualizing the social bottom line. This should ideally be done in conjunction with internationally accredited standards, the most commonly used being the ISO 26000 and the GRI standards. It should be noted that in order to actualize the social bottom line certain agreed upon and acceptable standards have to be met. It is my belief that no firm can claim to actualize the SBL to a high extent without subscribing and adhering to an internationally accredited standard. It will also serve the purpose of allowing firms to be confident that they are basing their efforts on internationally endorsed approaches.

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