

CORPORATE SOCIAL RESPONSIBILITY PRACTICES AND PERFORMANCE OF SAFARICOM PUBLIC LIMITED COMPANY, KENYA

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ABSTRACT

Lobby groups including environmental conservationists have also piled pressure to most firms to ensure they behave ethically as they operate within their environments. The issue of corporate social responsibility has gained attention among scholars because organizations today are not only motivated to pursue profit objective but also ensuring that they give back to the community. The main objective of this study was to determine the effect of corporate social responsibility practices on the performance of Safaricom PLC, Kenya. The study focused on CRS practices with specific emphasis on how they influence corporate performance. The theories of this study was Social Contract Theory. This study used descriptive research design to provide description of the population. Descriptive survey design was used and both qualitative and quantitative analysis was performed. Therefore the design was sufficient in data collection, classification, analysis and interpretation. The population comprised of employees of Safaricom. The data was coded then a multiple regression analysis carried out. This study will be used as reference point for other scholars who are studying related topic. The study will also be used by corporate management team of other firms that carry out corporate social responsibility to formulate of proper CSR practices that promotes performance of

firms. The research would establish that health infrastructure development, provision of education, environmental awareness and employee focus CSR programs had a positive and significant relationship with performance of Safaricom. The study concludes further that the firm faced a range of problems implementing the CSR programs like costs, capacity, legislation and lack of direct benefit but was still running the programs. The study concluded that implementation of the CSR programs helped in enhancing corporate reputation, improving relations with suppliers, institutions, donors and community, to strengthen the sense of employees, increased operational efficiency, helped in acquisition of commercial benefits and identification of reputational risks at the firm. The study recommends that Safaricom should ensure that it engages with the public when coming up with environmental CSR programs, consider those that affect a large number of people, focus both internally and externally to ensure their clients are involved and feel the impact of the benefits.

Key Words: Corporate Social Responsibility, Performance, Health Infrastructure Development; Environmental Awareness and Employee Focus

INTRODUCTION

Organizations are open systems and this closely interacts with the surroundings to get access to resources which need to be transformed for production of goods and services for consumption. In order to compensate the community for allowing the firms to use its resources, most organizations have resorted to corporate social responsibility practices (Kathambi, Kariuki, Kariuki, Kariuki, Oluoch, Muniu, & Kyoa, 2017). According to

Sulemena, (2017), the main importance of economic responsibility is to make sure the business make profits. A company that cannot sustain competition and make profit is doomed to fall. Companies like Nonprofit organizations uses there activities to make money. The money they acquire is used back to fund business activities. Private firms cannot prosper when they have turned their profit back to the business. Some of activities by firms that are responsible of social environment are street clean up. This is done without theoretically making any one rich.

Business that operates internationally can be viewed differently using different perspectives. This operation is defined as integration of world market by some stakeholders. Politically it is referred as an attempt to deviate completely from tradition state sovereignty to more complicated form of governance that enhance management of the non-state actors by making an increment in their role. This is viewed as globalization. According to business school of thought and companies, it refers to borderless world market. This idea underlies a perspective that international business is the heart of globalization. This process has been integrated easily because government has eliminated the barriers hence increasing international activities (Onyango, 2017).

Social responsibility includes all the legal, economical responsibility of a company and society expectation. Grayson and Hodges (2017) identified that there is a link between business and society. This relationship does not treat firms' success and social welfare as zero-sum game. Although there is a lot of definition provided on social responsibility of firms towards the society, this can lead to a lot of misconceptions mainly because there is an existence a wide of factors which include ethics, economic, information technology and human domain. Different associations have defined corporate social responsibility differently. The most definite definition of this is the manner business operates to meet the public expectation, commercial and ethical expectation. Firms may view Corporate Social Responsibility as the amore discreet initiatives that are used by firms to motivate them through marking, society relation and profit making. The more comprehensive way of viewing this is as a set of policies, practices or programs that are used to integrate business operation and firms' decision making (Shamir, 2017).

Safaricom is the greatest example of International Corporation that majorly uses CSR. It possesses a set of policies that is to be used to control firm's standard and on how CSR can be integrated with the firms to control daily activities. This concept is under project activities refer to as sustainable lining plan. Safaricom have been involved in CSR initiatives, some of the initiatives include economic empowerment, disaster relief, as well as sports and water. Since Safaricom was founded, a total of 2.3 billion have been invested towards sponsorship and other human programs. In terms of economic empowerment, the firm has collaborated with different firms to support community-based programs. The main aim is to provide support to the less privileged persons. Safaricom have stated clearly that CSR practices are important for financial growth.

The company CSR strategies identified 20 economic empowerment projects as part of the corporate responsibility strategy 2012-201. Some of these projects include Northern Rangelands Trust, a community-led initiative aimed at wildlife conservation and community development in Northern Kenya (Safaricom Foundation, 2014). The other example is Bethsaida Children's Home project in Nakuru which is main objective is to provide rehabilitation to street children by providing them with small scale income. The companies have also invested heavily on education. For example the company established African Braille Centre to provide support to the visual impaired children by providing special books and teaching materials. Safaricom also provided educational and teaching materials, equipment and devices to the visually impaired children.

Statement of the Problem

The increased demand of increased accountability among shareholders and lobby groups has piled pressure on firms requiring them to behave ethically. This has resulted into increased recognition of CSR among firms. It is argued that CSR programs though costly at implementation have long term potential benefits of improving financial performance of the firm. By acting ethically, it is believed that the corporate image of the firm would improve resulting into an increased level of loyalty among customers and thus better performance. Safaricom Ltd has realized the need to invest in CSR programs in order to retain its market leader position in the telecommunication sector in Kenya. For instance, Safaricom foundation donated a dialysis machine worthy Kshs. 4 million to Nakuru Level 5 hospital that has improved health outcomes in the county (Safaricom Ltd, 2018).

In the recent years there is increase implementation of Corporate Social Responsibility programs. This increment only suggested that managers find Corporate Social Responsibility profitable. Rothenberg, Hull and Tang (2017) attempted to provide relevant information on effect of CSR on how the organization performs that the management can use to construct business strategies with an aim of maximizing. If a firm management is concerned with identifying the social responsibility initiatives, this study will be used as a point of reference to predict how firm is affected by describe strategies that the management employ to archive objectives. Visser, and Tolhurst (2017) carried out a study on the challenges that are associated with alignment of corporates with social responsibility case study of telecommunication network. Lins, Servaes and Tamayo, (2017) also studied the impact that corporate social responsibility have on the performance of cooperate firms. Similarly Chuang and Huang, (2018) also conducted a study on the perception that the firm's management have on corporate social responsibility a case study of Kenya power and lighting company.

Firms aim at practicing concept of Corporate Social Responsibility to address socio economic challenges. Safaricom is the best performing telecommunications firm in Kenya. What is the contribution of CSR in the performance of the firm? It is for this reason that the study sought to determine the effect of corporate social responsibility practices has on the performance of Safaricom PLC, Kenya.

Research Objectives

- i. To determine the effect of health infrastructure development on performance of Safaricom PLC, Kenya
- ii. To determine the effect of provision of education on performance of Safaricom PLC, Kenya
- iii. To determine the effect of environmental awareness on performance of Safaricom PLC, Kenya
- iv. To determine the effect of employee focus on performance of Safaricom PLC, Kenya

LITERATURE REVIEW

Social Contract Theory

The model was formulated by Donaldson and Dunfee (1999). The basis of formulation of the theory was to improve the decision-making ability of managers in contexts demanding business ethics. The theory suggests that a business enterprise need to behave in a responsible manner so as to gain commercial interests. It is the expectations of the society that any business will behave ethically. There exist diverse and different types of contracts in any society. These contracts are social in nature as perceived by members of the society and the entire community (Cooper 2017). This suggests that business managers ought to make ethical decisions at all times.

This theory has two stands which are ethical and political perspectives. Both of them are widely used in management science (Nyongesa 2017). Theory has classically evolved over a period of time when people saw the need to secure their lives and security. Nyongesa (2017) indicated that this theory was founded from ethical attempt to reorganize the society by constructing businesses to society based on the ethical principles. The implementation of this theory is adopting CSR as a corporation policy and creation of social programs by corporative ethical obligations. When corporative live by the societies expectations there can be violation of fundamental human rights. The need to respect the social contract has attracted the concentration of the United Nations (Cooper 2017). This theory provides the basic of how corporation policy and social programs affects the preformation of firms therefore this theory is relevant to the study as it provide information on the ethical and policy requirement for business. The theory indicates that firms have a contract with the society in which they operate in. They therefore have a moral authority to behave ethically and improve the welfare of the society both internally and externally.

Empirical Literature Review

Health infrastructure development and Performance

Corporate social responsibility programs indicates how corporation are paying their staffs health care and for the community living around the firm. Firms offers amount of money to health care institution that exist around there environment, they basically target needy people in the society. Employees of Safaricom enjoy medical facility which is generally offered to them by their employer. Whenever the health of staffs is catered for their productivity increases. This network can also be a major contributor to healthy society. It is therefore important for organization to create this kind of network(Yakovleva, 2017).

Karanja and Wagana, (2017) also conducted a study to explain the link between social responsibility and performance of Kenya financial institution. The study deployed census in narrowing to a specific population. The population consisted of top managers of various banks in Kenya. To collect the data required to determine the specific objective. The study used structured questionnaires. The finding indicated that social expenditure has positive significance on performance of commercial banks.

Provision of Education and Performance

Corporate social responsibility programs indicate how corporation are educating their staffs and the people around them. In recent time staff education is important to the success of firms (Yakovleva, 2017). According to the study conducted on the relationship that exists between CSR and performance of firm by AitSidhoum, and Serra, (2018). The study compared the financial performance of different social environment in banking sector. To assess the relationship the researcher used corporate performance index. This was attained by using structured questionnaire. The study then separated the firms into two categories. After which a t-test was conducted to assess whether there is a link between the two categories with respect to ROA and EPS reports. The finding indicated that education socially responsible banks have an improved performance although the difference was not significant.

Mbogoh and Ogutu, (2017) conducted a study to assess how CSR affect performance of commercial banks. The study used longitudinal research design in assessing how the two objectives relate. The study sampled 28 commercial banks that were in existence between the years 2013-2018. CSR measurement was done using its activities such as ROA and ROE. Regression analysis was also performed to ascertain the correlation involving the study variable. The study revealed that CSR positively affect how firms perform. The study also identified that CSR significantly affect the performance of large and medium sized firms. The study therefore established that CSR is essential for financial growth.

Environmental awareness and Performance

Corporate social responsibility programs indicate how corporation concerned with the environment around her. Schaltegger and Wagner, (2017) conducted a study on manufacturing sector in Kenya. The study revealed that environment management plays a very important role in financial success of the organization. In the process of determining the link between environmental performance and firms' financial performance, Lins, Servaes and Tamayo (2017) noted that firm that have a more

conducive environment performance has a significant improvement on their market value and can be able to predict effectively the future profitability of the firm.

In a study conducted by Grayson and Hodges, (2017), on the CSR that are practiced in Kenya firms. The scope of the study was to determine social responsibility practices that are used by firm listed in NSE. The study used cross sectional survey with the sample drawn from organizations that are listed in NSE. The study indicated that at least ninety percent of the firms are conducting long term planning or have environmental social responsibility strategy put in place. They further identified that these firms focuses the state of the environment.

Welbeck, (2017) also conducted a study to explain the link between environmental social responsibility and performance of Kenya financial institution. The study deployed census in narrowing to a specific population. The population consisted of top managers of various banks in Kenya. To collect the data required to determine the specific objective. The study used structured questionnaires. The finding indicated that environmental social responsibility expenditure has positive significance on performance of commercial banks. It is also key in determining the amount to money that the firms activities.

Employee Focus and Performance

Corporate employee social responsibility programs indicate how corporation are paying attention to the welfare of their employees. Firms offer. Employees of Safaricom enjoy medical facility which is generally offered to them by their employer. Whenever the health of staffs is catered for their productivity increases. This network can also be a major contributor to healthy society. It is therefore important for organization to create this kind of network (Lins, Servaes, & Tamayo, 2017). Offering training and staff remuneration will program will generally improve the condition of the society. This leads to increased productivity and uptake of MFIs product and services.

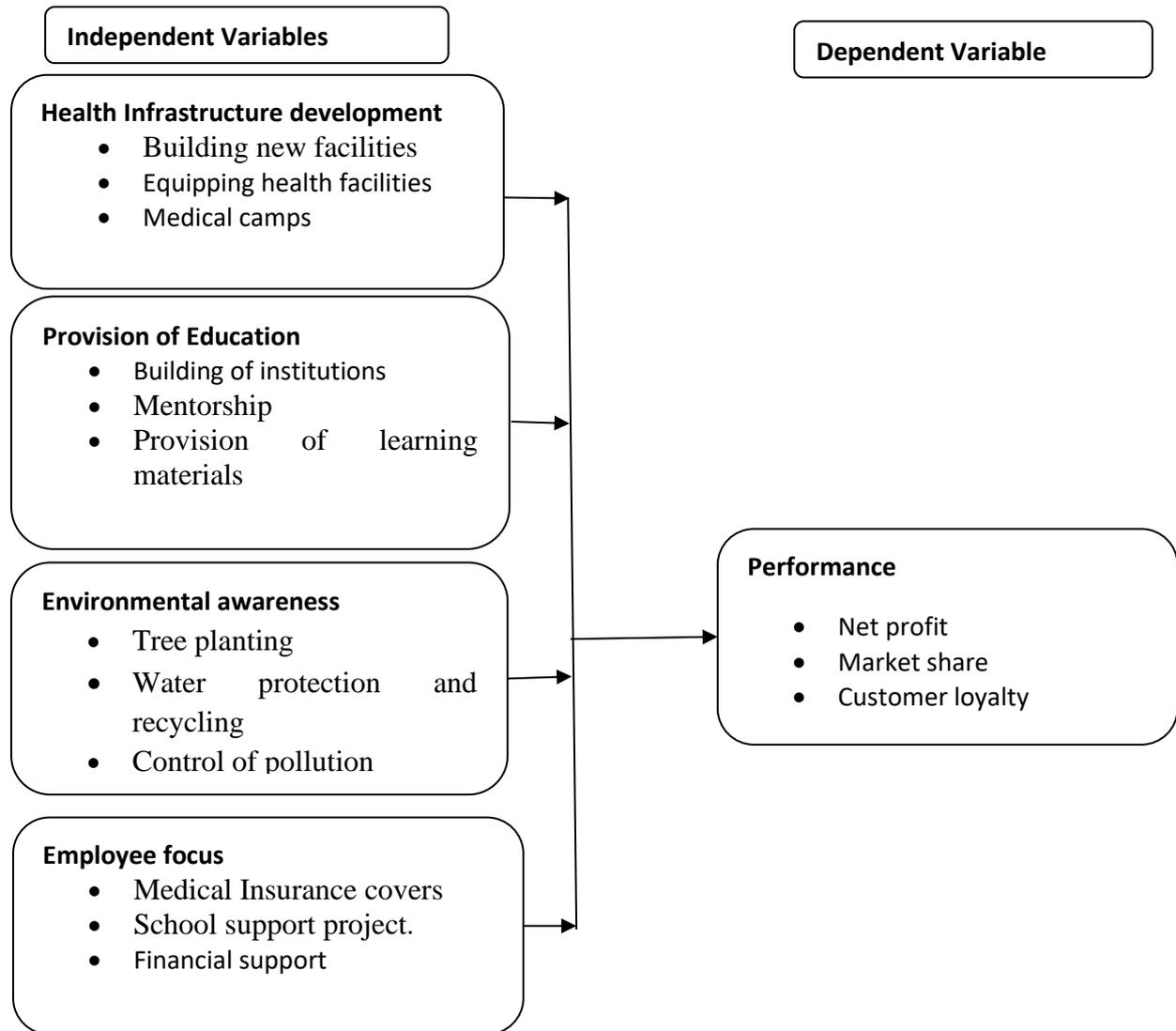
In a study conducted by Platonova, Asutay, Dixon and Mohammad, (2018), on the CSR that are practiced in Kenya firms. The scope of the study was to determine employee social responsibility practices that are used by firm listed in NSE. The study used cross sectional survey with the sample drawn from organizations that are listed in NSE. The study indicated that at least ninety percent of the firms are conducting long term planning or have social responsibility strategy put in place.

Njiru and Nyamute, (2018) conducted a study to explain the link between employee social responsibility and performance of Kenya financial institution. The study deployed census in narrowing to a specific population. The population consisted of top managers of various banks in Kenya. To collect the data required to determine the specific objective. The study used structured questionnaires. The finding indicated that employee training and reward system has positive significance on performance of commercial banks. It is also key in determining the amount to money that the firms activities.

Conceptual Framework

The study concentrated on health corporate social responsibility, education corporate social responsibility, environmental corporate social responsibility and employee corporate social responsibility, as part of the variable that contrite to effective performance of Safaricom PLC, Kenya. A clear diagrammatic expression was provided by the conceptual framework and description on how

the four variables are related to firms' performance. Conceptual framework is illustrated on the figure below.



RESEARCH METHODOLOGY

This study used descriptive research design to provide description of the population (Zickmund, 2003). This design does not require experimentation instead offer a brief description of phenomenon. Descriptive research design was used. Therefore the design was sufficient in data collection, classification, analysis and interpretation. According to Yin (2013), this design is sufficient to draw conclusion in large population. The target population for this study was 44 staff working in human resource department 52 staff drawn from finance department and 40 operating staff. The target population was therefore 136 Safaricom staffs. The sample size was therefore 136 staff from human resource department, finance department and operating staff. This study relied on primary data to answer the research question. To provide adequate data the study used structured questionnaire (Kothari, 2004). The study employed self-managed mechanism for data collection where the questionnaires were drop to the target respondent and later picked at the secretary desk. The gathered information was analyzed by the use of inferential and descriptive techniques. Besides, a regression analysis was conducted to determine inferential statistics. A regression model was used to determine the effect of CSR practices on performance.

RESEARCH FINDINGS AND DISCUSSIONS

The researcher distributed 136 questionnaires to the management staff at the Safaricom Plc head offices in Nairobi, Kenya from the three main departments which include human resources, finance and operations. 110 respondents did provide full feedback reflection of 80.88% rate relatively above the acceptable percentage of 50%. Majority of the management staffs at the three departments at Safaricom Plc were aged between 31 and 40 years with a large number spreading between 20 and 50 years. About 5% of the participants had been working at the firm for less than a year, 14% 1-5 years, 30% 5-10yrs, as 51% had a higher percentage of 10 yrs. and more.

Descriptive Statistics

Environmental Awareness

The study indicated that Safaricom has adopted the following measures to reduce environmental degradation ranging from energy saving projects, water recycling, use of renewable resources to a greater extent and mobility management to a little extent.

The respondents were asked to indicate the main benefit of the adoption of environmental measures for social responsibility on a Likert scale

Table 1: Benefits of adoption of Environment CSR

Statement	Mean	Std.Dev
Enhancing corporate reputation	2.66	0.819
Improving relations with suppliers, institutions, donors, community	2.59	0.756
Employee Sense on strength	2.17	0.844
Increase of effectiveness	2.33	0.781
Acquisition of commercial benefits	2.61	0.904
Identification of reputational risks	3.11	0.864
Better access to credit	2.19	0.811

The study reflected that to a moderate degree environmental CSR was used to enhance corporate reputation, improve relations with suppliers, institutions, donors and community, and acquire commercial benefits and identification of reputational risks as reflected by a mean of 2.66, 2.59, 2.61 and 3.11 respectively. To a low level environmental social responsibility assisted a firm to strengthen the sense of employee ownership, to increase efficiency and better access to credit as reflected by a mean of 2.17, 2.33 and 2.19 respectively. This generally indicates that environmental CSR enhanced firm reputation and good will among stakeholders. The study further sought to establish the issues associated with the growth of environment programs by the firm. Participants were requested to rate the issues using Likert Scale.

Table 2: Problems of Environmental CSR

Statement	Mean	Std. Dev
Lack of knowledge	2.11	1.612
Lack of institution assistance	3.66	0.822
Lack of specific legislation on CSR	2.44	0.749
Business benefits not immediate	3.75	1.588

High costs	2.55	0.679
Lack of corporate skill	2.05	0.711
Little impact on environmental business	2.59	0.801

As presented from the above table, the study established that lack of knowledge, lack of specific legislation on CSR and lack of corporate skills were moderately low problems in development of environmental CSR programs as indicated by a mean of 2.11, 2.44 and 2.05. On the other hand, cost and effects on environmental sector were minor problems in development of environmental initiatives by Safaricom Plc as expressed by a mean of 2.55 and 2.59 respectively. The study further reflected that lack of institution assistance and business benefits not immediate were moderate problems as expressed by a mean of 3.66 and 3.75 respectively. This would reflect that initiation of environmental CSR by Safaricom Plc faced a number of problems. Participants would be required to rate their extent of agreement with the following statements using Likert Scale. Below are the study findings

Table 3: Environmental activities on financial performance of Safaricom Plc

Statement	Mean	Std Dev.
Image	3.01	0.801
Profitability	2.71	0.795
Customer satisfaction	2.94	0.833
Employee satisfaction	2.67	0.782
Costs reduction	2.59	0.901
Risk reduction	2.04	0.811

From the above table, participants were indifferent on whether environmental activities affected image of the firm, profitability, customer satisfaction, employee satisfaction and costs reduction as indicated by a mean of 3.01, 2.71, 2.94, 2.67 and 2.59. It was disagreed that environmental initiatives by the firm to help in risk reduction as indicated by a mean of 2.04 and standard deviation of 0.811. This indicates that environmental activities affected financial performance of Safaricom Plc significantly and positively.

The respondents indicated that Safaricom should ensure that it engages with the public when coming up with environmental CSR programs, consider those that affect a large number of people, focus both internally and externally to ensure their clients are involved and feel the impact of the benefits.

Health Infrastructure Development

The study sought to examine the impacts of health infrastructure development as a CSR practice on the performance of Safaricom Plc. 71% of the respondents indicated that CSR programs on health affected positively and significantly on the performance of Safaricom Limited while 29% indicated otherwise arguing that there were other factors that had an effect. In regard to the issue of study, participants would be requested to provide the extent they would rate the subsequent question Under Likert Scale. Below are the study findings

Table 4: Benefit of health programs for CSR

Statement	Mean	Std. Dev
Enhancing corporate reputation	3.77	0.801
Improving relations with suppliers, institutions, donors, community	3.56	0.794

To strengthen the sense of employee	2.45	0.856
Increase of the efficiency	2.11	0.911
Acquisition of commercial benefits	2.01	0.784
Identification of reputational risks	3.26	0.805
Better access to credit	1.04	0.769

As presented above, the respondents reflected that to high level, health programs CSR served in improving corporate image as reflected from the mean of 3.77 and 3.56 respectively. It was established that to a moderate degree health programs enabled the firm strengthen the sense of employee development and identification of reputational risks as expressed by a mean of 2.45 and 3.26. The participants reflected that to a low extent the programs helped increase efficiency and acquisition of commercial benefits as indicated by a mean of 2.11 and 2.01. Lastly the study realized that to a very low degree health CSR programs enabled Safaricom access credit as reflected by a mean of 1.04 and standard deviation of 0.769. This reflects that health programs had a significant importance to the operations and performance of Safaricom Limited. In regard to the study’s issues on health initiatives. Participants would be requested to rate the problems as either major or minor or not problems at all Using Likert Scale.

Table 5: Problems on Development of Health CSR Programs

Statement	Mean	Std. Dev
Lack of knowledge	2.11	1.428
Lack of institution assistance	2.31	0.931
Lack of specific legislation on CSR	2.44	0.794
Business benefits not immediate	3.97	0.871
High costs	3.88	0.699
Lack of corporate skill	2.77	0.811
Little impact on environmental business	3.17	0.861

The research indicated that the high costs of developing health CSR program and benefits not being immediate were moderate problems as reflected from a mean of 3.97 and 3.88 respectively. Lack of corporate skill and little impact on environmental business were minor problems to the development of health programs as reflected from a mean of 2.77 and 3.17. It was further indicated that lack of knowledge, and lack of specific legislation on CSR were moderately low problems to the development of health related CSR programs by the firm as expressed by a mean of 2.11, 2.31 and 2.44 respectively. The study therefore generally expressed that implementation of health CSR programs faced minor problems in their implementation. Lastly the respondents were asked to rate how CSR initiatives on health influenced financial performance of Safaricom Plc using Likert Scale. Below are the study findings

Table 6: Effect of health programs on financial performance of Safaricom Plc

Statement	Mean	Std. Dev
Image	3.59	1.461
Profitability	3.45	1.522
Customer satisfaction	3.77	0.754
Employee satisfaction	2.17	0.681
Costs reduction	2.01	0.768
Risk reduction	2.03	0.879

As from the above table, the participants would agree that health programs CSR enhanced corporate image, profitability and customer satisfaction as reflected by a mean of 3.59, 3.45 and 3.77 respectively. The participants disagreed that health programs promoted employee satisfaction, reduction of operational costs and reduced risks as reflected by a mean of 2.17, 2.01 and 2.03 respectively. This expressed that health programs had a significant and positive impacts on the performance of the firm. The participants indicated that the firm needs to enhance stakeholder participation on the health CSR programs, partner with the public sector and also improve its allocation to CSR.

Provision of Education

Provision of education was key as a CSR program. 64% of the respondents indicated that Safaricom was involved in CSR programs on education. The firm had a kindergarten for its staff and employee career development program. The firm had initiated development of various schools, facelift, establishment of Mesa Academy among others aimed at improving education among the employees and the public. The study therefore sought to determine the main benefits of adoption of education programs for social responsibility by Safaricom. The respondents rated the benefits listed below on a scale of 1-5 where; 5-Very high, 4-High, 3-Moderate, 2-Low, 1-Very low.

Table 7: Benefits of education CSR

Statement	Mean	Std. Dev
Enhancing corporate reputation	3.05	0.766
Improving relations with suppliers, institutions, donors, community	3.66	0.801
To strengthen the sense of employee	3.77	0.901
Increase of the efficiency	3.68	0.728
Acquisition of commercial benefits	2.04	0.764
Identification of reputational risks	2.55	0.855
Better access to credit	1.03	0.904

As provided from the above table, the study education CSR programs to a high extent assisted improve relations with suppliers, institutions, donors and community, strengthened the sense of employee development and increased firm efficiency as reflected by a mean of 3.66, 3.77 and 3.68 respectively. To a moderate degree the programs enhanced corporate reputation and identification of reputational risks as reflected by a mean of 3.05 and 2.55 respectively. The participants indicated that to a low extent the programs helped in acquisition of commercial benefits and to a very low degree helped better access to credit as reflected by a mean of 2.04 and 1.03 respectively. This reflects that education CSR programs significantly benefited Safaricom in enhancing reputation, efficiency, employee development and public relations. Moreover, 75% of the respondents indicated that education CSR programs influenced Safaricom’s performance. Participants would be asked to rate based on the their opinion on issues associated to the growth of education programs by their organization Using Likert Scale

Table 8: Problems Associated with Development of Education Initiatives

Statement	Mean	Std. Dev
Lack of knowledge	2.09	0.833
Lack of institution assistance	2.11	0.907
Lack of specific legislation on CSR	2.17	0.781

Business benefits not immediate	3.11	0.894
High costs	3.31	0.711
Lack of corporate skill	2.01	0.677
Little impact on environmental business	3.44	0.801

It was reflected that lack of knowledge, lack of institutional assistance, lack of specific legislation on CSR and lack of corporate skill were moderately low problems in the development of education CSR programs as indicated by a mean of 2.09, 2.11, 2.17 and 2.01 respectively. The study realized that a situation of business benefits not being immediate, high costs and little impact of the education CSR programs on environmental business were minor problems to the implementation of the programs as reflected by a mean of 3.11, 3.31 and 3.44 respectively. This in general expressed moderate challenges or problems in the implementation of the education CSR programs by Safaricom Limited. The participants would be requested to rate the degree to the Safaricom education programs influenced the firm’s performance using Likert Scale. Below are the study findings

Table 9: Effect of Education CSR programs on the financial Performance of Safaricom Plc

Statement	Mean	Std. Dev
Image	3.81	0.861
Profitability	2.51	0.831
Customer satisfaction	2.39	0.904
Employee satisfaction	2.14	0.744
Costs reduction	2.74	0.855
Risk reduction	2.77	0.824

The research participants did agree that education CSR programs improved corporate image of the telecommunications firm in Kenya and regionally as reflected by a mean of 3.81 and standard deviation of 0.861. The participants were indifferent on whether education CSR programs improved profitability, cost reduction and risk reduction as expressed by a mean of 2.51, 2.74 and 2.77 respectively. The participants disagreed that the programs helped improve customer satisfaction and employee satisfaction as expressed by a mean of 2.39 and 2.14 respectively. The participants suggested that the firm should incorporate public sector players and donor agencies to foster implementation of the education CSR programs.

Employee Focus

The study findings indicated that Safaricom is to a great extent involved in CSR programs focusing on employee development as shown by 79% of the respondents. The firm had packages for employee capacity development, welfare initiatives like insurance cover, special loan packages, career development programs, mentorship and involvement in CSR program implementation.

The respondents were asked to indicate the main benefits of the adoption of employee focused CSR programs on a Likert scale of 1-5 where; 5-Very high, 4-High, 3-Moderate, 2-Low, 1-Very low. The findings were as presented below;

Table 10: Benefits of Employee Focused CSR programs

Statement	Mean	Std. Dev
Enhancing corporate reputation	3.88	0.792
Improving relations with suppliers, institutions, donors, community	3.69	0.821
To strengthen the sense of employee	3.58	0.904

Increase of the efficiency	3.77	0.761
Acquisition of commercial benefits	3.86	0.866
Identification of reputational risks	3.94	0.801
Better access to credit	3.63	1.433

As from the above table, to a high extent employee focused CSR programs by Safaricom helped in enhancing corporate reputation, improving relations with suppliers, institutions, donors and community, to strengthen the sense of employees, increased operational efficiency, helped in acquisition of commercial benefits and identification of reputational risks as reflected by a mean of 3.88, 3.69, 3.58, 3.77, 3.86 and 3.94 respectively. This reflects that employee focused CSR programs greatly benefited the firm.

63% of the respondents indicated that employees focused CSR programs influenced the firm’s performance. They were further requested to provide the extent of issues associated to the development of employees programs by their organization using Likert Scale

Table 11: Problems Associated with Employee focused CSR Programs

Statement	Mean	Std. Dev
Lack of knowledge	1.04	1.577
Lack of institution assistance	1.22	0.904
Lack of specific legislation on CSR	1.34	0.867
Business benefits not immediate	1.55	0.775
High costs	3.56	0.657
Lack of corporate skill	1.28	0.744
Little impact on environmental business	1.66	0.855

As pointed out above, employee focused problems to not extent lack of knowledge, lack of institutional assistance, lack of legislation on CSR and lack of corporate skill were problems in the implementation of employee focused CSR programs at Safaricom as indicated by a mean of 1.04, 1.22, 1.34 and 1.28. The participants expressed that to a moderate extent were business benefits not immediate and little impact on environmental business as expressed by a mean of 1.55 and 1.66 respectively. It was only pointed out that high costs of initiating the programs was the only major challenge as reflected by a mean of 3.56 and standard deviation of 0.657. This reflects that there were no major problems a part from cost that hindered the implementation of employee focused CSR programs. The participants would requested to rate how the Safaricom education initiatives affected a firm’s performance using Likert Scale.

Table 12: Effect of Educational CSR programs on Performance of Safaricom

Statement	Mean	Std. Dev
Employees Image	3.66	0.863
Profitability	3.61	0.764
Employees productivity	3.89	0.684
Employee satisfaction	3.79	0.905
Costs reduction	3.55	0.764
Risk reduction	2.14	0.887

As indicated above, participants we agree agreed that education CSR programs enhanced employee image, profitability, employee productivity, employee satisfaction and cost reduction as reflected by a mean of 3.66, 3.61, 3.89, 3.79 and 3.55 respectively. The respondents however disagreed that the

programs enhanced risk reduction as expressed by a mean of 2.14 and s.d of 0.887. It was suggested that Safaricom should involve employees in coming up with the CSR programs and also incorporate their views to enhance performance.

Organizational Performance

The research aimed at examining the performance of Safaricom Plc based on the available CSR programs on Liker Scale.

Table 13: Organizational Performance of Safaricom Plc

Indicator	Mean	Std. Dev
Safaricom limited has grown in its profitability due to CSR activities implemented	3.66	0.768
The firm has improved customer loyalty due to CSR programs	3.71	0.822
The revenue of the firm has increased due to the CRS activities it is undertaking	3.75	0.698
The firm market share has increased due to CSR	3.81	0.755
Employee job satisfaction has improved due to CSR programs focused on them	3.79	0.801

As indicated above, the participants agreed that Safaricom limited has grown in its profitability due to CSR activities implemented, improved customer loyalty due to CSR programs, increased in revenue, increased market share and improved employee job satisfaction as reflected by a mean of 3.66, 3.71, 3.75, 3.81 and 3.79 respectively. This indicates that CSR significantly contributed to the performance of Safaricom Plc.

Inferential Statistics

The study carried out regression analysis to establish the influence of CSR practices on the performance of Safaricom Plc. The findings of Model Summary, ANOVA and Regression Coefficients are indicated in subsequent sections.

Model Summary

The findings of coefficient of correlation and coefficient of adjusted determination are as indicate in Table 14.

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879 ^a	.848	.861	1.12133

a. Predictors: (Constant), health infrastructure, provision of education, environmental awareness and employee focus

According to Table 14, coefficient of correlation R was 0.879 and indication of strong positive correlation between variables. Adjusted coefficient of determination R² was 0.861 which translates to 86.1%. This means that 86.1% variation in firm performance can be attributed by the following; health infrastructure, provision of education, environmental awareness and employee focus as the key CSR practices.

ANOVA

An ANOVA was carried out at 5% level of significance. A comparison between F Calculated and F Critical was carried out. The findings are as indicated in Table 15

Table 15: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	841.911	10	141.371	30.511	.000 ^b
Residual	273.135	100	6.469		
Total	1115.046	110			

b. Dependent Variable: Organizational Performance

c. Predictors: (Constant), health infrastructure, provision of education, environmental awareness and employee focus

From the findings, F Calculated was 30.511 and F Critical was 4.5326. Since F Calculated > F Critical, this indicates that the overall regression model significantly influenced the study. The p value was 0.00<0.05 and indication that at least one variable influenced organizational at Safaricom Plc.

Regression Coefficients

In reference to determine the individual determinates that effect firm's performance of Safaricom the subsequent coefficients would be developed

Table 16: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.669	.875		4.654	.000
Health Infrastructure	.869	.041	.125	2.212	.001
Provision of education	.830	.053	.139	2.139	.000
Environmental awareness	.864	.062	.159	2.131	.000
Employee focus	.897	.081	.150	3.325	.000

a. Dependent Variable: Organizational Performance

The resultant equation becomes;

$$Y = 7.669 + 0.869X_1 + 0.830X_2 + 0.864X_3 + 0.897X_4$$

Where: Y = Organizational Performance

X₁ = Health infrastructure development

X₂ = Provision of education

X₃ = Environmental awareness

X₄ = Employee focus

From the findings, if all factors were held constant (health infrastructure, provision of education, environmental awareness and employee focus) performance of Safaricom would be at 7.669. An increase in health infrastructure development while other variables are constantly held would result to a growth in performance of the firms by 0.869. A unit increase in education CSR programs while other variables are constantly held would result to increase in performance by 0.830. An increase in environmental awareness when holding all the variables constant would result to a growth in firm performance by 0.863. An increase in employee focused CSR programs while other variables are constantly held would results to decrease in e performance by 0.897. The study further established the p value of health infrastructure, provision of education, environmental awareness and employee focus were less than 0.05 and the t values were greater than 1.96 a reflection that the variables positively affected performance of Safaricom Limited.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The research provided that health infrastructure development; provision of education, environmental awareness and employee focus CSR programs had a significant relationship with performance of Safaricom.

The study concludes further that the firm faced a range of problems implementing the CSR programs like costs, capacity, legislation and lack of direct benefit but was still running the programs

The research concluded that implementation of the CSR programs helped in enhancing corporate reputation, improving relations with suppliers, institutions, donors and community, to strengthen the sense of employees, increased operational efficiency, helped in acquisition of commercial benefits and identification of reputational risks at the firm

Recommendations for Policy and Practice

The study recommends that Safaricom should ensure that it engages with the public when coming up with environmental CSR programs, consider those that affect a large number of people, focus both internally and externally to ensure their clients are involved and feel the impact of the benefits.

The study recommended that the firm needs to enhance stakeholder participation on the health CSR programs, partner with the public sector and also improve its allocation to CSR. It was recommended that Safaricom should involve employees in coming up with the CSR programs and also incorporate their views to enhance performance.

The study current study focused on the influence of CSR practices and performance of Safaricom, future scholars ought to carry out similar studies on different firms in the industry. The current study relied on primary data, future scholars ought to carry out similar study by use of secondary data. The study established that Adjusted coefficient of determination R² was 0.861 which translates to 86.1%. This gave a residual of 13.9% which can be attributed to other factors beyond the scope of the current study that future scholars ought to focus on.

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