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Corporate Social Responsibility Practices and Performance of Firms Listed at Nairobi Securities Exchange, Kenya

Margaret Wanjiku Kariuki
Student, Department of Business Administration
Kenyatta University, Kenya
Shadrack Bett
Lecturer, Department of Business Administration
Kenyatta University, Kenya

Abstract:
In Kenya, corporate social responsibility (CSR) is gaining momentum as businesses understand the crucial role it plays in the success of corporations. This is especially the case for global corporations who use it as a strategic marketing tool and continue to reap high profits from the optimistic aspirations of customers attributed to CSR. Whereas CSR is perceived to have a positive effect on outcomes, those opposed to it argue that CSR requires conducting a set of actions that can increase costs potentially. This study project centred on the practices of corporate social responsibility and the success of companies listed on the Nairobi Stock Exchange. The objective of the study was to determine the effect of CSR practices such as Legislation, Economic Consideration, Ethical Responsibility, and Philanthropic Responsibility on firms' performance. Companies can optimize their returns, recruit, inspire and retain qualified workers by understanding CSR activities and output of NSE-listed companies, and also support researchers who plan to pursue the same subject in their field of specialization. Knowledge was used by other researchers who were examined in the same report. A descriptive research design was employed in the analysis. The target population was 200 workers from section heads and senior management within the NSE of selected 64 companies. No sampling was done from this target population. Responses were obtained via questionnaire implementation. Using descriptive figures, mean frequency tables, and percentages, qualitative findings were assessed. To explain the findings, both descriptive and inferential statistics were used. Descriptive statistics, such as frequency distribution, ratios, means, and standard deviation, were used. The research also used correlation and regression analysis to explain the relationship between the dependent and the independent variables. Numbers, graphs, and charts represented the findings. The study indicated that the company needed to establish a stronger culture that nurtures corporate social responsibility in companies. Companies should follow CSR initiatives that deal with the environment, health, education, and water since these are society's key concerns. Also, the study advises that businesses comply with legal regulations to retain consumers and increase consumer loyalty and eventually boost their results. The study indicated that the company needed to establish a stronger culture that nurtures corporate social responsibility in companies. Companies should follow CSR initiatives that deal with the environment, health, education, and water since these are society's key concerns. Also, the study advises that businesses comply with legal regulations to retain consumers and increase consumer loyalty and eventually boost their results.

Keywords: *Corporate social responsibility, legislation, economic responsibility, ethical business practices, philanthropic initiatives, organizational performance*

1. Introduction

The CSR movement is expanding around the world and a vast range of approaches and systems have been developed in recent years, with the majority emerging in the West. Carroll's (1991) Pyramid of Corporate Social Responsibility is one of the most commonly known and cited models. This is the perspective that influenced this research. In it, Carroll points out that CSR consists of four forms of social responsibility: economic, legal, ethical, and philanthropic. The economic aspect is the responsibility for a fiscal benefit, and this responsibility serves as the basis for the other elements. As far as the ethical side is concerned, society requires companies to conform to the laws and regulations. Ethical aspects or obligations are how society requires companies to follow values and norms, even when values and norms represent a higher level of service than is needed by statute, whereas philanthropic duties are such acts that society requires a corporation to be a good corporate citizen.

The values and goals of organizations are discussed in CSR. Listed businesses, like any other organization, are under enormous pressure from diverse organizations, such as activists, academics, human rights, and many others, to adapt to the demands of society and the environment. Specifically, the following factors put significant pressure on companies to be socially responsible; the diminishing position of governments in delivering vital services to their citizens;

demands for greater transparency, especially from shareholders; increased consumer interest; increased activist scrutiny; volatile labour markets; supplier ties and non-governmental organizations; and so on (Carroll & Shabana, 2010).

According to (Pomering & Dolnicar, 2009), the key reason why NSE-listed firms are interested in any kind of CSR operation is a promotional opportunity, as promotional is a decent way to attract exposure to a new company before it is finished. This is how advertisement causes conflict or dispute, but it holds it interesting long enough for the product or service to be tested, compared, and ideally endorsed. CSR operation also offers people who do not wish to purchase one product a chance to see it in motion and learn better without necessarily being a client, and this will potentially help the business commercially in the long run (Kipruto, 2014)

According to the literature review, the most popular aspects of corporate performance metrics used in studies and reports are financial or accounting performance, operational performance, and market-based performance (Katsikeas, Morgan, & Leonidou, 2016). According to Shakar & Basem (2010), corporate success metrics from a marketing partnership viewpoint include growing market share, customer loyalty, gaining new consumers, building repeat buyers, rising revenue, increasing income, rising return on investment, positive picture. Looking at organizational performance in terms of its dimensions, there are three: financial, operational, and stakeholder performance (Pollanen, Maksoud, Elbanna, & Mahama, 2016). This study, therefore, employed these methods to measure the firms' performance specifically increase in return on investment, market share, customer satisfaction, and sales.

CSR practices can be divided into four major categories: economic, legal, ethical, and philanthropy. Such definition is based on the ideals of CSR, where the company's duty to society is based on standard benefit maximization, ethical laws, and spiritual obligation as well as philanthropy (Victoria, 2008). The definition of CSR is focused on the interaction between companies and society and its attitudes to its key constituents, such as staff, customers, consumers, retailers, the surrounding community, and special interest groups (Carroll 1991). Legal expenditure component/legislation applies to a corporation that complies with the laws and regulations regulating its activities (Swaen and Chumptaz, 2008). Legitimate investment responsibility requires companies that adhere to federal, state, and neighbouring government laws and directives by supplying a protected object for use by customers, businesses that commit to a separation of costs, exploiting funds to the best benefit of the general public, and maximizing fair competition.

Financial expenditure / economic accountability is a vital duty for accomplices, e.g., clients, support workers, professionals (Ramasamy & Yeung, 2009). This is important for market growth (Shahin & Zairi, 2007). Past studies have demonstrated that financial investment obligations are made by the conveyance of good products and companies to consumers with fair prices and the providing of decent jobs to employees (Lindgren et al., 2009, Lantos2002, Swaen & Chumptaz, 2008). The money-related expense aspects of the CSR include an appreciation of the financial investment consequences of the association's exercises. Public investment issues have long been neglected in the debate on corporate social responsibility. For quite a time, the idea has been commonly considered to be applied all over. It is, in any case, the foundation of the different people who merge the corporate and transparent approach strategy and are under-represented in the corporate responsibility inspiration.

Philanthropy or optional obligation was seen as a wish that the partnership was a fantastic company topic, and that welfare and altruism were effectively appealing in ventures to go forward (Carroll, 1991). Optional investment commitments to companies entail intentional social enclosures, as well as activities such as charitable promises. These activities are purely voluntary, guided only by companies wanting to take part in social experiments that are not authorized, which are not mandated by statute, and are not usual for the company. They cover stuff like offering a daycare facility to working mothers and philanthropic beneficent donations (Maignan and Ferrell, 2000). Incorporating social responsibility as a strategic field in their core business practices, corporate strategy, and technologies (Carroll & Shabana, 2010), while profitability is a primary business priority, businesses can be guided towards the social and environmental agenda. NSE business has economic, legal, ethical, and contractual conditions that society can allow an agency at any given period according to Carroll & Shabana (2010).

The Nairobi securities exchange (NSE), one of the most quickly rising economies in Sub-Saharan Africa, is the largest African exchange headquartered in Kenya. NSE has six-decade equity and debt record in its establishment in 1954. It offers local and foreign investors a world-class trading facility to open Kenya and Africa to their economic development. The Nairobi Securities Exchange (NSE) was incorporated under the Societies Act (1954) as a cooperative association of stockbrokers and was responsible for the growth of the securities industry and the supervision of trade activities. The deal was made over the telephone and the fixed rates. The Government implemented a new policy during the period from 1963 to 1970, with the primary goal of passing economic and social power to residents. By 1968 there were 66 classified public sector shares, 45 percent of which were for the Kenyan government, 23 percent for the Tanzanian government, and 11 percent for the Ugandan government. During this time, the NSE served as a regional market in East Africa where the Governments of Tanzania and Uganda (the Eastern African Community) released many listed industrial shares and public sector securities. Examples of companies listed at the NSE include Bamburi Cement Ltd, Kapchorua Tea Co. Ltd, BAT Kenya, Rea Vipingo Plantations Ltd., Sasini Ltd., among others Williamson Tea Kenya Ltd. (NSE).

2. Statement of the Problem

CSR is gaining traction in Kenya as companies realize the significant role it plays in corporate success. This is mainly true of multinational companies who use it as a strategic marketing mechanism and continue to reap strong revenues from favourable consumer expectations attributed to CSR. In the pursuit of CSR, businesses have also benefited from operating productivity by minimizing waste and legislation encouraging a company to protect the resources by, for example, adopting eco-friendly technologies, 'going green' to ensure that paper use is significantly decreased when the use of electronic mail is a new correspondence practice. Corporate transparency of social and environmental results has helped companies create a positive image based on the appreciation of their actions from stakeholders. It is also important to use CSR as a means of meeting the needs of stakeholders, as this encourages companies to pursue productive opportunities with the help of stakeholders (Wafula, 2012).

The performance within the stock market has been declining in the past three years mainly through external factors such as the nullification of the 2017 presidential elections. The aftermaths of the nullification of the presidential election results lead to post-election violence's that affected the performance of several corporate organizations hence inflicting a downturn in the economy of the nation. The share prices were significantly affected as a result of the outcomes of volatile human expectations, an aspect that resulted in the shifting of the supply and demand lines-causing the share prices to oscillate (Hibbs, 2015). After years of trying to recover from that election, another huge external factor hit the global market; this was the coronavirus disease in 2019. COVID-19 has harmed the Kenyan economy as seen in the output of financial markets, instability of global supply chains, currency uncertainty, loss in diaspora remittances, and reversal in previous monetary and fiscal policies (Odhiambo, 2020). The ripple effect in the market from such factors is panic selling on the part of investors meaning that they sell their stocks at discounted prices and making hence losses leading to dissatisfaction on the part of the customers. Additionally, the economic slowdown leads to a reduced return on investment on the part of the firms listed in the NSE as well as the shareholder's (Magondu, 2015).

Banks and other firms have been active in CSR, but there is little evidence to suggest that listed businesses are engaging in CSR practices and the impact of the same on the firm's results have not been analyzed. Whereas several reports have been performed on CSR in general across various sectors, they have primarily been performed on the financial output of companies on their own. The goal of this study is to bridge the gap by examining the influence of Corporate Social Responsibility practices on the general performance of firms listed in the Nairobi Securities Exchange.

3. Objectives of the Study

- To investigate the effects of Legislation on the performance of Firms Listed at Nairobi Securities Exchange.
- To examine how Ethical considerations, affect the performance of Firms Listed at the Nairobi Securities Exchange.
- To investigate the degree to which Economic Responsibility affects the performance of Firms Listed at the Nairobi Securities Exchange.
- To discern the influence of Philanthropic Initiatives on the performance of Firms Listed at Nairobi Securities Exchange.

4. Theoretical Review

In particular, the study is anchored on three major theories; the theory of social costs, stakeholder theory, and the balanced scorecard.

4.1. The Theory of Social Costs

This theory has been established by K. William Kapp as described in his book 'The Social Costs of Private Business' (1950). Focusing on the non-economic effect of companies on the socio-economic climate forms the basis for sharing obligations. In other words, global corporate responsibility concerns are leading to the fair allocation of social costs. Also, social risk analysis has a major influence on policy utility evaluation activities. Consequently, the terms 'external cost' alludes to the same meaning at a rather basic research level. The literature that surrounds the study of global economies has problems. Global markets must be covered by the convergence in particular localities of many small businesses of a similar sort or by the globalization of production (Pigou, 2013). The location of small firms is seen as exogenous since they can be incorporated into a network of associated enterprises. There is still an aspect of the company's operation that influences the environment. The transition from 'private' to 'internal' is a quick conceptual transformation between internal powers and economic cooperation. There are also close relations between employers and workers, but neither side wants to believe like, in the event of any adverse occurrence between them, they have to go to garbage against each other (Marshall, 1920).

The State can either have an unrestricted role in social welfare or a limited obligation. The primary aim of the state is to fulfil the basic needs of society (Crowther & Aras, 2008). It protects the social expenses of all residents, which ensures that the corporations have to minimize their jobs. The state and society do not want businesses to incur social costs. The other view of state interference in the field of social justice is that the state entered into a deal with private institutions. It allows corporations to take part in the charging of such social costs. The level of their presence is largely dependent on their degree of contact with society. This criterion is used because the activity that the company participates in has an impact on the actual environment and the extent of the operation depends on the degree of involvement.

In the economic structure, the state's function is to pay social expenses and could be structured to be a state responsible for sustaining and retaining the national property. Its natural equivalent, however, should be to leave no liability to a company that generates expenses, even though they are indirect or unintentional. It is evident from this point of view that covering social expenses is a matter of contracting and must be paid either by the company or by the state (Coase, 1960). From a different angle, Coase (1960) is attempting to move the topic to industrial development influences. The key argument is that the expense of a contract between people and the government determines whether or not the state intervenes in the economy (Coase, 1988). With this in mind about CSR, the allocation of social expenses is a function of contracting, and hence this principle encourages an independent variable.

4.2. Stakeholder Theory

Dr. R. Edward Freeman is credited with establishing the stakeholder theory in 1984. According to the theory, the stakeholder is identified as any community or person who may or may be influenced by the achievement of the goals of the organization. According to Wheeler et al, (2002) stakeholder theory derives from organizational structures and sociological disciplines. It's less of a unified theory and more of ethics, law, economics, organizational structure, political theory, and philosophy. In stakeholder theory, the company aims to generate equity or profit for its stakeholders by translating its stakes into products and services or serving as a mechanism for managing stakeholder interests. The theory of stakeholders was first introduced as the principle of management. The corporation should also act for the benefit of its stakeholders: its customers, manufacturers, investors, staff, and local communities, and for the survival of the industry to be maintained. The decision-making process is focused on the independence of top management and corporate governance, and it is often discussed that such governance can include stakeholders. The Stakeholder Theory of CSR relates to the idea that corporations shall serve groups of society rather than individuals and over those set down by law or by mutual arrangement (Evans & Freeman, 1998).

As a result, stakeholder theory takes into account individuals or associations with an interest in the industry, including investors, workers, customers, retailers, and the local community, and implies that the interests of all stakeholders are of paramount significance (Donaldson & Dunfee, 1999). There is a problem in juggling competing interests between stakeholders. Several scholars, adopting the basic stakeholder structure, used various ethical frameworks to establish different approaches to stakeholder theory, and especially to resolve competing stakeholder demands. The following ideas have been suggested, among others: Feminist Ethics, Collective Value Philosophy, Integrative Social Contracts Philosophy, and Equitable Contracts Theory. Freeman embraced these pluralistic ethical approaches by using the stakeholder paradigm as a framework for multiple ethical philosophies (Freeman, 1984).

Several reports have sought to understand the association between CSR and the financial results of the company. Among the lists, Sarkees, Murshed, and Mittal (2008) studied the relationship between CSR and corporate viability in terms of economic value added (EVA) and market value added (MVA). The authors find that there is a favourable association between CSR and the company's image and that there is no doubt that businesses with a code of ethics will produce slightly more economic value added (EVA) and market value added (MVA) than those without codes. Sarkees, et al. (2008) have examined the relationship between CSR and economic efficiency by evaluating the different impacts of positive and negative CSR policies on the financial performance of hotels, restaurants, and airline businesses, primarily focusing on positive and negative effects. Mixed results across industries contribute to successful strategic decision-making by presenting more accurate pieces of information on the financial performance of each CSR operational activity. Therefore, the theory advocates for organizations to consider the different ranges of interest groups when it comes to corporate social responsibility and how to treat each interest group. This theory supports the independent variable.

4.3. The Balanced Scorecard

The idea of a structured scorecard was created in 1992 by Robert Kaplan and David Norton as a measuring method that lets the company communicate its mission and policy into its goals and observable goals. The Healthy Scorecard (BSC) clarifies and takes the approach of the company to the average employee. Employees who are aware of the organization's objectives can contribute to the overall objective (Kaplan and Norton, 1993). Drury, (2004) notes that: the BSC is a strategic method for coordinating and assessing the success of the organization's mission and policy. Mooraj, Oyon, and Hostettler, (1999), note that a structured scorecard is a performance improvement technique that helps organizations to articulate their mission and plan and convert them into reality. It offers input on both internal market activities and external outcomes to continually enhance corporate success and results. When completely implemented, the integrated scorecard turns strategic preparation from theoretical practice into an organizational nerve centre (Chan, 2004). The experience of adopting a realistic scorecard has been studied in a variety of reports, both in private and public organizations. The findings vary in terms of performance and loss, but with a strong predominance of performance (Mooraj et al., 1999: Chan, 2004). Chan (2004) points out the following list of enablers for effective implementation: engagement by senior management, involvement by middle managers and staff, a culture of competence inefficiency, preparation and education, simplification of the BSC, unity of vision, connecting results to benefits and providing the ability to enforce a structured scorecard.

The balanced scorecard produced by Kaplan and Norton consists of four viewpoints that form their basic model. Those are the financial viewpoints, which discuss how the owners see the business and what financial targets they expect from the shareholder viewpoint. The client viewpoint answers the issue of how the company is viewed by its clients and how well the company represents them to achieve its financial goals. The internal process view is concerned with the systems that are most important to pleasing consumers and shareholders. To succeed, the company must focus its resources on these methods. The development and development viewpoint reflects on how the company has to understand, develop, and innovate to achieve its goals (Kaplan and Norton 1993). This hypothesis thus follows the dependent variable.

5. Conceptual Framework

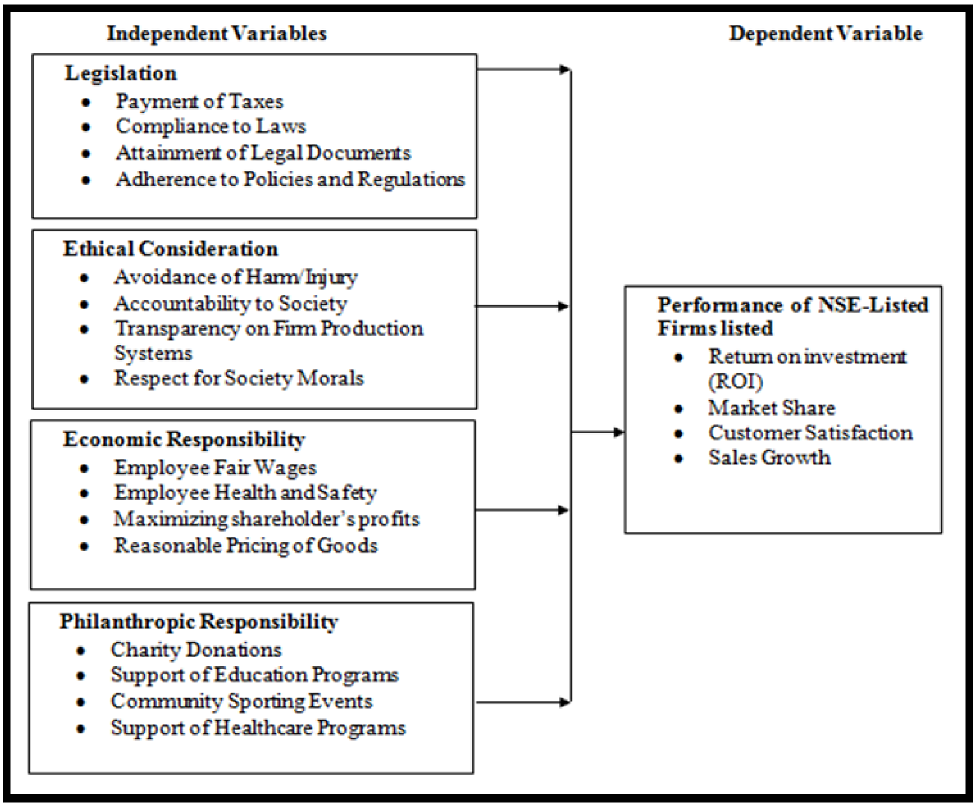

Figure 1: Conceptual Framework
Source: Author (2021)

6. Research Methodology

The descriptive design enabled the researcher to have a systematic collection and presentation of data to examine Corporate Social Responsibilities and performance of firms listed at Nairobi Securities Exchange. The target population was the staff of the Firms Listed at the Nairobi Securities Exchange with a specific focus on the section heads and senior managers within the Companies. The firms were within the 7 Agricultural firms, 1 Automobile and Accessories firm, 12 Banking Commercial and Services firms, 5 Construction and Allied firms,4 Energy and Petroleum firms, 6 Insurance, Investment firms, 4 Investment Services firms, 9 Manufacturing, and Allied firms, 1 Telecommunication and Technology firm, 1 Real Estate Investment Trust firm and 1 Exchange Traded Fund firm. The target population comes to a total of 200 respondents with 40 from top management, 60 from middle management, and 100 from supervisors. A census inquiry is normally required because all items are considered (Mugenda and Mugenda, 2008). This study collected Primary data using a questionnaire that contained questions both open and closed-ended. Secondary data contained data obtained from other historical data gathered and tabulated by tables, diagrams, and studies. For analysis, the data collected in questionnaires were reviewed, labelled, cleaned, and added. The Statistical Package for Social Sciences and descriptive graphical figures such as frequencies and percentages were added to the quantitative data analysis. Findings were presented using descriptive statistical tools such as graphs, tables, and other central tendency measures, while qualitative data was analyzed to determine patterns, trends, and relationships from the collected information (Mugenda & Mugenda, 2003). To evaluate the relation between the variables, the analysis used the Multiple Regression Model.

7. Data Analysis Results

The research performed multiple regression analyses to assess the impact of corporate social responsibility on the business results of organizations listed within the NSE. A description of the results of this study is presented in Table 1.

Model Summary [b]						
Model	**R**	**R Square**	**Adjusted R Square**	**Std Error of the Estimate**	**Change Statistic**	
					R Square Change	**F Change**
1	0.639[a]	0.409	0.384	0.031	0.045	3.210
a. Predictors: (Constant), Legislation, ethical consideration, economic responsibilities, and philanthropic responsibilities						
b. Dependable Variable: Performance						

Table 1: Model Summary
Source: Researcher (2021)

The description presented in Table 1 reveals that the R correlation coefficient is 0.639. This means that the contingent and independent variable relation is 0.639. It has been observed that the measured R2 is 0.409. The R2 is the determinative coefficient. The degree to which variance in the dependent variable is described by the independent variables in the model is summarized (Gujarati, 2003). It means that policy, legal concern, economic commitments, and philanthropic duties decide a 40.9 percent difference in the success of the chosen Nairobi Securities Exchange companies sampled in this report. Variables not included in the analysis decide the remaining 59.1 per cent of results.

ANOVA [a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.017	20	2.504	16.415	0.048[b]
	Residual	14.493	163	0.153		
	Total	24.510	183			
a. Predictors: (Constant), Legislation, ethical consideration, economic responsibilities, and philanthropic responsibilities						
b. Dependent Variable: Firm performance						

Table 2: ANOVA
Source: Researcher (2021)

The Study of Variance indicates Table 2 above (ANOVA). The F-test reveals the importance of the different linear regressions (Gujarati, 2003). The null hypothesis in the F-test is that the independent variable does not affect the dependent variable. The p-value< 0.050 reveals that the regression model is important, which shows that the data gathered are sufficient for the subject matter to be inferred. The model is considered to have the goodness of fit because of the p-value of 0.048 at F=16.415. These findings suggest that the success of the chosen companies listed within the NSE is greatly influenced by policy, ethical concern, economic obligations and philanthropic responsibilities.

Coefficients [a]						
Model		Unstandardized Coefficient	Standardized Coefficient	Standardized Coefficient	T	Sig.
		B	Std Error	Beta		
1	(Constant)	5.620	0.339		16.588	0.000
	Legislation	0.071	0.070	0.100	1.006	0.317
	Ethical Consideration	0.300	0.041	0.774	7.398	0.045
	Economic Responsibility	0.241	0.044	0.492	5.433	0.096
	Philanthropic Responsibility	0.292	0.064	0.548	4.556	0.047
a. Dependable Variable: Form performance						

Table 3: Coefficients of Determination
Source: Researcher (2021)

The first goal of the report was to assess the effects of the regulations on the results of NSE-listed businesses. The study observed that as indicated by β of 0.71; p-value 0.317, the impact of regulation on firm results was favourable but statistically negligible. The second goal of the research was to determine the impact on the success of the ethical concern. The findings summarized in Table 3 show that, as shown by β of 0.3 and p-value of 0.045, ethical concern has a favourable and statistically relevant impact on the success of firms listed within the NSE, Kenya. The results suggest that a unit increase in the ethical concern of businesses would result in a 0.3 increase in the output standard of NSE-listed firms.

The third goal of the analysis was to determine the success effects of economic accountability. The study identified that the association between economic responsibility and the success of NSE-listed companies is favourable and statistically important. The findings shown in Table 3 show that the rise in unit economic transparency would result in a 0.241 increase in the output of the NSE companies sampled in this report. The fourth aim of the analysis was to figure out the impact of philanthropic obligation on the results of the NSE-listed businesses. The conclusions summarized in Table 3 show that the effect is positive and statistically significant. The results suggest that a unit increase in philanthropic transparency would lead to an increase in the success level of the NSE organizations sampled for this analysis by 0.292 Normality, multicollinearity, and homoscedasticity were evaluated in the subsequent multiple regression analysis. $Y=\beta0 + \beta1\ X1 + \beta2\ X2 + \beta3\ X3 + \beta4\ X4 + \mathcal{E}$. The regression was modelled as follows. Where; Y= Efficiency, β1....β3= Coefficients, X1 = Legalization, X2 = Ethical duties, X3 = Economic duties, X4 = Philanthropic duties. From Table 4.9 above, the unstandardized coefficients can be extracted from a regression model as follows: $Y=5.620 + 0.071X1 + -0.300\ X2 + 0.241X3 + 0.292X4 + \mathcal{E}$.

The findings indicate that a one-unit improvement in regulation would lead to an increase in business output with a factor of 0.071 and other variables kept steady at a significance level of 0.05. A unit increase in ethical obligations could lead to a rise in profitability at a significance level of 0.05, with a factor of 0.300, both variables being kept constant. One unit increase in economic liabilities could lead to an increase in profitability by a factor of 0.241, while one unit increase in philanthropic liabilities could lead to an increase in profitability by a factor of 0.292 at a degree of importance of 0.05, both variables being kept constant. It may therefore be concluded that CSR affects the firm performance.

8. Conclusion

The study concluded that Corporate Social Responsibility requires organizations to balance between the profit interest and the cost of engaging in CSR. Although CSR has proven to add value such as reputation and such there have been arguments about its benefit. In light of the discoveries of this exploration, it was discovered that legislation, ethical responsibilities, economic responsibilities, and philanthropic responsibilities all had a critical impact on the performance of the selected NSE firms.

Legislation activities that were under investigation in this study included compliance to laws and regulations governing their respective sectors, on-time payment of taxes, and attainment of proper legal documents and licenses led to customer satisfaction and positively affected performance. From the findings of the study, it can be concluded that the legislation activities of a firm affected performance positively. These findings are in line with a study by Oyenje & Mwangi who were measuring the influence of social accounting on the profitability of oil companies in Kenya. The findings indicated that adherence to the regulations of the country was a significant factor in the performance of these companies in the oil industry.

Ethical responsibilities in this study included responsibility and accountability to the society, harm/injury prevention practices and transparent manufacturing processes entrust the firm to its customers and improves customer loyalty hence improving performance. The findings of the study thus indicated that ethical responsibilities also contributed significantly to the performance of selected NSE firms. To support this finding a study done by Gathungu &Ratemo (2013) found that CSR activities relating to the treatment of shareholders had a significant effect on the performance of firms. The study mentions that CSR activities should satisfy the expectations of staff, customers, and societies.

Economic responsibilities according to this study included the provision of proper working conditions, generation of income to shareholders, and charging of reasonable prices for services ensure that customers get value for their money and lead to customer satisfaction. All in all, the study can conclude from the findings that ethical responsibilities have a positive effect on the performance of firms within the NSE. In a study by Mwangi and Jerotich (2013), they examined the relationship between corporate social responsibility initiatives, such as economic CSR operations and corporate success in the Nairobi securities exchange's manufacturing, construction, and related business.

A positive association between CSR scores and the findings was discovered hence showing the positive relationship between economic CSR activities and performance.

Philanthropic initiatives which included charity donations, support of health and educational programs have succeeded to woo customers and endeared them to products and services of the particular firms. From the findings of the study, it was concluded that philanthropic initiatives have a significant effect on the performance of firms listen to the NSE as it affects the corporate image. The study is in congruence with a study by Okwoma (2012) which researched the impact of corporate social responsibility, such as philanthropy, on commercial bank success in Kenya. The study found that most of the organizations had a program in place for CSR and this contributed to their financial performance.

9. Recommendation

Reasonable regulations should be placed in place by policymakers and regulators of NSE firms, requiring all NSE-listed companies to initiate and establish CSR programmes within the society in which they work. This also enables the organization's CSR strategy to be well aligned with the broad national goals of the government, such as the Vision 2030 MDGs. Businesses can do this by getting the input of policymakers when making CSR decisions and developing CSR plans.

For businesses to build a positive brand image and boost their results, CSR initiatives dealing with the environment, health, education, and water should be embraced, as these are the key concerns of society. Furthermore, to attract clients and increase consumer satisfaction and ultimately improve their efficiency, the study advises that businesses comply with legal regulations. The numerous activities that constitute CSR variables that predict the performance of companies in Kenya need to be better understood because this study has implications for the work of company managers, subordinate workers, researchers and society at large.

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