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# Health Corporate Social Responsibility and Financial Performance of Telecommunication Companies in Kenya

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## Abstract

The purpose of the study was to investigate the impact of health Corporate Social Responsibility (CSR) on the financial performance of telecommunication companies in Kenya. The population of the study comprised of 6,597 employees from the three major telecommunication companies in Kenya: Safaricom, Airtel Kenya and Telkom Kenya, with 3,859, 1,694, and 1,044 employees respectively. The unit of observation was employees in top and middle-level management positions due to their pivotal roles in strategic decision-making processes within organizations. The sample size was determined using Yamane's formula, resulting in 353 employees from top and middle-level management. Data collection employed semi-structured questionnaires, enabling the collection of quantitative and qualitative data. The collected data was analyzed using SPSS version 29 software. The study found a positive and significant association between health CSR programs and financial performance ( $r=0.654$ ,  $p=0.000$ ). The regression analysis also discovered a positive and significant relationship between health CSR programs and financial performance ( $\beta = 0.640$ ,  $t(324)$ ). In conclusion, Health CSR programs can be a valuable tool for improving the health and well-being of employees, customers, and the community. These programs can take many forms, but some common examples include health awareness, preventive services, and health partnerships. Health awareness can include providing employees with information about health risks and how to prevent them, as well as organizing educational events and campaigns. The study recommends that telecommunications companies should provide health education and prevention services. Companies should focus on educating their employees about various health risks and effective ways to avoid them. This initiative could involve organizing regular educational events and health awareness campaigns within the company. Providing free or discounted health screenings, vaccinations, and other preventive care services to employees is highly recommended. This approach not only supports employee health but also demonstrates the company's commitment to their well-being. Companies are encouraged to invest in ergonomic workstations. Ergonomically designed workspaces can significantly reduce physical discomfort and prevent long-term health issues among employees. Offering healthy food choices in the workplace is another key recommendation. This initiative can encourage better eating habits and contribute to the overall health of the workforce. Facilitating opportunities for physical activity within the workplace is also recommended. This could include setting up a gym, organizing sports events, or even simple initiatives like encouraging walking meetings or stretch breaks.

**Keywords:** Health CSR, financial performance, telecommunication companies, Kenya.

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## **1.0 Background of the Study**

Financial performance plays a critical role in assessing the overall health and effectiveness of an organization's financial management (Chong & Ali, 2022). It serves as a key indicator of the organization's ability to generate profits, control expenses, and maximize shareholder value (Watto, Manurung, Saputra & Mustafa, 2020). A strong financial performance is characterized by consistent growth, profitability, and the capacity to meet financial obligations and achieve long-term Corporate Social Responsibility (CSR) goals (Muchiri, Erdei-Gally & Fekete-Farkas, 2022). Investors, stakeholders, and management rely on financial performance as a vital tool to evaluate the financial viability and soundness of a company, enabling them to make informed decisions regarding investment, expansion, and strategic planning (Marita & Marita, 2019; Zhang, Chan & Tee, 2020). CSR can be fundamental to a business by enhancing its reputation, fostering stakeholder trust, and creating a positive impact on society and the environment, thus increasing financial performance (Amahalu & Okudo, 2023). Health-related Corporate Social Responsibility (CSR) programs are increasingly becoming integral parts of business strategy due to their dual impact on social welfare and corporate performance. Ndugu and Koori (2020) emphasize that these programs often address gaps in healthcare services, particularly in underserved communities, thereby increasing the social capital of companies. Al-maâ, Al-Qudah, and Shrouf (2019) point out that CSR in the health sector can improve a company's reputation, which may indirectly contribute to its bottom line. Further reinforcing this link between CSR and financial performance, Rugeiyamu (2020) highlights that investing in health-related programs can lead to more stakeholder trust and consumer loyalty. Moreover, Kalia and Aggarwal (2023) argue that health CSR initiatives are crucial for fostering public-private partnerships, especially in developing countries where healthcare infrastructure may be lacking.

Hashim, Ries and Huai (2019) demonstrate that companies that engage in health-related CSR also often see benefits in employee satisfaction and retention. Suttipun et al. (2021) underscore the potential for CSR activities in the health sector to positively impact environmental sustainability by promoting healthier lifestyles that may, in turn, reduce waste and pollution. According to Abdullahi and Matanda (2020), such programs also enable companies to comply with international norms and standards, thereby enhancing their competitive edge. Adamkaite, Streimikiene, and Rudzioniene (2023) contend that health CSR initiatives are not just moral obligations but strategic imperatives in today's socially conscious market. Finally, Chali et al. (2022) and Meiryani et al. (2023) affirm that in an increasingly interconnected world, the impact of health CSR programs extends beyond local communities to global well-being, thereby influencing international relations and trade.

Hence, health CSR can have a positive effect on the financial performance of an organization. The study focuses on three prominent telecommunication companies in Kenya: Safaricom, Airtel, and Telkom. These companies were selected based on their significant market presence, influence, and market share in the Kenyan telecommunication industry, making them suitable candidates for examining the relationship between CSR and financial performance. The telecommunication industry in Kenya is characterized by volatility and intense competition, leading to a decline in the financial performance of

telecommunication companies in recent years (Boruett & Musembi, 2022; Ramani, 2022; Mwangi & Mwanzu, 2023; Twalib & Kariuki, 2020). Safaricom reported a decrease in profit, Airtel Networks Kenya Limited experienced significant losses, and Telkom's market share decreased (Communications Authority of Kenya, 2022). Given these challenges and the importance of CSR, this study investigated the potential influence of health CSR on the financial performance of telecommunication companies in Kenya.

### **1.1 Statement of the Problem**

The telecommunications industry is undergoing rapid evolution and facing intense competition globally, leading to significant challenges. Many companies have reported losses and decreasing revenues, illustrating the difficulties in maintaining financial stability in this sector. For instance, Vodafone Idea Limited, a major telecom company in India, has faced significant financial hurdles, reporting a net loss after tax of 282.45 billion Indian rupees in the financial year 2022, following a net loss after tax of 442 billion Indian rupees in the preceding financial year (Statista, 2023). These losses underscore the economic difficulties telecom companies are encountering, even in one of the world's most populous nations with an immense market potential for telecommunication services. A similar trend can be observed in developed economies such as Canada, where the telecommunications services industry saw a decrease in revenues by approximately 800 million Canadian dollars in 2020, falling to 53.4 billion Canadian dollars from the previous year (Statista, 2023). In Africa, for instance, Nigerian telecom companies lost about 14,348,738 subscribers between September 2020 and September 2021 (Nigerian Communications Commission, 2023). This decline indicates that even in established markets with high telecommunication service penetration, companies are grappling with challenges that impact their revenues.

The telecommunication industry in Kenya is highly volatile and competitive, and the financial performance of telecommunication companies has witnessed a decline in recent years. For example, Safaricom reported a decrease in profit from 68,676.2 million in 2021 to 67,496.1 million in 2022 (Safaricom, 2022). Additionally, Airtel Networks Kenya Limited experienced losses of 24,822,606,000 in 2020 and 30,662,525,000 in 2021 (Airtel Networks Kenya Limited, 2022). Furthermore, in 2019, Telkom's market share significantly reduced after losing 600,000 customers, and its voice market share declined by 0.9 percent to 3.1 percent (Communications Authority of Kenya, 2019). Therefore, the current study aims to investigate the potential influence of health CSR on the financial performance of telecommunication companies in Kenya. The volatile and competitive nature of the industry, along with the reported financial performance challenges faced by certain companies, creates a need to understand how CSR initiatives can potentially impact financial outcomes. The findings can inform telecommunication companies in Kenya about the potential benefits and implications of adopting CSR practices, helping them make informed decisions regarding their CSR strategies. Thus, the objective of this research was to investigate the impact of health CSR on the financial performance of telecommunication firms operating in Kenya.

## **1.2 Research Objective**

The study examined the effect of health Corporate Social Responsibility on financial performance of telecommunication companies in Kenya.

## **2.0 Literature Review**

Ndugu and Koori (2020) conducted a study to determine the effect of CSR practices on the performance of Safaricom Public Limited Company in Kenya. Utilizing a descriptive research design, the study used both qualitative and quantitative analysis, with the population comprising employees of Safaricom. The analysis involved coding data and performing multiple regression analysis. The study found that health infrastructure development, provision of education, environmental awareness, and employee-focused CSR programs had a positive and significant relationship with the performance of Safaricom. Despite challenges in implementing CSR programs, such as costs, capacity, legislation, and lack of direct benefit, the firm continued running the programs. The implementation of CSR programs was found to enhance corporate reputation, improve relations with stakeholders, increase operational efficiency, and identify reputational risks. Al-maâ, Al-Qudah, and Shrouf (2019) conducted a study to examine the impact of CSR on organizational performance in the telecommunication sector in Jordan. The study used a quantitative methodology, surveying 500 employees from three telecommunication companies. The findings showed that internal CSR, activities aimed at employee welfare, positively impacted both non-financial and financial performance. However, external CSR, initiatives targeted at the community and environment, positively influenced non-financial performance but had a negligible negative effect on financial performance..

Rugeiyamu (2020) conducted a study to assess the impact of CSR on the financial performance of telecom companies, with a case study on TIGO Tanzania. The study utilized purposive sampling to select a sample of 133 respondents. Data collection methods included interviews and distribution of research questionnaires. The data were analyzed using content analysis and the Statistical Package for Social Sciences (SPSS), with the latter employed to run multiple regression and correlation analysis. The findings revealed a positive effect of CSR on the financial performance of the company. However, the study found no concrete evidence of the impact of CSR on the company's financial performance, noting that CSR often involves non-refundable costs and is voluntary, focusing more on social responsibility than profit motives. Although TIGO Tanzania engaged in CSR, the study identified inefficiencies in its CSR policies and implementation mechanisms.

The study by Kalia and Aggarwal (2023) examined the impact of ESG scores on the financial performance of healthcare companies. To achieve their research objectives, the study collected data from Thomson Reuters, specifically focusing on information from 468 healthcare firms during the business year 2020. This dataset provided them with the necessary ESG data to conduct their analysis. The researchers employed correlation and multivariate regression analysis as the primary methodologies to explore the association between ESG activities and firm performance. Moreover, they conducted separate analyses on the overall dataset and subsample data, allowing for a comparison of the relationship across developing and developed markets. The findings of the study revealed important insights into the relationship between ESG scores and financial performance in healthcare

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companies. It was observed that the impact of ESG activities on firm performance cannot be generalized across all healthcare companies. Specifically, in developed economies, performing ESG activities had a positive impact on the financial performance of healthcare companies. However, in developing economies, this relationship was either negative or insignificant. These findings emphasize the significance of considering the context, particularly the level of market development, when examining the influence of ESG activities on firm performance within the healthcare sector.

Hashim, Ries, and Huai (2019) examined the relationship between CSR and financial performance in telecommunications companies within the Association of Southeast Asian Nations (ASEAN). The study considered CSR dimensions including community, corporate governance, employee relations, and the environment, while financial performance was measured by the return on assets (ROA). Despite previous studies investigating the relationship between CSR and financial performance across countries, there was a lack of data focusing on the ASEAN telecommunications industry. The study aimed to address this gap by analyzing five years' annual reports (2013-2017) from 17 ASEAN telecommunications companies. However, it found no significant relationship between CSR and financial performance. Despite this, the study contributes to a more in-depth understanding of the impact of CSR on financial performance in the ASEAN telecommunications sector, both theoretically and practically.

Suttipun, Lakkanawanit, Swatdikun, and Dungtripop (2021) aimed to investigate the amount and impact of corporate social and environmental responsibility (CSR) spending, awards, and activities of companies listed on the Stock Exchange of Thailand (SET) and the Market for Alternative Investment (MAI). They also examined the difference in CSR spending, awards, and activities between companies with and without a CSR committee. The study, which focused on all listed companies in the resource industry from the SET and the MAI, collected data from annual reports between 2015 and 2019. Analytical techniques including descriptive analysis, an independent-sample t-test, a correlation matrix, and an unbalanced panel data analysis were used. Findings revealed an average spending per activity of 2.2964 million baht, an average of 2.1741 awards, and 11.4178 activities. Notably, the study found a significant negative impact of CSR spending, but a positive impact of CSR awards and activities, on corporate financial performance. Abdullahi and Matanda (2020) conducted a study to determine the value relevance of CSR expenditure on social activities such as education, sports, and health, and how these affect the market value of publicly listed companies at the Nairobi Securities Exchange (NSE). The study utilized a census of 12 qualifying companies over a five-year period from 2015 to 2019, using semi-annual financial statements and NSE secondary data on expenditures and values. Using a descriptive research design and pooled multivariate linear regression, the study found that all three expenditures on social programs had a positive effect on the market value of the companies listed at the NSE.

The study by Chali, Gelalcha, Gelaye, and Tyagi (2022) focuses on the relationship between investment in CSR and financial performance of companies in Ethiopia. The researchers aimed to understand whether CSR investments are an additional cost that undermines shareholders' value or if they contribute positively to financial performance. Additionally, they examined stakeholders' awareness of CSR and its impact on a company's

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image and competitiveness. Quantitative data was gathered from the financial statements of 62 purposively selected companies over a five-year period (2017-2021). Qualitative data was collected through questionnaires from various stakeholders, including employees, customers, government offices, suppliers, and local communities. The data was analyzed using an ordinary least squares (OLS) regression model. The findings indicate that an increase of one point in CSR activities is associated with a 0.35 increase in return on assets (ROA) and a 0.29 enhancement in return on equity (ROE). This suggests that greater engagement in CSR activities leads to better financial performance for companies. The qualitative data further supports this conclusion, revealing that more CSR activities result in satisfied clients, long-term growth, enhanced competitive advantage, improved public image, and ultimately higher levels of firm performance. Although many companies lack sufficient awareness of the importance of CSR, the study emphasizes that engaging in social, economic, and environmental activities can contribute to good financial performance.

The study by Meiryani, Huang, Soepriyanto, Jessica, Fahlevi, Grabowska, and Aljuaid (2023) investigates the impact of voluntary disclosure on the financial performance of manufacturing firms in Indonesia. The objective of the study is to examine how CSR influences the financial performance of manufacturing companies included in the LQ45 Index, with a focus on Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM). The population of the study consists of all manufacturing companies listed in the LQ45 Index, and the purposive sampling method was used to select the sample. The study utilizes secondary data from the CSRI (Corporate Sustai Reporting Index) based on the Global Reporting Initiative (GRI) G4 standard for the years 2018-2020, as well as the annual reports of the manufacturing companies. Quantitative analysis was conducted using descriptive statistics, conventional assumption tests, and simple linear regression analysis. The results of the study indicate that CSR has a significant effect on ROA but does not have a significant impact on ROE and NPM of the manufacturing companies in the LQ45 Index. The findings align with the signaling theory, suggesting that CSR disclosure sends a positive message to external stakeholders, which can lead to changes in business earnings.

### **3.0 Research Methodology**

The research design employed in this study was correlational research design. The utilization of a correlational research design in this study enabled the examination of the relationship between health CSR and the financial performance of telecommunication firms in Kenya. The target population in this study were employees from Safaricom, Airtel Kenya and Telkom Kenya. The justification for picking only Safaricom, Airtel Kenya and Telkom Kenya as the unit of analysis was because they controlled more than 95% of the market share with Safaricom (65.4%), Airtel Kenya (21.4%) and Telkom Kenya (8.9%) (Communications Authority of Kenya, 2023). The population scope comprised a total of 6,597 employees from the three major telecommunication companies in Kenya: Safaricom, Airtel Kenya, and Telkom Kenya, with 3,859, 1,694, and 1,044 employees respectively. The unit of observation was employees in top and middle-level management positions due to their pivotal roles in strategic decision-making processes within organizations. The sample size was determined using Yamane's formula, resulting in 353 employees from top and middle-level management. A primary data was collected using semi-structured

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questionnaires. The qualitative data obtained from the open-ended questions were subjected to content analysis and afterwards presented in a narrative format. The coding, analysis, and generation of the quantitative report were performed using version 29 of the Statistical Package for the Social Sciences (SPSS). The data was subjected to analysis using both descriptive and inferential statistics. The descriptive statistics included measures such as means, standard deviations, and percentages. The inferential statistics included both correlation analysis and regression analysis.

#### 4.0 Results and Findings

##### 4.1 Response Rate

The study included a total of 353 participants, consisting of employees occupying positions in both top-level and middle-level management. Of the total sample size of 353, a majority of 324 questionnaires were appropriately completed and subsequently utilized for the analysis. Table 1 displays the summary of the response rate.

**Table 1: Response Rate**

Company	Respondents Categories	Targeted respondents	Response (Those responded)	Percentage
Safaricom	Senior Management	41	38	0.9268
	Middle level Management	174	162	0.9310
Airtel Kenya	Senior Management	16	14	0.8750
	Middle level Management	69	65	0.9420
Telkom Kenya	Senior Management	14	13	0.9286
	Middle level Management	39	32	0.8205
<b>Total</b>		<b>353</b>	<b>324</b>	<b>0.9178</b>

The study results presented in Table 1 indicate that the average response rate was 91.78%. A response rate of 91.78% is considered to be adequate for the analysis since it is above the 60% threshold recommended by Ahmad and Halim (2017) and Hendra and Hill (2019). The high response rate not only boosts the confidence in the survey's findings but also increases the study's impact, as stakeholders are likely to consider its conclusions to be credible.

##### 4.2 Diagnostic Tests

In statistics, diagnostic tests are used to assess the quality and validity of a statistical model. These tests can identify any issues with the model, such as overfitting, underfitting or lack of fit. It is essential to use diagnostic tests to ensure that the conclusions drawn from a statistical model are valid and trustworthy. To ensure the requirements for regression are met, the following diagnostic tests were carried out.



### 4.2.1 Normality Tests

The study employed the Kolmogorov–Smirnov test to examine whether the data is normal. The normality test was used to determine if the sample data was collected from a population with a normal distribution. The study results of the normality tests are presented in Table 2

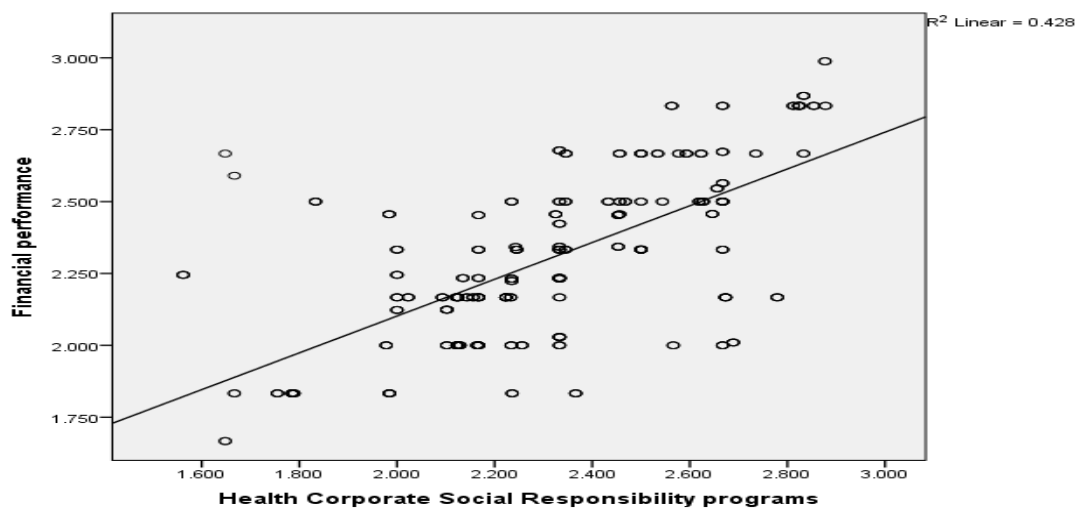
**Table 2: Normality Test**

Variables	Kolmogorov–Smirnov test.		
	Statistic	Df	Sig.
Health CSR programs	0.083	324	0.381

The findings presented in Table 2 indicate that the data exhibited a normal distribution, as evidenced by the respective p-values exceeding 0.05 for the variable. Hence, it can be inferred that the data exhibits a normal distribution based on the aforementioned findings. A normality test is a statistical procedure utilized to assess whether a given sample of data is derived from a population that follows a normal distribution.

### 4.2.2 Linearity Test

The scatter plot of health CSR programs against financial performance is summarized in Figure 1.



**Figure 1: Scatter Plot of Health CSR Programs against Financial Performance**

Figure 1 shows that health CSR programs depicted a straight-line relationship with financial performance. In addition, the r-squared showed the percentage of the dependent variable variation that a linear model explains.

### 4.2.3 Multicollinearity

The multicollinearity test was done using the Variance Inflation Factor (VIF). Table 3 presents the multicollinearity results.

**Table 3: Multicollinearity Results**

<b>Variables</b>	<b>VIF</b>
Health CSR programs	1.615

The study findings presented in Table 3 demonstrate the absence of multicollinearity, as evidenced by the Variance Inflation Factor (VIF) value for health CSR programs being below the threshold of 10. Katrutsa and Strijov (2017) have posited that variables with VIF values below 10 demonstrate an absence of multicollinearity. Multicollinearity is a statistical phenomenon characterized by the presence of high correlation between two or more predictor variables in a regression analysis.

#### **4.3 Descriptive Statistics of Health CSR Programs and Financial Performance**

Table 4 presents the percentage distribution of health CSR programs and financial performance.

**Table 4: Percentage Distribution of Health CSR Programs and Financial Performance**

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
In our company, we actively promote health awareness initiatives to educate our employees and customers about various health-related issues.	20.30%	52.40%	4.30%	16.50%	6.50%	2.36	1.17
Health awareness is an integral part of our health CSR programs, and we regularly conduct campaigns to raise awareness about healthy lifestyles.	13.40%	44.60%	9.10%	20.80%	12.10%	2.74	1.27
Our company prioritizes health awareness programs to ensure that our stakeholders are well-informed about preventive measures and health risks.	5.60%	63.20%	8.20%	13.90%	9.10%	2.58	1.09
In our company, we believe that promoting health awareness is essential for fostering a healthy community and a positive work environment.	30.70%	45.90%	6.90%	9.10%	7.40%	2.16	1.74
Our company offers preventive health services to employees and their families, encouraging proactive health management.	48.10%	35.90%	5.20%	7.40%	3.50%	1.82	1.05
In our company, we invest in preventive services to detect health issues early and prevent potential health complications.	27.30%	50.60%	5.60%	12.10%	4.30%	2.16	1.09
Preventive services are a fundamental component of our health CSR programs, ensuring a focus on disease prevention rather than just treatment.	33.80%	45.50%	3.50%	15.20%	2.20%	2.06	1.08
Our company is committed to providing accessible preventive services to our stakeholders, contributing to their overall well-being.	19.50%	53.70%	2.50%	17.70%	6.60%	2.30	1.06
We actively engage in health partnerships with local healthcare organizations to expand the reach and impact of our health CSR programs.	33.00%	30.60%	5.90%	26.90%	3.70%	2.38	1.29
Health partnerships are a core aspect of our CSR strategy, allowing us to collaborate with experts and address health challenges effectively.	24.10%	49.40%	5.90%	13.00%	7.70%	2.05	1.09
In our company, health partnerships are given highest priority to enable us to make a more significant difference in the community.	27.80%	54.60%	9.60%	5.20%	2.80%	2.01	0.91
The company is commitment to health partnerships to contribute to the overall health ecosystem in the region.	35.50%	29.90%	8.00%	20.70%	5.90%	2.31	1.30
<b>Average</b>						<b>2.24</b>	<b>1.18</b>

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The findings presented in Table 4 indicate that a majority of the respondents, specifically 72.70% (20.30%+52.40%), expressed disagreement regarding the company's efforts in actively promoting health awareness initiatives aimed at educating both employees and customers on various health-related matters. Conversely, 23% (16.50%+6.50%) of the respondents agreed with this statement, while a smaller proportion, 4.30%, remained neutral in their opinion. The average score was calculated to be 2.36, with a standard deviation of 1.17. This finding suggests that a majority of the participants expressed a lack of agreement regarding the proactive promotion of health awareness initiatives by companies, aimed at educating both employees and customers on a range of health-related matters. In relation to the second assertion, which states that "Health awareness constitutes a fundamental component of our CSR initiatives in the health sector," a majority of respondents (58%, comprising 13.4% strongly disagreeing and 44.6% disagreeing) expressed disagreement. In contrast, a total of 33% of participants expressed agreement with the statement, with 20.8% indicating agreement and 12.1% strongly agreeing. Additionally, 9.1% of respondents maintained a neutral stance. The average score was 2.74, with a standard deviation of 1.27. This suggests that although the level of disagreement is lower compared to the initial statement, a significant majority of individuals still hold the view that incorporating health awareness into the company's CSR programs is not essential.

With regards to the third statement, which states that "Our company prioritizes health awareness programs," a majority of respondents, specifically 68.8%, expressed disagreement (with 5.6% strongly disagreeing and 63.2% disagreeing). Conversely, 23% of respondents (comprising 13.9% who agreed and 9.1% who strongly agreed) expressed agreement with this statement. The average score obtained was 2.58, accompanied by a standard deviation of 1.09. These results suggest that the majority of respondents did not positively perceive the company's endeavors in emphasizing health awareness. In relation to the fourth statement, which posits that the promotion of health awareness is imperative for fostering a healthy community, a significant majority of respondents, amounting to 76.6% (30.7% strongly disagreed and 45.9% disagreed), expressed their disagreement. Approximately 16% of the respondents (9.1% in agreement and 7.4% strongly in agreement) concurred with the aforementioned assertion. The average score obtained was 2.16, indicating a relatively low level of agreement among respondents. This is further supported by a standard deviation of 1.74, suggesting a significant degree of skepticism regarding the company's dedication to promoting a thriving community.

Regarding the fifth statement, "Our company provides preventive health services," a significant majority of respondents (83.1%) expressed disagreement, with 48.1% strongly disagreeing and 35.9% disagreeing. A total of 10.9% of participants indicated agreement with the statement, with 7.4% expressing agreement and 3.5% strongly agreeing. Additionally, 5.2% of participants remained neutral in their response. The data reveals a mean score of 1.82 and a standard deviation of 1.05, suggesting a significant level of dissatisfaction among respondents regarding the company's provision of preventive health services. Based upon the sixth statement, it is worth noting that our organization allocates resources towards proactive measures aimed at identifying potential health concerns at an early stage. A significant majority of participants, comprising 77.9% of the total respondents, expressed disagreement with the given statement. This disagreement was further divided into two categories, with 27.3% strongly disagreeing and 50.6% simply

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disagreeing. Approximately 16.4% of the respondents expressed agreement with the statement, with 12.1% indicating agreement and 4.3% indicating strong agreement. Conversely, 5.6% of the respondents maintained a neutral stance. The average score for this statement was 2.16, accompanied by a standard deviation of 1.09. This finding indicates that there exists a notable degree of mistrust or discontent among survey participants regarding the organization's allocation of resources towards the early identification of health concerns.

In relation to the seventh statement, which states that preventive services are a fundamental aspect of our health CSR initiatives, the majority of respondents (79.3%) expressed disagreement. Specifically, 33.8% strongly disagreed and 45.5% disagreed. Conversely, only a minority of respondents (17.4%) agreed with the statement, with 15.2% indicating agreement and 2.2% strongly agreeing. A minuscule proportion, specifically 3.5%, maintained a neutral stance. The average score obtained was 2.06, accompanied by a standard deviation of 1.08. These statistics suggest that the majority of respondents do not perceive preventive services as a central aspect of the company's health CSR initiatives. In relation to the eighth statement, which states that "Our company is dedicated to offering accessible preventive services," a majority of respondents, specifically 73.2%, expressed their disagreement with this statement (with 19.5% strongly disagreeing and 53.7% disagreeing). In contrast, a total of 24.3% of respondents expressed agreement, with 17.7% indicating agreement and 6.6% strongly indicating agreement. Conversely, a mere 2.5% of respondents remained neutral. The average score obtained was 2.3, with a standard deviation of 1.06. This finding suggests that the majority of participants hold the view that the company lacks dedication towards offering accessible preventive services, thereby highlighting a prevailing sense of doubt or skepticism.

Regarding the ninth statement, "We actively participate in health partnerships with local healthcare organizations," A majority of respondents, specifically 63.6%, expressed disagreement with the given statement. Among those who disagreed, 33% strongly disagreed and 30.6% disagreed. On the other hand, 30.6% of respondents were in agreement, with 26.9% indicating agreement and 3.7% strongly agreeing. A small proportion of respondents, 5.9%, remained neutral on the matter. The average score obtained was 2.38, accompanied by a standard deviation of 1.29. These results indicate a relatively positive perception of the company's endeavors in establishing health partnerships, in contrast to its performance in other domains. With respect to the tenth assertion, it can be stated that health partnerships constitute a fundamental component of our CSR strategy. A total of 73.5% of respondents expressed disagreement, with 24.1% strongly disagreeing and 49.4% disagreeing. A total of 20.7% of participants expressed agreement with the statement, with 13% indicating agreement and 7.7% indicating strong agreement. Additionally, 5.9% of participants remained neutral on the matter. The average score was 2.05, with a standard deviation of 1.09. This finding suggests that a significant proportion of participants hold the view that health partnerships do not constitute a fundamental element of the organization's CSR approach.

Lastly, in the eleventh statement, there is a strong emphasis placed on prioritizing health partnerships. The results indicate that a significant majority of participants, comprising 82.4% of the total sample, expressed disagreement with the statement. Specifically, 27.8%

strongly disagreed, while 54.6% disagreed. Conversely, only a small proportion of respondents, amounting to 8.2%, indicated agreement. Within this group, 5.2% agreed, while a mere 2.8% strongly agreed. The average score exhibited a significant level of dissatisfaction and skepticism towards the company's purported emphasis on health partnerships, as evidenced by the lowest mean score of 2.01 and a standard deviation of 0.91. The average mean score across all these statements is 2.24 with a standard deviation of 1.18. This average mean score suggests a general tendency towards disagreement or skepticism among the respondents concerning the company's health-related CSR programs. Given that the score is closer to the "disagree" side of the scale (usually a scale from 1 to 5 where 1 is "Strongly Disagree" and 5 is "Strongly Agree"), it can be inferred that the company has substantial room for improvement in this area. The standard deviation suggests that while there is some variation in how strongly respondents feel about each statement, the sentiment is consistently leaning towards disagreement or skepticism. This overall average could be an indicator of systemic issues in the company's approach to health-related CSR activities. If the aim is to create a positive impression about the company's dedication to health awareness and prevention, the current strategies appear to be missing the mark.

Based on the responses obtained from the open-ended questions, it was determined that the implementation of effective CSR programs can yield several positive outcomes, including increased levels of employee engagement and satisfaction, ultimately resulting in enhanced productivity levels. Nevertheless, the study's expression of doubt may yield contrasting outcomes, potentially resulting in diminished morale, reduced productivity, and increased employee attrition. The potential financial impact of recruiting and training new staff may have implications for the company's overall financial performance. It is noteworthy to mention the significance of strategic partnerships. Health-related CSR initiatives have the potential to foster collaborative partnerships with healthcare organizations or non-governmental organizations (NGOs). These collaborations have the potential to yield financial advantages through the sharing of costs and benefits associated with CSR initiatives, as well as by enhancing the company's knowledge and influence within the local community. Nevertheless, the survey findings suggest that the respondents hold a negative perception regarding the company's effectiveness in this particular domain, which may impede the establishment of potentially advantageous collaborations.

Companies that possess robust CSR programs frequently garner investment from socially responsible funds and investors. Nonetheless, the company's diminished appeal to potential investors of this nature may result from its inability to persuade stakeholders about the efficacy of its CSR endeavors, as suggested by the findings of the research. Therefore, it can be argued that health-related CSR initiatives possess the capacity to exert a favorable influence on the financial performance of telecommunication firms in Kenya. However, it is important to acknowledge that the prevailing skepticism and lack of trust among employees and stakeholders, as indicated by the aforementioned study, may potentially yield adverse consequences. Hence, it is imperative for telecommunication companies to consider the development, execution, and dissemination of their CSR initiatives if they intend to achieve financial advantages.

#### 4.4 Correlation Analysis for Health CSR Programs and Financial Performance

Correlation analysis for health CSR programs and financial performance are presented in Tabel 5

**Table 5: Correlation Analysis for Health CSR Programs and Financial Performance**

		Financial Performance	Health CSR Programs
Financial Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Health CSR Programs	Pearson Correlation	.654**	1.000
	Sig. (2-tailed)	0.000	

The study results of the correlation analysis indicate a positive and significant association between health CSR programs and financial performance ( $r=0.654$ ,  $p=0.000$ ). This means that there is a positive relationship between the two variables, such that as health CSR programs increase, financial performance also tends to increase. There are several possible explanations for the positive association between health CSR programs and financial performance. One possibility is that health CSR programs can lead to increased employee productivity and morale. When employees are healthy and well-rested, they are more likely to be productive and engaged in their work. This can lead to increased profits for the company. Another possibility is that health CSR programs can help to attract and retain customers. Consumers are increasingly looking for businesses that are committed to social responsibility. When companies invest in health CSR programs, they signal to consumers that they are a responsible and ethical company. This can lead to increased sales and revenue for the company. In addition, health CSR programs can help to improve the company's reputation. A good reputation can attract investors, customers, and employees. This can lead to increased financial performance for the company.

#### 4.5 Regression Analysis for Health CSR Programs and Financial Performance

The study results of the model fitness are presented in Table 6

**Table 6: Model Fitness for Health CSR Programs and Financial Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.654a	0.428	0.427	0.214748

a Dependent Variable: Health CSR Programs

b Predictor: Financial Performance

The results presented in Table 6 established that health CSR programs are satisfactory in affecting financial performance of telecommunication companies in Kenya. The  $R^2= 0.428$  (42.8%). This implied that health CSR programs could explain 42.8% of the variations of

financial performance of telecommunication companies in Kenya. The study results of the Analysis of Variance (ANOVA) are summarized in Table 7

**Table 7: Analysis of Variance (ANOVA) for Health CSR Programs and Financial Performance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.125	1	11.125	241.226	.000
	Residual	14.85	322	0.046		b
	Total	25.974	323			

a Dependent Variable: Health CSR Programs

b Predictor: Financial Performance

The results in Table 7 indicate that the overall model is statistically significant. This is supported by  $F(1, 324) = 241.226, p < .05$ . The F-statistic presented with a value of 241.226 and associated p-value of less than 0.05, indicates the overall statistical significance of the model used to assess the relationship between Health CSR Programs and Financial Performance. A high F-value suggests that the variance explained by the model (the difference in financial performance related to health CSR programs) is significantly greater than the unexplained variance, implying that the model is statistically significant. The regression coefficients are shown in Table 8 which presents the findings of the research.

**Table 8: Regressions of Coefficient for Health CSR Programs and Financial Performance**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.822	0.097		8.504	0.000
Health CSR Programs	0.640	0.041	0.654	15.53	0.000

a Dependent Variable: Health CSR Programs

b Predictor: Financial Performance

Based on the results, the regression model thus becomes:

$$Y = 0.822 + 0.640X$$

Where: -

Y= Financial Performance

X = Health CSR Programs

The results in Table 8 show that health CSR programs are positively and significantly related to financial performance of telecommunication companies in Kenya ( $\beta = 0.640, t$



(324) = 15.531,  $p < .05$ ). When compared to the critical t-value of 1.96 (corresponding to the 95% confidence level for a two-tailed test), the calculated t-value of 15.531 far exceeds this threshold, strongly indicating a significant relationship between the variables. Moreover, a p-value of less than .05, especially if it is precisely 0.000 or very close to it, underscores the extreme unlikelihood that the observed relationship between health CSR programs and financial performance occurred by chance. In conclusion, the high t-value of 15.531, in comparison to the critical t-value of 1.96, along with a p-value (0.000), provides compelling evidence that health CSR programs are positively and significantly related to financial performance of telecommunication companies in Kenya.

## **5.0 Conclusion**

In conclusion, the study found that there is a positive and significant relationship between health CSR programs and financial performance of telecommunication companies in Kenya. This means that as health CSR programs increase, financial performance also tends to increase. Health CSR programs can be a valuable tool for improving the health and well-being of employees, customers, and the community. These programs can take many forms, but some common examples include health awareness, preventive services, and health partnerships. Health awareness can include providing employees with information about health risks and how to prevent them, as well as organizing educational events and campaigns. Preventive services can include providing employees with free or discounted health screenings, vaccinations, and other preventive care services. Health CSR programs can have several benefits for both the company and the community. For the company, these programs can improve employee health and morale, which can lead to increased productivity and reduced absenteeism. They can also help to attract and retain top talent and improve the company's reputation. For the community, health CSR programs can improve health outcomes, reduce health care costs, and create jobs. Health CSR programs can be a win-win for both companies and communities. By investing in the health of their employees and the community, companies can improve their bottom line and make a positive impact on the world.

## **6.0 Recommendations**

The study recommends that telecommunications companies should provide health education and prevention services. Companies can educate employees about health risks and how to avoid them, as well as organise educational events and campaigns. They can also provide free or discounted health screenings, vaccinations, and other preventive care services to employees. Companies can foster a healthy work environment by providing ergonomic workstations, healthy food options, and physical activity opportunities. They can also provide employees with flexible work arrangements that allow them to balance their work and personal lives. Encourage the use of employee wellness programmes. Employee wellness programmes can be promoted by companies by providing financial incentives for healthy behaviours such as participating in fitness challenges or quitting smoking. In addition, companies can provide on-site fitness centres, yoga classes, and other wellness programmes.

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