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Education Corporate Social Responsibility and Financial Performance of Telecommunication Companies in Kenya

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Abstract

The financial performance of telecommunication companies has witnessed a decline in recent years. Safaricom for instance reported a decrease in profit from 68,676.2 million in 2021 to 67,496.1 million in 2022. Additionally, Airtel Networks Kenya Limited reported losses of 24,822,606,000 in 2020 and 30,662,525,000 in 2021. 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. Therefore, the current study aimed to investigate the influence of education Corporate Social Responsibility (CSR) on financial performance of telecommunication companies in Kenya. The population scope encompassed a total of 6,597 employees from the three major telecommunication companies in Kenya: Safaricom with 3,859 employees, Airtel Kenya with 1,694, and Telkom Kenya with 1,044. 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. The collected data was analyzed using SPSS version 29 software. The correlation analysis found a positive and significant association between education CSR programs and financial performance ($r=0.772$, $p=0.000$). The regression analysis found a positive and significant relationship between education CSR programs and financial performance ($\beta = 0.748$, $t(324) = 21.794$, $p<.05$). The study concludes that education CSR programs can include scholarship initiatives, educational infrastructure, and skills development. Scholarship initiatives can include providing financial assistance to students who are unable to afford tuition, books, or other educational expenses. The study recommends that companies operating in the telecommunications industry should allocate resources towards providing scholarships and financial assistance to students who are in financial need. It is recommended that companies in the telecommunications industry leverage their capacity to contribute to the development of educational infrastructure. This can be achieved through various means, including providing support to existing schools or initiating the construction of new educational institutions.

Keywords: *Education CSR programs, Financial Performance, Telecommunication Companies, Kenya*

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1.0 Background of the Study

Corporate Social Responsibility (CSR) programs focused on education have gained increasing attention to foster sustainable development while enhancing corporate performance. Wanjekeche (2022) highlights the significant impact of educational CSR programs on literacy rates and academic performance in underprivileged areas, contributing to social upliftment. Akhigbe and Olokoyo (2019) emphasize that investments in education not only enhance the human capital of the community but also improve a company's reputation. This is because as companies invest in educational programs, they build goodwill and trust among stakeholders, which can benefit their long-term financial performance. Miyogoh, Arasa, and Ngui (2021) argue that an educated community is more likely to engage meaningfully with a company's products and services, potentially boosting its sales and revenue. In addition to their direct community impact, education-focused CSR initiatives have significant implications for a company's internal dynamics (Abdullahi & Matanda, 2020). Adu et al. (2021) reveal that such initiatives can create a sense of pride and fulfillment among employees, leading to increased job satisfaction and productivity. Moreover, Phillips, Thai, and Halim (2019) illustrate that companies with robust educational CSR programs are often viewed as more attractive employers, aiding in the recruitment and retention of high-caliber staff. Feng et al. (2022) further demonstrate that when a company is seen as investing in the education of future generations, it garners a level of public goodwill that may translate into consumer loyalty and enhanced financial performance.

However, there are complexities and challenges that companies must navigate when implementing educational CSR programs. Afiuc et al. (2021) caution that without proper planning and execution, these programs can become mere PR exercises, leading to skepticism among stakeholders and potentially negating any positive impact on the company's financial performance. Amri, Wanza, and Githinji (2021) concur, stating that the effectiveness of educational CSR programs in enhancing financial performance is significantly influenced by the quality of engagement with local communities. Therefore, to maximize both social and corporate benefits, it is imperative for companies to be thoughtful and genuine in their CSR efforts. The relationship between CSR in education and financial performance is multi-dimensional. Watto et al. (2020) assert that CSR can be a long-term investment for companies, and the returns may not be immediate but can be substantial over time. Muchiri, Erdei-Gally, and Fekete-Farkas (2022) add that the financial benefits from CSR, especially in education, can include not only an increase in revenue through enhanced brand loyalty but also a decrease in operational costs due to a more efficient, motivated, and skilled workforce.

This study focused on three prominent telecommunication companies in Kenya: Safaricom, Airtel, and Telkom. Safaricom, founded in 1997 and partly owned by Vodafone and the Kenyan government, is primarily known for its innovative services, including M-Pesa, a groundbreaking mobile money transfer service (Muiru, 2022). As of September 2022, Safaricom commanded the largest market share in Kenya's telecommunications industry (Communications Authority of Kenya, 2022). Airtel, a subsidiary of Bharti Airtel Limited, also has a considerable market share in Kenya and offers a wide range of services (Nyokabi, 2021). Telkom Kenya, established in 1999, provides comprehensive technology solutions and has a significant presence in both local and international telecommunications (Telkom, 2023). These companies were chosen for their market presence, making them suitable candidates for examining the relationship between CSR and financial performance in Kenya's competitive and volatile telecommunications industry (Boruett & Musembi, 2022; Ramani, 2022; Mwangi & Mwanzu, 2023; Twalib & Kariuki, 2020). The study aimed to explore how education-focused corporate social responsibility (CSR) might impact the financial performance of telecommunication companies in Kenya, given the industry challenges and the significance of CSR. 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.

1.1 Statement of the Problem

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 aimed to investigate the potential influence of 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 evaluated empirical research yielded varied results about the correlation between CSR and financial success. In a study conducted by Watto, Manurung, Saputra, and Mustafa (2020), it was discovered that CSR has a favourable influence on the performance of small and medium-sized enterprises (SMEs) in Pakistan. Similarly, Ramzan, Amin, and Abbas (2021) identified beneficial consequences of CSR on the financial performance, stability, and inclusivity within the banking industry of Pakistan. In a similar vein, research undertaken in Ghana has shown a favourable correlation between CSR and financial success within the telecommunications business (Awadzie, Garr, Attah-Botchwey, Koduah Sarpong, & Marfo, 2023). Likewise, in Nigeria, a positive association has been seen in the banking sector (Amahalu & Okudo, 2023). Moreover, empirical research conducted in Ethiopia has revealed a positive correlation between CSR practices and firm performance (Ying, Tikuye, & Shan, 2021). Similarly, investigations carried out in Kenya have underscored the favourable impacts of environmental responsibility, corporate philanthropy, and CSR contributions on the financial performance of manufacturing firms and commercial banks listed on the stock exchange (Nzuki & Opuodho, 2022; Mwangi & Wanjira, 2019; Muchiri, Erdei-Gally, & Fekete-Farkas, 2022).

In contrast, several research findings have shown either an adverse or inconsequential correlation between CSR and financial success. In their study, Rehman, Zahid, Rahman, Asif, Alharthi, Irfan, and Glowacz (2020) observed a negative correlation within the Islamic banking sector of Pakistan. Similarly, Mtaturu and Muloli (2021) discovered a detrimental effect of CSR on the financial performance of registered banks in Tanzania. Furthermore, research carried out in China and Kenya has produced varying outcomes or failed to demonstrate any statistically significant influence of CSR on financial performance (Deng, 2022; King'wara, 2020). In general, the aforementioned results underscore the intricate and contingent character of the association between CSR and financial success. This underscores the need for more study in diverse sectors and geographical areas to attain a thorough comprehension. The objective of this research was to investigate the impact of education CSR on the financial performance of telecommunication firms operating in Kenya.

1.2 Research Objective

To establish the effect of education Corporate Social Responsibility programs on financial performance of telecommunication companies in Kenya.

2.0 Literature Review

Wanjekeche (2022) conducted a study to understand the influence of CSR on the organizational performance of Base Titanium in Kenya, the country's largest mining company. Utilizing stakeholder and legitimacy theories and gathering data through an interview guide and company documents, the study scrutinized the impact of the company's robust CSR program that focuses on community infrastructure, health, livelihood programs, and education. Data was analyzed using content analysis method, revealing that CSR initiatives in education, economic empowerment, community health, and infrastructure, guided by various policies, significantly contributed to the improvement in living standards of residents. Moreover, it was found that these CSR programs positively impacted the company's performance, enhancing its reputation, product acceptance, and business partnerships. Despite the positive findings, the study pointed out potential bias in self-reporting and recommended further research using different methodologies and across the mining sector for a more holistic view.

Akhigbe and Olokoyo (2019) researched the correlation between CSR and brand loyalty in the Nigerian telecommunication sector. To conduct the study, they distributed 386 questionnaires to customers of the four largest mobile telecommunication firms in Nigeria. They employed simple linear regression to test their hypothesis. Contrary to some expectations, their findings revealed no significant relationship between CSR and brand loyalty. However, customers identified favorable price point, good quality service, and good customer care as critical factors influencing their brand loyalty. The study was specifically focused on examining the impact of CSR on customer loyalty, which is a limited indicator of market share. In the study conducted by Miyogoh, Arasa and Ngui (2021) revealed that community social support, environmental responsibility, CSR economic expectations, and consumer protection explained 64.0% of the variation in market share of the telecommunication industry in Kenya. Specifically, the study found that consumer protection had the highest positive effect on market share (β=.334), followed by CSR economic expectations (β=.277), community social support (β=.232), and environmental responsibilities (β=.211). These results indicate strong positive correlations between these four factors and market share, thus emphasizing the significant role of CSR in influencing market performance in the telecommunication sector in Kenya.

The study by Adu, He, Nyame, Boahen, and Frempong (2021) focuses on the effects of internal CSR (ICSR) activities on social performance from the perspective of employees in higher education institutions (HEIs) in Ghana. While many studies have examined CSR in manufacturing or industrial companies, the context of HEIs and their internal CSR activities remains understudied. Recognizing the social exchange theory, the study specifically investigates the impact of five internal CSR dimensions (health and safety, human rights, training and development, workplace diversity, and work-life balance) on social performance. To conduct their research, the study adopts a multi-case approach, assessing internal CSR activities in both private and public Ghanaian universities. Three public universities and one private university were purposively selected to account for variations in context and academic mandates. Structured questionnaires were used to collect data from both teaching and non-teaching staff in the selected universities. The collected data were analyzed using structural equation modeling (SEM). The findings of the study reveal that health and safety, workplace diversity, and training and development have a positive and significant impact on social performance within HEIs. However, human rights and work-life balance were found to have an insignificant effect on social performance. These results highlight the substantial influence of ICSR practices on both employee and organizational performance within the higher education context. The study provides important implications for both researchers and practitioners. It contributes to the understanding of the relationship between ICSR activities and social performance in HEIs, shedding light on the specific dimensions that have the greatest impact. The findings suggest the importance of prioritizing health and safety, workplace diversity, and training and development initiatives to enhance social performance within HEIs. The study's focus on the employee perspective underscores the significance of considering the internal aspects of CSR and their effects on employee well-being and organizational outcomes.

The study by Phillips, Thai, and Halim (2019) investigates the relationship between CSR leadership, CSR culture, CSR performance, customer satisfaction, and financial performance in the airline industry. Focusing on CSR in leadership and culture as valuable resources within the value chain capabilities, the research examines the impact of these factors on CSR performance and its subsequent influence on customer satisfaction and financial performance. By analyzing three carriers in the US and Asia Pacific markets, the study reveals the importance of cultivating CSR culture and promoting CSR leadership to positively influence CSR performance, ultimately enhancing firm performance. The findings highlight the significance of embedding CSR into the core business operations and identifying value chain capabilities such as CSRL and CSRC to achieve sustainable performance and financial success. This research contributes to the existing literature by exploring the interconnections between CSR-related constructs and shedding light on the role of CSR leadership and culture in driving performance outcomes. Overall, the study provides insights for managers to invest in CSR and embrace its strategic value for long-term sustainable performance in the airline industry and beyond.

The study by Feng, Akram, Hieu, and Hoang Tien (2022) investigates the impact of CSR dimensions, including employee, customer, community, and environmental CSR, on the sustainable business performance of the manufacturing industry. The research also analyzes the mediating role of firm reputation between CSR and sustainable business performance. The primary data for the study were collected from employees of Italian manufacturing firms using simple random sampling. The researchers utilized Smart-PLS to assess the reliability of the variables and examine the relationships among them. The results indicate a positive association between CSR and firm reputation, as well as between CSR and sustainable business performance. Furthermore, the study reveals a significant and positive association between firm reputation and sustainable business performance. There is a positive and significant mediating role of firm reputation between CSR and sustainable business performance (Zhong & Lee, 2022).

Afiuc, Bonsu, Manu, Knight, Panda and Blankson (2021) examined the role of CSR in customer retention (CR) within the telecommunications industry in Ghana, using the social exchange theory as a conceptual foundation. Data were collected via interviews with CSR managers and through a structured questionnaire, then analyzed using qualitative analysis and structural equation modeling. The findings indicated significant relationships between CSR, corporate image, service quality, and customer retention. Notably, corporate image was found to mediate the relationships between CSR, customer value, and service quality with customer retention. The study further revealed that CSR reinforced the relationship between customer value and service quality with corporate image, thereby enhancing customer retention. This study contributes to the marketing and CSR literature by addressing a previously overlooked aspect: the mediating factors in the relationship between CSR activities and customer retention.

Amri, Wanza and Githinji (2021) evaluated the influence of CSR, particularly environmental practices, on the performance of mobile telecommunication companies in Rwanda. Using structured questionnaires, data was collected from managers and staff responsible for CSR in these companies. Descriptive statistics and regression analysis revealed a significant positive effect of environmental practices on organizational performance ($\beta = 0.711$, $p=0.000$), implying that better environmental practices enhance company performance. The study recommended that organizations enforce policies for reduction, reuse, and recycling, effectively manage waste, use renewable energy sources, and implement pollution management procedures thoroughly.

Watto, Manurung, Saputra and Mustafa's (2020) examined the relationship between CSR, firm innovation, and organizational performance among 53 SMEs in Pakistan. A self-administrated questionnaire was used to collect data from managers of the SMEs. After distributing 275 questionnaires, statistical techniques, including reliability analysis, descriptive statistics, regression analysis, and correlation analysis, were conducted using SPSS version 16. The results revealed a partial mediation effect of innovation performance on the relationship between CSR and firm performance. The influence of CSR on firm performance decreased when innovation performance was added to the model. This finding suggests that CSR can act as a critical mechanism to drive firms towards increased innovation, proficiency, and effectiveness. The study conducted by Al Sakkaf, Farouk, and Abu Elanain (2023) focuses on identifying the motivators for CSR towards education and examining its impact on corporation performance and reputation in the United Arab Emirates (UAE). The study aims to provide insights into the perceptions of CSR practices in education among representatives of 595 top corporations in the UAE, their motivations for engaging in CSR towards education, and the resulting impact on corporation reputation and performance. The research methodology employed in this study is quantitative in nature, utilizing self-administered questionnaires as the primary data collection tool. The responses from the 595 respondents were analyzed using regression analyses to explore the relationships between different variables. The findings of the study reveal that reciprocity and involvement are the most significant motivators for UAE corporations to engage in CSR towards education. However, altruism was not identified as a strong motivator in this context. Furthermore, the study demonstrates a positive relationship between CSR towards education and corporation performance, with the mediating role of corporation reputation.

The study by Muchiri, Erdei-Gally, and Fekete-Farkas (2022) focuses on examining the effect of CSR on the financial performance of financial institutions in Kenya. The authors highlight that CSR is essential for achieving the vision of 2030, the UN's sustainable goals, and the sustainable development of individual countries. They also note that sustainable corporate practices are crucial for realizing these goals. However, there is a lack of direct association between CSR and corporate financial performance (CFP) in Kenya, leading to geographical, sectorial, and scholarly gaps in previous research on this topic. The objective of this study is to uncover the impact of CSR activities, particularly ethical, charitable, and gender-mainstreaming practices, on the financial performance of financial institutions in Kirinyaga County, Kenya. The researchers selected a study population of 300 employees working in financial institutions within the county, and a sample of 171 participants was chosen using stratified and systematic sampling techniques. A causal research design was adopted, and primary data was collected through in-person administration of questionnaires. The data was analyzed using SPSS software. The findings of the study indicate a strong positive relationship between CSR practices and the financial performance of financial institutions. The authors recommend that firms in the financial sector increase their investment in ethical, charitable, and gender-mainstreaming CSR activities, as these practices have a positive influence on financial performance.

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 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

The findings of the study are presented in sections.

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
Total		**353**	**324**	**0.9178**

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. Overall, the high response rate provides a strong backbone for the study, setting the stage for meaningful analysis and valuable insights.

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. Employing these tests was vital to guarantee that the conclusions derived from a statistical model are both valid and reliable. Consequently, to confirm that the regression model met the necessary requirements, various diagnostic tests were conducted.

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

	Kolmogorov–Smirnov test.		
Variables	**Statistic**	**Df**	**Sig.**
Education CSR programs	0.074	324	0.064

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 Education CSR programs. Hence, it can be inferred that the data exhibits a normal distribution based on the aforementioned findings.

4.2.2 Linearity Test

The linearity test is essential for ensuring the validity of a regression model, improving the accuracy of predictions, interpreting coefficients, and avoiding spurious relationships. Therefore, it is crucial to conduct a linearity test to ensure that the regression model is appropriate and valid for the data. The scatter plot of education CSR programs against financial performance is summarized in figure 1

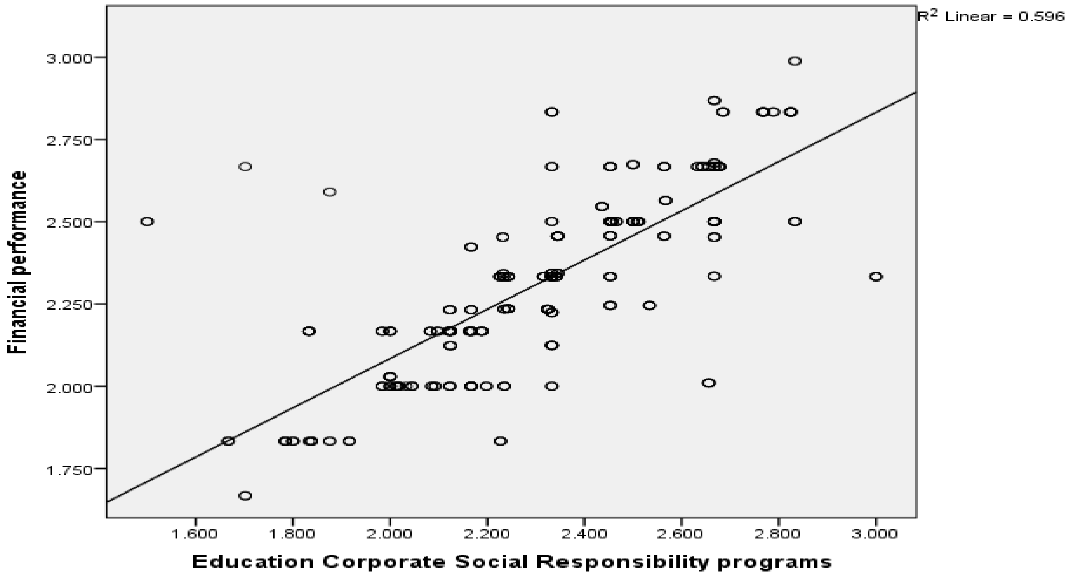

Figure 1: Scatter Plot of Education CSR Programs against Financial Performance

Figures 1 shows that education 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

Variables	VIF
Education CSR programs	1.658

The findings presented in Table 3 demonstrate the absence of multicollinearity, as evidenced by the Variance Inflation Factor (VIF) values for ducation 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.

4.3 Descriptive Statistics for Education CSR Programs and Financial Performance

Table 4 presents the descriptive statistics results.

Table 4: Percentage Distribution of Education CSR Programs and Financial Performance

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard deviation
In our company, we have implemented scholarship initiatives to support students' access to education	38.00%	34.90%	10.50%	11.70%	4.90%	2.11	1.18
Our scholarship initiatives are well-publicized	22.20%	47.80%	7.10%	16.00%	6.80%	2.37	1.03
The application process for our scholarships is not complicated and time-consuming	23.10%	42.00%	10.20%	19.10%	5.60%	2.42	1.20
Our scholarship initiatives are coordinated with other organizations that offer scholarships	16.00%	35.20%	4.00%	43.20%	1.50%	2.04	1.07
Our company invests in improving educational infrastructure to enhance learning environments in Kenya.	20.70%	52.20%	4.60%	16.70%	5.90%	2.35	1.15
Our investment in educational infrastructure is adequate to meet the needs of all students.	13.60%	51.90%	8.00%	14.50%	12.00%	2.10	1.04
The educational infrastructure that we have invested in is well equipped with the latest technology	6.80%	60.80%	9.30%	12.70%	10.50%	2.59	1.12
The educational infrastructure that we have invested is well-maintained	17.30%	57.10%	7.10%	11.40%	7.10%	2.34	1.01
Skills development is a core component of our education CSR programs in Kenya.	24.10%	58.60%	3.10%	10.80%	3.40%	2.05	1.00
In our company, we emphasize empowering individuals through skills development to enhance their capabilities and knowledge.	27.50%	52.50%	5.60%	12.00%	2.50%	2.10	1.04
Our company actively engages in skills development initiatives to contribute to the growth and development of individuals in Kenya.	29.00%	46.00%	6.50%	16.40%	2.20%	2.17	1.09
The skills development initiatives that we offer are affordable for all employees.	20.40%	39.80%	5.90%	21.30%	12.70%	2.06	1.35
Average						**2.23**	**1.11**

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The findings, as shown in Table 4, reveal that 72.9% (38.00% + 34.90%) of respondents disagreed with the effectiveness of the company's implementation of scholarships to assist students, as indicated by a mean score of 2.11. This suggests significant room for improvement in the management and promotion of its scholarship programs. The statement regarding the simplicity of the scholarship application process received a mean score of 2.42. Despite being slightly higher, 65.1% (23.1% + 42.0%) still disagreed with this statement, indicating a need for further streamlining of the process for the benefit of applicants. Collaboration with other organizations offering scholarships scored an average of 2.04, reflecting a divided sentiment that leans more toward disagreement, implying the company's insufficient efforts in forging beneficial partnerships. Moreover, 72.9% (20.7% + 52.2%) of respondents disagreed with the company's investment in educational infrastructure, as shown by a mean score of 2.35, pointing to a necessity for more effective communication and demonstration of the impact and adequacy of these investments.

Similarly, the statement about educational infrastructure being well-equipped with cutting-edge technology received the highest mean score of 2.59 out of all statements. However, 67.6% (6.8% + 60.8%) agreed that more could be done to modernize the educational settings in which the company is investing. Moving on, the statement "Skills development is a core component of our education CSR programs in Kenya" received a mean score of 2.05. This statement was rejected by 82.7% of respondents (24.1% + 58.6%). This indicates that there is a perception that the company is not doing enough to develop skills as part of its CSR initiatives in education. Following that, the statement "In our company, we emphasize empowering individuals through skills development to enhance their capabilities and knowledge" received a mean score of 2.10. In this case, 80% (27.5% + 52.5%) of respondents disagreed, indicating a need for the company to make its efforts in terms of empowering individuals more visible and effective. The statement "Our company actively engages in skills development initiatives to contribute to the growth and development of individuals in Kenya" received a mean score of 2.17 out of a possible 3. While this is slightly higher, 75% of respondents (29.0% + 46.0%) disagreed with the statement. This suggests that, despite some efforts, the company's skill development initiatives have not been well received by the majority of stakeholders.

Finally, "The skills development initiatives that we offer are affordable for all employees" received a mean score of 2.06, with 60.2% (20.4% + 39.8%) disagreeing. This suggests that there is some concern about the affordability of these programs, which could limit their impact. Considering the average mean score of 2.23 for the entire set of statements, it is clear that the general sentiment is against the company's education-related CSR efforts. The lower mean scores indicate that the area of skills development appears to be a significant gap in CSR activities. Financially, the apparent lack of effective CSR initiatives in education and skills development may endanger the company's brand and stakeholder relations. It may even result in missed opportunities to develop a skilled and committed workforce, affecting productivity and, ultimately, financial performance. Addressing these gaps could have a positive impact on the company's bottom line as well as its social impact.

From the open-ended questions, the study found that the role of education CSR programs in Kenyan telecommunications companies can have a variety of effects on their financial performance. Employee morale often rises when a company is perceived to be positively contributing to education. Employees who are happy and engaged are more productive, and

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this productivity can directly improve the bottom line of the company. Another critical factor is the enhancement of brand equity and customer loyalty. Customers frequently prefer to remain loyal to a socially responsible brand, and this loyalty can translate into increased sales and customer lifetime value. Similarly, an investment in education can serve as a form of risk mitigation. A more educated customer base may result in fewer complaints and legal issues, benefiting the company's financial health. Furthermore, effective CSR programs in education frequently garner positive media attention, effectively serving as free advertising. This positive image not only attracts new customers but also keeps existing ones, increasing revenue. Furthermore, CSR initiatives can pave the way for strategic partnerships with government agencies and non-governmental organizations. These alliances may provide benefits such as subsidies, tax breaks, or new business contracts, all of which can improve the company's financial performance.

Furthermore, a strong emphasis on educational CSR initiatives is frequently regarded as a sign of long-term sustainability and forward-thinking. This perception may attract more investors, resulting in more available capital for growth and expansion. Another often overlooked benefit is that investing in education can help the company build a talent pipeline. Having an educated and skilled labor force readily available can help to reduce training program costs. In Kenya's highly competitive telecommunications sector, having a robust CSR program focused on education can serve as a unique selling proposition that distinguishes a company from its competitors. However, it is critical that the initiatives align with the company's overall strategy and that this alignment is effectively communicated to stakeholders. Otherwise, the potential financial benefits may not be fully realized. Overall, while the immediate, direct impact on finances may be difficult to quantify, long-term benefits such as brand building, employee engagement, and stakeholder relations can significantly contribute to a telecommunication company's financial stability and growth in Kenya.

4.4 Correlation Analysis for Education CSR Programs and Financial Performance

The correlation results are presented in Tabel 5

Table 5: Correlation Analysis for Education CSR Programs and Financial Performance

		Financial Performance	**Education CSR Programs**
Financial Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Education CSR Programs	Pearson Correlation	.772**	1.000
	Sig. (2-tailed)	0.000	

The study results of the correlation analysis indicate a positive and statistically significant association exists between education CSR programs and financial performance (r=0.772, p=0.000). This means that as education CSR programs increase, financial performance also tends to increase. There are a number of possible explanations for this positive association. One possibility is that education CSR programs can lead to increased employee

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productivity and morale. Consumers are increasingly looking for businesses that are committed to social responsibility. When companies invest in education 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. Finally, education 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. Thus, a business should consider investing in education CSR programs. This can lead to several benefits, including increased employee productivity and morale, attracting and retaining customers, and improving the company's reputation.

4.4 Regression Analysis for Education CSR Programs and Financial Performance

The regression analysis includes the analysis of model fitness, analysis of variance (ANOVA) and regression of coefficient. The study results of the model fitness are presented in Table 6

Table 6: Model Fitness for Education CSR Programs and Financial Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.772a	0.596	0.595	0.18053

a Dependent Variable: Education CSR Programs

b Predictor: Financial Performance

The results presented in Table 6 established that education CSR programs are satisfactory in affecting financial performance of telecommunication companies in Kenya. The R^2= 0.596 (59.6%). This implied that education CSR programs could explain 59.6% of the variations of financial performance of telecommunication companies in Kenya. The results of the Analysis of Variance (ANOVA) are summarized in Table 7.

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.48	1	15.48	474.97	.000b
	Residual	10.494	322	0.033		
	Total	25.974	323			

a Dependent Variable: Education 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) = 474.97, p <.05. The F statistic serves as an indicator of the overall adequacy of the model, with a higher value suggesting a stronger fit. The F-statistic presented with a value of 474.97 and associated p-value of less than 0.05, indicates the overall statistical significance of the model used to assess the relationship between Education CSR Programs and Financial Performance. A high F-value suggests that the variance explained by the model (the difference in financial performance related to

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education CSR programs) is significantly greater than the unexplained variance, implying that the model is statistically significant. The study results of the regressions of coefficients is presented in Table 8.

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

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.588	0.08		7.368	0.000
Health CSR Programs	0.748	0.034	0.772	21.794	0.000

a Dependent Variable: Education CSR Programs
b Predictor: Financial Performance

Based on the results, the regression model thus becomes:
Y = 0.588+ 0.748X
Where: -
Y= Financial Performance
X = Education CSR Programs

The results in Table 8 show that education CSR programs are positively and significantly related to financial performance of telecommunication companies in Kenya (β =.748, t (324) = 21.794, p<.05). The high t-value of 21.794, in comparison to the critical t-value of 1.96, along with a p-value (0.000), provides compelling evidence that education CSR programs are positively and significantly related to financial performance of telecommunication companies in Kenya. The regression coefficient (β) of 0.748 signifies that for each unit increase in education CSR programs, there is a corresponding increase in financial performance. These findings underscore the potential benefits of educational CSR initiatives in enhancing the financial performance of such firms in this specific context.

5.0 Conclusion

The study concludes there is a positive and statistically significant relationship between education CSR programs and financial performance of telecommunication companies in Kenya. The education CSR programs can include scholarship initiatives, educational infrastructure, and skills development. Scholarship initiatives can include providing financial assistance to students who are unable to afford tuition, books, or other educational expenses. Educational infrastructure can include building or renovating schools, providing textbooks and other educational materials, or funding educational technology. Skills development can include providing vocational training, apprenticeships, or other programs that help people develop the skills they need to get a job or start a business. Education is one of the most important investments that a company can make, and CSR programs can be a great way to make a difference in the lives of students and communities. By investing in education, companies can help to create a more skilled and educated workforce, which can lead to economic growth and social development.

6.0 Recommendations

The study recommends that companies operating in the telecommunications industry allocate resources towards providing scholarships and financial assistance to students who are in financial need. The institutions have the capacity to collaborate with schools in order to provide scholarships to students belonging to socioeconomically disadvantaged groups. Furthermore, companies operating in the telecommunications industry have the capacity to contribute to the development of educational infrastructure through various means, such as providing support to existing schools or undertaking the construction of new educational institutions. In addition, educational institutions have the capacity to provide essential learning materials such as textbooks, computer systems, and laboratory apparatus. Telecommunications companies ought to facilitate individuals in enhancing their professional capabilities. This can be accomplished through the provision of programme sponsorships or the facilitation of student internships. In addition, educational institutions have the capacity to provide scholarships and various forms of financial assistance to students residing within their vicinity who demonstrate financial need. The study suggests that another study be conducted to examine factors other than CSR that could influence the financial performance of telecommunication companies in Kenya. The financial performance of telecommunication companies in Kenya could be affected by a number of factors, including economic conditions, leadership styles, employee competency, work complexity, technological changes, regulatory environment and competition.

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