

To investigate the influence of corporate social responsibility reporting on the financial performance of used companies at the Nairobi Securities Exchange

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Abstract:

Corporate social performance and social reporting has been the subject of considerable research in accounting. Environmental performance continues to be the predominant social issue facing many corporations. Extensive regulations coupled with ongoing public pressure for a cleaner environment have forced companies to take extensive and costly pollution control actions. These actions have accelerated the need for a social measurement and reporting system. The main aim of the study was to investigate the influence of corporate social responsibility reporting on the financial performance of listed companies at Nairobi securities exchange. The specific objectives of the study were; to investigate the level of CSR disclosure among listed companies at the NSE, to establish a possible relationship between company background and firm performance, to determine if there exists a relationship between environmental performance and firm's financial performance, to find out whether there exists a relationship between corporate governance and financial performance of listed companies.

The population of the study comprised of the 60 listed companies in the Nairobi Securities Exchange. From the 60 listed companies, the researcher selected a sample of (50) organizations using both random and stratified random sampling methods for study. This study adopted a descriptive research design and the main data collection instrument used was the questionnaire. Data collected was checked for completeness, coded and tabulated It was then analyzed using discriminant analysis and descriptive statistics which includes frequency tables and percentages. Quantitative data was then used to present the results in the form of percentage tables, pie charts and bar charts. The findings showed that the impact of the influence of CSR reporting on companies listed in the NSE had differential effects on factors of financial performance. It was associated with increased customer motivation, increased sales, employee morale, enhancing organization's reputation and reduced crisis incidences among others. The findings further provide some evidence of the possibility that CSR reporting among the limited companies represent attempts by companies to improve their corporate image and to be seen as responsible corporate citizens.