Examining the Effects of Ethical CSR Activities on Non-Financial Performance of Brookside Dairy Limited

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Abstract
The purpose of this study was to investigate the effects of ethical CSR activities on non-financial performance of Brookside Dairy Limited, Nakuru town branch. Social Contract Theory, Stakeholders Theory and Agency Theory guided the study. The study adopted descriptive statistics method in analysing the data. The target population for the study was 200 employees from Brookside dairy limited, Nakuru branch, comprising of departmental managers, supervisors and non-management staff. A sample of 132 was arrived at using Kothari formulae and selected using cluster sampling technique. Primary data was collected using questionnaires. Quantitative data was analysed using descriptive statistic method. Findings revealed that ethical CSR activities have no statistically positive and significant effect on non-financial performance of Brookside dairy limited, Nakuru town branch ($\beta = 0.003, p = 0.981$). The study recommends that other firms should conduct the same study to determine what effect CSR activities have on non-financial performance. Studies should also be carried out to find out other factors affecting non-financial performance other than CSR activities.

Key terms: Ethical CSR Activities, Non-Financial Performance, Brookside Dairy Limited
Introduction

Corporate social responsibility (CSR) is one of the main avenues for businesses to respond to the social needs of people in the environment in which they operate (Pirsch, Gupta, & Grau, 2007). It is one of the fundamental concepts that are being continuously adapted worldwide by firms and organizations. Over the time, society has raised concern environment and social issues. It has become aware of the dangers they can be subjected by the activities being undertaken. People have been much concerned with how companies practice Corporate Social Responsibility initiative. Companies are beginning to realize that competition can only be won by becoming sensitive to the needs of the society. This can be seen by the efforts various companies are putting to ensure that the social welfare of the society is at forefront.

Companies have upheld transparency as regards to how they are being socially responsible. Consequently, becoming involved in conserving the environment has led to the growth in the study of Corporate Social Responsibility. One area that will be focused on is the effect CSR has on non-financial performance. Many people have argued that the benefits of CSR are more as compared to the actual cost incurred in carrying the exercise. Many studies have been conducted to investigate this relationship. The studies conducted have always produced differing results; measures of CSR and non-financial performance have not been consistent. Many academicians and scholars have focused their research on whether corporate social responsibility should exist or not (Kitzmueller, & Shimshack, 2010). Most business executives today are faced with complex decisions of allocating resources in a strategic manner and this cannot only be attributed to their financial outcomes, but to the measure of a set of societal and emerging stakeholder expectations as well. Social and environmental concern is the important influences on corporate strategy (Ibrahim, 2011). According to Pohle and Hittner (2008), corporate social responsibility is defined as the roles the organizations plays in serving many different stakeholders and particularly the society by doing something positive.

The most important idea behind the call for corporate social sustainability is that companies should be aware of their responsibility; extend their economic, ecological and social engagement and arrange them according to the processes in the company. This is important since the company will give back to the society in which it operates. In a competitive and multimarket business environment of the today’s world, the company is able to sustain this as it enables to create company name that lead to the development of company strategy. According to Werber and Chandler (2014), the present-day CSR (also known as corporate citizenship, responsibility, social opportunity and responsible business) involves the relationship between the corporations and the society that they interact with.

It is an idea whereby business organizations takes into consideration the interest of society by taking responsibility for the consequences of their activities on suppliers, customers, shareholders, employees, communities, other stakeholders and the environment as well. In not so many years ago, the concept of Corporate Social Responsibility (CSR) was rapidly being adopted over the world and all the sectors including the manufacturing. This occurrence is because the rapid pace of globalization and social development is appealing to all the organisations, large or small, local or global orientation, to be considerate of their CSR by improving the environmental and social performance (Wafula, 2015).

The extent in which a company participates in corporate social responsibility (CSR) is mostly influenced by ethical stance that the organization has embraced and how this is aligned with the organization’s strategy. The direction that corporate social responsibility takes has several dimensions that include corporate philosophy, corporate responsibility
and corporate policy. Studies conducted before suggest that effective CSR initiatives directly have an influence on financial and marketing performance of an organization as a whole (Shin, 2000). Undeniably, CSR practices are expected to increase an organizations’ return on investment, market share and improve competitive positions in overall. Customer relations and CSR activities have a significant impact on the effectiveness of a CSR strategy and can lead to non-financial performance like market share. Consequently, organisations that possess broader CSR relationships with society or community indicated the largest achievements (Wets book, 2009).

In Kenya, many manufacturing companies practice CSR activities compared to the service sector. The practice of CSR in Kenya has continued to grow in both manufacturing and service companies. These companies disclose and issue out the CSR report to the shareholders and further disclosed the amount in the annual financial statements (Gichana, 2004). Brookside Dairy Limited as a manufacturing company is the leading dairy processing company in Kenya. It was founded in 1993 and has become the largest economy in East African Community (Brookside Dairies, 2014). Brookside Dairy Limited is among the largest milk processing company in Kenya. It controls about a percentage of 45 of the dairy market share, as at January 2016. The company offers among other products fresh pasteurized milk, cream, ghee, yoghurt, butter and long life milk products in East Africa, Indian Ocean Islands, Rwanda and Burundi. It distributes products by use of distribution depots, agents, and sub agents to outlets in East Africa. Whereas many studies have been done on CSR, not one of them has focused exclusively on the sole effects of CSR on non-financial organizational performance. Therefore, this study will endeavour to assess how corporate social responsibility impacts on the organisational performance of Brookside dairy Limited in Nakuru town.

It seeks to conceptualize how various strategies undertaken by Brookside Dairy Company Limited in its CSR activities affect its performance. Such activities include improving broken down infrastructure and other community development projects, education by supporting mathematics contest through Brookside Mathlete Contest, health, and sports strategies have influenced the firm's performance (Biko, 2018). In so doing, the study aims at contributing literature to the study of the association between CSR and organizational performance.

LITERATURE REVIEW

Organization Performance

It has been argued that proper management of environment plays a critical role in improving corporate organization performance (Klassen, & McLaughlin, 1996). Cheruiyot (2010) also studied the relationship between corporate social responsibility and organizational performance after conducting a research. It was concluded that there is significant relationship that existed between corporate social responsibility and firm's performance. Investors prefer to invest in companies that practice Corporate Social Responsibility, as they will be sure that the brand image of the company is highly attractive. Estimation of organizational performance has been at the core interest of management and those carrying out research. Many researchers have focused their attention on the measurement of financial performance without efforts to measuring non-financial performance.

Planning is an essential component that not every company can afford to do without and become successful. Corporate Social Responsibility is a strategy that needs to be incorporated in organization’s plan for it to realize positive performance in their undertakings. It determines the destination of the organization and how it is going to arrive there. Organizational performance will assist in establishing strength and weaknesses and
uncover hidden threats and opportunities. The performance of a firm can well be measured by the use of a balanced scorecard. Once CSR is incorporated in company’s strategic plan, the management begins to monitor and evaluate the firm’s progress and take corrective action if there is a deviation in its performance.

**Non-Financial Performance**

Job satisfaction for employees is an imperative feature of the well-being of employees. Consequently, satisfaction or dissatisfaction of employees with their works can bring numerous and severe consequences for their corporations. Those employees who are not satisfied are more likely to participate in actions such as job defiance, job withdrawal, job avoidance, protest and psychological defensiveness. Employee commitment to organizations and organizational goals may also be hampered by job dissatisfaction. According to Locke and Latham (1991), ‘satisfaction will encourage citizenship behaviours that would probably not be shown in any of individual's performance record, but would enable overall organizational functioning. However, lack of satisfaction by promoting aggressive, defiant, work avoidant, and defensive behaviours, would make it less likely that organizational goals and policies would be taken seriously.’

Corporations should therefore be more concerned with those factors, which affect their job satisfaction. Management accounting literature recently argued for the employment measures that are non-financial performance as a means to overcome the inadequacies of traditional financial measures (Kaplan, & Norton, 2001). The adoption of such performance measures may affect the work of employees that is related to attitudes and behaviours, including their job satisfaction. Every company has objectives and they depend on their workers to achieve them. Employees are generally self-motivated and will work harder for the goals that improve their personal interest. Corporations generally devise their own employee performance evaluation and compensation systems to direct the attention and efforts to the attainment of the objectives of the organisation. Compensation packages, rewards and promotion of employees are therefore associated with the performance evaluation of employees.

According to Greenberg and Folger (1987), Procedural fairness is defined as the judgments on how fair are the ‘rules and processes’ people used to make decisions. According to Lind and Taylor (1988) defined it as the judgment on how fair are those social norms which deal with ‘how decisions are made’ and ‘how people and other parties are treated by the authorities. The kind of performance measures that will be used to assess employees may significantly have an effect on the perception of employees about their fairness in performance evaluation methods.

**Ethical CSR activities and non-financial performance**

CSR acts as a formidable means of bridging the gap between the operations of the company and social values that are upheld by the society. According to Aras, & Crowther, (2016), they contend that the effective organizational strategy is determined by the ethical behaviour of the organization. The level of appreciation of ethical standards is a function of the positive reputation that is portrayed by the organization. The levels of acknowledgement of the importance of ethics in its operations are a manifestation of the organizations’ values and core principles (Gond, & Moon, 2011).

According to Bremner (2016); Simpson and Aprim (2018) CSR is a tool used to attract, motivate and retain a productive workforce by improving working conditions and labour practices. CSR increases employee morale, loyalty, commitment and satisfaction therefore bringing about an increase in production level of employees and prevents labour turnover and conflict. Innovative policies concerning occupational health and safety, workplace diversity, career
development opportunities, work-life balance, recognition and reward to employees guarantee higher productivity (Munyasi, & Masinde, 2014). According to Peterson (2012) in his study on the relationship between unethical behaviour and the nine dimensions of the ethical climate found that ethical activities have constructive effects on non-financial performance of an organization. Another study by Chebet and Muturi (2018) on the effects of corporate social responsibility on the performance of Sony and Chemelil Sugar Company found that 70% of the respondents do support that economic activities have a role on organization non-financial performance.

Amara (2013) did a study on the factors that influence choice of corporate social responsibility programs among commercial banks in Kenya. This study sought to determine the factors that influence choice of social corporate responsibility among commercial banks in Kenya. The study found out that majority of Commercial Banks is highly influenced by financial capability then followed by everybody involved in social corporate responsibility, communication among stakeholders, technology level, market competition, company objective, rating purposes by commercial banks association of Kenya, organizational structure and ethical consideration with order of significance.

Stakeholders Theory
This study was guided by stakeholder’s theory as postulated by (Freeman, 2010). The theory states that instead of starting with the business first then looking for what the ethical requirements are, the stakeholders theory will start looking at the world first before the business. According to the theory, it propagates that companies should be socially responsible for all their stakeholders, failure to which can result to the stakeholders taking actions and seeking to find the legitimate claims and rights against the company actions. Stakeholder’s theory affirms that those lives that are touched by the corporations hold a right and obligation to participate in directing the company. A simple example by Freeman (1984), when a factory produces industrial waste, a CSR perspective attaches a responsibility directly to factory owners to dispose the waste safely. This theory also supports that companies should be used as a vehicle for coordinating stakeholders’ interest instead of maximizing the shareholders wealth.

Stakeholders’ theory focuses on the stakeholder of the company, which include the suppliers, employees, community, customers, shareholders, and other persons who contribute to the company directly or indirectly. Stakeholders of manufacturing companies want to see the company participate in CSR programs while shareholders of manufacturing companies would want the company to improve financially so that the CSR activities may continue to take place. Stakeholder theory implies that it can be beneficial for the manufacturing companies to engage in certain CSR activities that non-financial stakeholders perceive to be important, because, absence with the of this, these groups might withdraw their support for the firm hence affect the financial performance of the manufacturing companies (Donaldson, & Preston, 1995). This theory became relevant to this study as it assisted in understanding how stakeholder involvement in corporate social responsibility contributes to the organizational performance.

METHODOLOGY
In this study, a descriptive research design was utilized to carry out the research. The population of the study consisted of 6 managers of departments, 8 supervisory managers and 118 non-management staff of Brookside Dairy Limited Company in Nakuru town. The simple random sampling technique was used to select the sample of the study. For this study, the sampling frame consisted of 1 managers of departments, supervisory managers and non-management staff of Brookside Dairy limited Nakuru
branch. The data collection method, which was adopted in the study, was the primary data collection method. In this study, structured questionnaires were used to collect the required data from the respondents. A Likert scale structured questionnaires made it possible to collect views and opinions that were analysed using descriptive statistics. The questionnaires were hand-delivered to the respondents, later collected, and then consolidated. The study also interviewed the CSR beneficiaries to inform the study further. The researcher personally undertook the interviews. The data was collected between the periods March - April 2019. The feedback from the questionnaires was entered in Statistical Package for Social Sciences (SPSS) to facilitate analysis using descriptive statistics. Correlation analysis was used to establish the relationship between CSR and organizational performance. The researcher used descriptive statistics such as mean, mode, median, percentages, table to analyse the demographic profile of the participants; also inferential statistics such as Pearson correlation and regression analysis to compute data analysis. To ensure easy analysis, the questionnaire was coded according to each variable of the study. Pearson correlation coefficient was also used to determine the relationship between independent and dependent variable. Regression analysis using SPSS was used to compare the relationship between CSR (independent variable) and non-financial performance (dependent variable).

DATA ANALYSIS, PRESENTATION AND INTERPRETATION
Ethical CSR activities
The objective of the study was to examine the effect of ethical CSR activities on non-financial performance. The respondents were presented with scale questions in which they were to rate the extent in which they agree or disagree with the statements presented. The statements were rated as strongly agree 5, Agree 4, Undecided 3, Disagree 2, and strongly disagree 1. On the question of assessment of ethical practice gap in the organization leads to improvement in the performance; majority 47% strongly agreed, 29.5% agreed, 18.2% were neither undecided, while 5.3% disagreed as shown in table 1 below.

On the question the review of organization’s documents related to ethical activities leads to improvement in non-financial performance; majority 52.3% agreed, 28.8% strongly agreed, 13.6% were neither undecided, 3.8% disagreed while 1.5% were strongly disagreed as shown in table 1 below. On the question of consideration of diversity and gender equality in organizational ethics, ethical culture leads to improvement in non-financial performance; majority of the respondents 37.9% agreed, 31.1% strongly agreed, 22.0% were neither Undecided, 6.1% disagreed, while 3.0% strongly disagreed as illustrated in table 1 below.

On the statement of ethical initiatives on product safety lead to improvement in non-financial performance; majority of the respondents 39.4% agreed, 25.8% strongly agreed, 25.0% were neither Undecided, 8.3% disagreed, while 1.5% strongly disagreed as shown in table 1 below. On the statement of employee engagement in ethical activities leads to organizational performance; majority of the respondents 35.6% agreed, 30.3% strongly agreed, 22.7% were neither Undecided, 7.6% disagreed, while 3.8% strongly disagreed as shown in table 1 below. The study therefore found that ethical CSR activities have a constructive effect on non-organizational performance. This is supported by the study that was conducted by Peterson (2012) who established that there exists a positive relationship between CSR activities and non-financial performance of an organization.
Table 1: Descriptive Analysis results for Ethical CSR activities

<table>
<thead>
<tr>
<th>NO</th>
<th>Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>A</th>
<th>S.A</th>
<th>UN</th>
<th>SDA</th>
<th>DA</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Ethical practices gaps in the organisation leads to improvement in the performance</td>
<td>4.1818</td>
<td>0.91483</td>
<td>29.5</td>
<td>47</td>
<td>18.2</td>
<td>0</td>
<td>5.3</td>
</tr>
<tr>
<td>D2</td>
<td>Review of organisation's documents related to ethical activities leads to improvement in non-financial performance</td>
<td>4.0303</td>
<td>0.84654</td>
<td>52.3</td>
<td>28.8</td>
<td>13.6</td>
<td>3.8</td>
<td>1.5</td>
</tr>
<tr>
<td>D3</td>
<td>Organisation has developed a code of conduct that is accessible to all employees leading to improvement in non-financial performance</td>
<td>4.0606</td>
<td>1.02457</td>
<td>25.8</td>
<td>44.7</td>
<td>22</td>
<td>1.5</td>
<td>6.1</td>
</tr>
<tr>
<td>D4</td>
<td>Consideration of diversity and gender equality in organisational ethical culture leads to improvement in non-performance</td>
<td>3.8788</td>
<td>1.01913</td>
<td>37.9</td>
<td>31.1</td>
<td>22</td>
<td>3</td>
<td>6.1</td>
</tr>
<tr>
<td>D5</td>
<td>Fair trade initiatives by the organisation leads to improvement in non-financial performance</td>
<td>3.7121</td>
<td>1.14272</td>
<td>32.6</td>
<td>29.5</td>
<td>22</td>
<td>4.5</td>
<td>11.4</td>
</tr>
<tr>
<td>D6</td>
<td>Ethical initiatives on product safety leads to improvement in non-financial performance</td>
<td>3.7955</td>
<td>0.97086</td>
<td>39.4</td>
<td>25.8</td>
<td>25</td>
<td>1.5</td>
<td>8.3</td>
</tr>
<tr>
<td>D7</td>
<td>Management support of ethical initiatives leads to non-financial performance</td>
<td>3.8258</td>
<td>1.11544</td>
<td>27.3</td>
<td>34.8</td>
<td>28.8</td>
<td>5.3</td>
<td>3.8</td>
</tr>
<tr>
<td>D8</td>
<td>Employee engagement in ethical activities leads to organisational performance</td>
<td>3.8106</td>
<td>1.07101</td>
<td>35.6</td>
<td>30.3</td>
<td>22.7</td>
<td>3.8</td>
<td>7.6</td>
</tr>
<tr>
<td>D9</td>
<td>Assessment of ethical initiatives progress leads to improved organisational non-financial performance</td>
<td>3.8636</td>
<td>1.03947</td>
<td>34.8</td>
<td>31.8</td>
<td>25</td>
<td>3.8</td>
<td>4.5</td>
</tr>
</tbody>
</table>
Statements D1 to D11 attempted to find out the effect of ethical CSR activities on non-financial performance of Brookside Dairy Limited in Nakuru town. Of all the twelve statements, D1 had the highest mean suggesting that majority of the respondents were in agreement to greater extent that ethical CSR activities have a significant positive effects on non-financial performance of Brookside Dairy Limited (mean = 4.1818). However, the standard deviation of these items like items D4 to D11 were significantly high which suggested that there were major differences in the opinions of the respondents (>1).

Statement D6 had the lowest mean, which implies that on average, respondents agreed to a little extent with the statement that fair trade initiatives by the organization leads to improvement in non-financial performance (3.7121). The standard deviation for this item was relatively high (>1). This suggested that there were major differences in the views of respondents on this issue.

The overall mean by the respondents was 46.6969. This was arrived at by finding the summations of the means assigned by the respondents on each of the 12 individual items in the Likert Scale.

### Organizational Non-financial Performance

The dependent variable of the study was organizational performance where customers were the respondents in this study. The study established that most respondents 41.7% agreed that customer’s satisfaction is high due to the Production of health and safe dairy products, 28.0% strongly agreed, 21.2% were neither undecided, 7.6% disagreed and 1.5% strongly disagreed. Customer satisfaction was high due to ethical marketing and customer service with majority 36.4% agreed, 33.3% strongly agreed, 21.2% were undecided, 4.5% disagreed and 4.5% strongly disagreed. On corporate giving initiatives by the organization, majority of the respondents 37.9% agreed, 27.3% strongly agreed, 28.8% were neither undecided, 5.3% disagreed and 0.7% strongly disagreed as summarized in the table 2 below.

<table>
<thead>
<tr>
<th>NO</th>
<th>Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>SD</th>
<th>D</th>
<th>N.U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Customer satisfaction is high due to ethical marketing and customer service</td>
<td>3.8939</td>
<td>1.06476</td>
<td>4.5</td>
<td>4.5</td>
<td>21.2</td>
<td>36.4</td>
<td>33.3</td>
</tr>
<tr>
<td>D2</td>
<td>Customer satisfaction is high due to the production of health and safe dairy products</td>
<td>3.8712</td>
<td>0.96032</td>
<td>1.5</td>
<td>7.6</td>
<td>21.2</td>
<td>41.7</td>
<td>28</td>
</tr>
<tr>
<td>D3</td>
<td>Corporate image has improved due to corporate giving initiative by the organization</td>
<td>3.8561</td>
<td>0.90909</td>
<td>0.7</td>
<td>5.3</td>
<td>28.8</td>
<td>37.9</td>
<td>27.3</td>
</tr>
<tr>
<td>D4</td>
<td>Corporate image has improved due to environment conservation initiatives</td>
<td>3.9015</td>
<td>1.05469</td>
<td>4.5</td>
<td>3.8</td>
<td>22</td>
<td>36.4</td>
<td>33.3</td>
</tr>
</tbody>
</table>
Customer retention is high as a result of strong brand loyalty embedded in ethical customer service initiatives

Employee retention is high as result of fair labour practices

Employee retention is high due to provision of conducive working environment

Customer retention is high due to provision of healthy and safe products

Development of healthy and safe products has increased in product line

Development of recyclable product packaging material is encouraged by the organization

Correlation Analysis
Correlation analysis was conducted to establish the relationship between ethical CSR activities on organizational performance. The results indicated no significant correlation (r = 0.192, p = 0.027) between ethical CSR activities and the organization non-financial performance as indicated in table 3 below:

<table>
<thead>
<tr>
<th>Ethical CSR Activities</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer retention</td>
<td>0.97182</td>
<td>3.8</td>
<td>3</td>
</tr>
<tr>
<td>Employee retention</td>
<td>1.00528</td>
<td>3.8</td>
<td>24.2</td>
</tr>
<tr>
<td>Employee retention</td>
<td>0.97315</td>
<td>3.8</td>
<td>21.2</td>
</tr>
<tr>
<td>Customer retention</td>
<td>1.00689</td>
<td>3.8</td>
<td>28</td>
</tr>
<tr>
<td>Development of products</td>
<td>0.97538</td>
<td>1.5</td>
<td>6.8</td>
</tr>
<tr>
<td>Development of recyclable</td>
<td>1.04745</td>
<td>3.8</td>
<td>20.5</td>
</tr>
</tbody>
</table>

Pearson correlation measures the relationship between two or more variables. It gives information about the magnitude of the association. The relationship between ethical CSR activities and organizational non-financial performance is low as indicated by a smaller degree of 0.192.

Regression Analysis
Regression analysis is a useful and powerful statistical method, which allows one to determine the relationship that exists between two or more variables of interest. There are many types of regression analysis but at their
core, they all assess the effect of one or more independent variables on the dependent variable. Linear regression was adopted to determine the relationship of one variable on the dependent variable. Multiple regressions were also employed to establish the relationship of jointly combined variables on the independent variable. Regression analysis was conducted to examine the relationship between the ethical CSR activities on the performance of organization in Brookside dairies.

**Effects of Ethical CSR activities on Organizational Non-financial performance**

The objective of the study was to examine the ethical CSR activities. This effect was examined using the simple regression model. The following model was formulated:

$$Y = \beta_0 + \beta_1 X + e$$

Where \(Y\) = organization performance, \(X\) = ethical CSR activities, \(\beta_0\) = constant, \(\beta_1\) = beta coefficient for ethical CSR, and \(e\) = error term. Table 4 presents a summary of the model:

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R^2</th>
<th>Adjusted R^2</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.192</td>
<td>.037</td>
<td>.030</td>
<td>1.04888</td>
</tr>
</tbody>
</table>

| Predictors: (Constant), Ethical CSR Activities |

From Table 4, the model had an r-square value of 0.037. This value indicates that the model explained 3.7% of the ethical CSR activities. According to Mithiyazhagan and Nandan (2010), the minimum acceptable r-square in the social science setting is 0.1 as social phenomena are usually functions of numerous variables. Therefore, a model with an r-square of more than 0.1 is considered acceptable. The r-square statistics provide information on the explanatory power of the model but does not tell whether this power is statistically significant. This information is provided by the analysis of variance (ANOVA) statistics presented in Table 5.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>5.495</td>
<td>1</td>
<td>5.495</td>
<td>4.995</td>
<td>.027</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>143.020</td>
<td>130</td>
<td>1.100</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>148.515</td>
<td>131</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The ANOVA in regression examines whether the relationship observed between the independent variables within the regression model and the dependent variable is statistically significant (Mithiyazhagan, & Nandan, 2010). From Table 5, the F-test gave a p-value of more than 0.01 suggesting that the ethical CSR activities has no statistically significant effect on organization performance. As a result, the null hypothesis is accepted in favour of the alternative hypothesis that stated that ethical CSR activities have a statistically significant influence on organization performance. The ANOVA statistics provide information regarding significance of the model, but cannot tell the direction and strength of the relationship between the independent variables within the model and the dependent variable (Mithiyazhagan, & Nandan, 2010). This information is provided by the beta coefficient statistics presented in Table 6. This is supported by the empirical studies, which demonstrate that despite high level of ethics in their
dealings, some companies still experience poor performance (Coluccia et al. 2016).

Table 6: Beta Coefficients for ethical CSR activities Model

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.958</td>
<td>.429</td>
<td>6.899</td>
<td>.000</td>
</tr>
<tr>
<td>Ethical CSR Activities</td>
<td>.224</td>
<td>.100</td>
<td>.192</td>
<td>.981</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2.235</td>
<td>.027</td>
</tr>
</tbody>
</table>

From Table 6, the beta coefficient for ethical CSR activities was 0.224, which indicates the existence of a negative relationship between ethical CSR activities and organization non-financial performance. The value means that when the ethical CSR activities are improved by 1 unit, organization performance will improve by 0.224. The t-statistics for this beta was 2.235 while the p-value was more than 0.001. This implies that the relationship between ethical CSR and organization performance as captured by the beta coefficient has no statistically significance. Based on the findings, the study concluded that ethical CSR has no statistically significant and negative influence on organizational performance.

**Hypothesis Testing**
The hypothesis testing was based on regression results; the null hypothesis was tested at 5% significant (p = 0.05).

**Ho1: Ethical CSR activities have no significant effects on non-financial performance of Brookside Dairy limited.**
The hypothesis (Ho1) was Ethical CSR activities have no significant effects on Organization performance. Regression results indicated that ethical CSR activities do no significantly predict on organizational performance (β = 0.003, p = 0.981), and therefore the null hypothesis was accepted. A null hypothesis was therefore accepted.

**CONCLUSIONS, AND RECOMMENDATIONS**
The study intended to assess the effect corporate Social Responsibility has on non-financial performance of Brookside Dairy Limited in Nakuru County. Based on the findings, the study concludes that ethical CSR activities have positive and statistically significant effect on the non-financial performance of Brookside dairy limited, Nakuru town. The organization can improve on their performance by investing resources on ethical CSR activities. Corporate giving is one of the areas organization should commit more resources on. This is because it is one way of marketing their products and it reduces the resistance of products from the society.

**Recommendations**
This study recommends that there should be a reporting framework for all the institutions to use in reporting their CSR involvement and contribution. With this in place, it will make it easy for future researchers to collect research data and will enable shareholders to evaluate the extent to which the organization has invested in promoting their organization’s corporate sustainability. Unlike Brookside Dairy Limited, other manufacturing industries in Kenya do not have a common platform or method of reporting their CSR investment. One has to rely on their annual reports to determine the approximate amount they committed.
towards CSR activities. Brookside should encourage its employees to practice more CSR activities, which will in turn yield more return. Employees should also be taught the essence of upholding ethics in the organization. They should take ethics with high regards as this has a great influence on the performance. It is also recommended that government should ensure that all organizations undertake CSR activities because it will increase organizational performance hence development growth in the country. It should provide an enabling environment to all the organizations so as it become easier to execute their activities. All the stakeholders should be involved in this activity so that they become part of the broader picture of the organization. Lastly, National and county governments should provide incentives to organizations so that they can carry out their CSR activities with minimal cost.

References


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