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Strategic Corporate Social Responsibility and  
Performance of Textile Industry in Eldoret Town, Kenya



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**Strategic Corporate Social Responsibility and Performance of Textile Industry in Eldoret Town, Kenya**

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**Abstract**

**Purpose:** The purpose of the study was to find out the influence of strategic corporate social responsibility on performance of textile industry in Eldoret Town. The study specifically centered on establishing the influence environmental responsibility, ethical responsibility, economic responsibility and philanthropic responsibility on performance of textile industry in Eldoret Town. The study was guided by the Stakeholder Theory, Resource-Based Theory, Legitimacy Theory and Institutional Theory.

**Methodology:** A descriptive research design was employed in the study. The target population for this study consisted of 10 textile firms operating in Eldoret town. The unit of observation comprised of employees from occupying managerial positions in the respective firms. A total of 90 respondents were targeted in the study. The researcher used questionnaires to collect primary data. Both descriptive and inferential statistics were used to analyze the collected data. SPSS statistical software was utilized in generating the statistics.

**Findings:** The results of the study were displayed in form of tables and figure. The study established that environmental responsibility, ethical responsibility and economic responsibility bears a positive and significant influence on performance of textile industry in Eldoret Town. This is shown by beta values of 0.395, 0.316 and 0.246 and significance values of 0.000, 0.005 and 0.018 respectively. The results implies that increasing either of the independent variables with one unit increases the performance of textile industry in Eldoret Town with the respective beta unit. The study also revealed that philanthropic responsibility bears a positive but insignificant influence on performance of textile industry in Eldoret Town. This implies that enhancing philanthropic responsibility in the operations of textile industry results to insignificant influence on performance.

**Unique Contribution to theory, practice and policy:** The study recommended the management of the textile firms operating in Eldoret town to enhance strategic CSR comprising of environmental responsibility, ethical responsibility, and economic responsibility since the practices positively and significantly influences performance of the firms.

**Key Words:** *Environmental Responsibility, Ethical Responsibility, Economic Responsibility, Philanthropic Responsibility, and Performance of Textile Industry*

### **Background of the Study**

The concept of CSR is universally accepted and promoted by all the constituents of society such as the governments, corporations, consumers and nongovernmental organizations. The international organizations like The United Nations (UN), World Bank, the Organization for Economic Co-operation and Development (OECD), International Labor Organization (ILO) have fully supported and aggressively established guidelines to continue the movement. CSR was regarded as largely a domestic business issue in leading countries of origin. In the recent years the popularity of CSR has spread onto the world scene. We now see CSR initiatives in virtually all the developed nations and its developing in emerging nations like India, Malaysia and Pakistan.

### **Statement of the Problem**

Manufacturing enterprises play an important part in a country's economic development through providing job opportunities and adding to the GDP. However, the industry has obstacles that function as impediments to its contribution to the country's economic progress. According to KNBS (2018), the sector's growth rate fell from 3.6% in 2015 to 2.7% in 2016 and then to 0.2% in 2017. Furthermore, the sector's contribution to GDP fell from 9.4% in 2015 to 9.1% in 2016, and then to 8.4% in 2017. The adoption of diverse manufacturing techniques in various areas within the manufacturing sector, which can be linked to environmental and social concerns, has accelerated the decline in growth and GDP contribution. Textile sector in Kenya are part of the manufacturing industry, accounting for 5% of the total. However, the sector's contribution to GDP has been dropping during the last five years. According to the Kenya Association of Manufacturers (2018), the manufacturing sector's contribution to GDP was 3.29% in 2014, but it fell to 3.27% in 2015. The sector's contribution in 2016 was 3.02%, which dropped to 2.62% in 2017 and 2.83% in 2018. The falling trend in the levels of GDP contribution by enterprises in the textile industry implies that the firms' performance levels have deteriorated in recent years. Adoption of strategic corporate social responsibility programs can help the textile firms improve their performance. According to the World Business Council for Sustainable Development (2016), strategic CSR programs can contribute up to a 6% increase in market value, a 4% reduction in systematic risks, a 40% reduction in debt costs, a 20% increase in price premium, and a 50% increase in staff retention rates. To improve the performance of textile firms, firms must implement CSR initiatives as a strategy in their operations. The current study was carried out to analyze the impact of strategic CSR on the performance of textile firms in Eldoret Town.

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## **Objectives of the Study**

- i To examine the influence of environmental responsibility on performance of the textile industry in Eldoret Town.
- ii To evaluate the influence of ethical responsibility on performance of the textile industry in Eldoret Town.
- iii To assess the influence of economic responsibility on performance of textile industry in Eldoret Town.
- iv To explore the influence of philanthropic responsibility on performance of date textile industry in Eldoret Town.

## **Literature Review**

### **Theoretical Review**

#### **Stakeholder Theory**

According to the thesis, which Freeman, R. E. put forth in 1984, businesses are obligated to consider the interests of all parties involved, including clients, staff members, suppliers, shareholders, and the community. This theory is especially pertinent in the context of corporate social responsibility (CSR), which is a business's attempt to act in a socially responsible manner by taking the effects of its actions on the environment and society into account. In textile firms adopting environmental responsibility as a CSR, stakeholder theory suggests that textile firms have a responsibility to consider the interests of all stakeholders involved. This would include their customers, who are increasingly concerned about the environmental impact of the products they purchase; their employees, who may be concerned about working for a company that is not environmentally responsible; and their shareholders, who may want to see the company act in a socially responsible manner to protect its reputation and avoid potential legal liabilities (Freeman et al., 2010). One way for textile firms to adopt environmental responsibility as a CSR is to implement sustainable practices in their operations. This could include using eco-friendly materials, reducing waste, and minimizing their carbon footprint. By doing so, textile firms can not only reduce their impact on the environment but also appeal to customers who are increasingly concerned about sustainability (Donaldson, & Preston, 1995). Another important aspect of adopting environmental responsibility as a CSR is engaging with stakeholders to understand their perspectives and concerns. For example, textile firms can work with suppliers to ensure that they are using sustainable materials, and they can collaborate with environmental organizations to develop best practices for reducing their impact on the environment. Stakeholder theory provides a useful framework for understanding the importance of considering the interests of all stakeholders when adopting environmental responsibility as a CSR among textile firms (Phillips, & Freeman, 2010). By doing so, textile firms can not only protect their reputation and avoid legal liabilities but also contribute to the larger goal of sustainable development.

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### **Resource-Based Theory**

The theory was proposed by Wernerfelt in 1984 and further advanced by Jay Barney in 1991 and suggests that a firm's resources, such as its physical assets, human capital, and intellectual property, are a key determinant of its performance and competitive advantage. In corporate social responsibility (CSR), Resource-Based Theory suggests that ethical responsibility can be a valuable resource that firms can leverage to achieve long-term success. In the textile industry, ethical responsibility refers to a firm's commitment to conducting business in an ethical and responsible manner. This can include ensuring fair labor practices, using sustainable materials, and reducing the environmental impact of operations (Grant, 1991). Resource-Based Theory suggests that firms that adopt ethical responsibility as a CSR can leverage this resource to achieve long-term success. By doing so, firms can enhance their reputation, build trust with stakeholders, and differentiate themselves from competitors who do not prioritize ethical responsibility. This can ultimately lead to increased customer loyalty, employee morale, and shareholder value. Furthermore, Resource-Based Theory suggests that ethical responsibility can be a source of competitive advantage for firms in the textile industry (Wernerfelt, 1984). For example, firms that use sustainable materials and reduce their carbon footprint may be able to attract customers who prioritize sustainability, while also reducing costs associated with waste management and compliance with environmental regulations. To effectively leverage ethical responsibility as a resource, firms must be able to demonstrate their commitment to ethical practices through their actions and policies (Conner, 1991). This can involve implementing codes of conduct, establishing monitoring and reporting mechanisms, and collaborating with stakeholders to identify and address ethical concerns. Resource-Based Theory suggests that ethical responsibility can be a valuable resource for firms in the textile industry, enabling them to achieve long-term success and competitive advantage. By prioritizing ethical responsibility as a CSR, firms can enhance their reputation, build trust with stakeholders, and differentiate themselves from competitors, ultimately contributing to sustainable development.

### **Legitimacy Theory**

The theory was proposed by J. L. Suchman in 1995 and suggests that organizations are motivated to maintain a positive image and reputation in the eyes of their stakeholders. In corporate social responsibility (CSR), Legitimacy Theory suggests that firms may adopt economic responsibility as a way to maintain their legitimacy and ensure that their activities are perceived as socially acceptable. In the textile industry, economic responsibility as a CSR can involve a firm's commitment to generating economic value while also considering the impact of its activities on the community and the environment. This can include strategies to promote economic growth and job creation while also minimizing negative externalities such as pollution and exploitation of labor (Dowling, & Pfeffer, 2010). Legitimacy Theory suggests that firms in the textile industry may adopt economic responsibility as a CSR to ensure that they are perceived as legitimate by their stakeholders (Brammer & Millington, 2008). This can include customers, employees,

shareholders, and the broader community. By doing so, firms can enhance their reputation, build trust with stakeholders, and ultimately contribute to sustainable development. Furthermore, Legitimacy Theory suggests that firms may be more likely to adopt economic responsibility as a CSR when they face external pressure to do so. This can include pressure from regulatory bodies, consumer groups, or other stakeholders who may be concerned about the social and environmental impact of a firm's activities. In response to this pressure, firms may adopt economic responsibility as a way to maintain their legitimacy and avoid potential negative consequences such as legal liabilities, boycotts, or reputational damage. To effectively adopt economic responsibility as a CSR, firms in the textile industry may need to develop strategies that balance economic growth with social and environmental responsibility (Chen, 2015). This can involve investing in sustainable materials, reducing waste, and improving working conditions for employees. By doing so, firms can enhance their reputation and contribute to sustainable development, while also maintaining their legitimacy in the eyes of their stakeholders. Legitimacy Theory suggests that firms in the textile industry may adopt economic responsibility as a CSR to maintain their legitimacy and ensure that their activities are perceived as socially acceptable. By balancing economic growth with social and environmental responsibility, firms can enhance their reputation, build trust with stakeholders, and ultimately contribute to sustainable development.

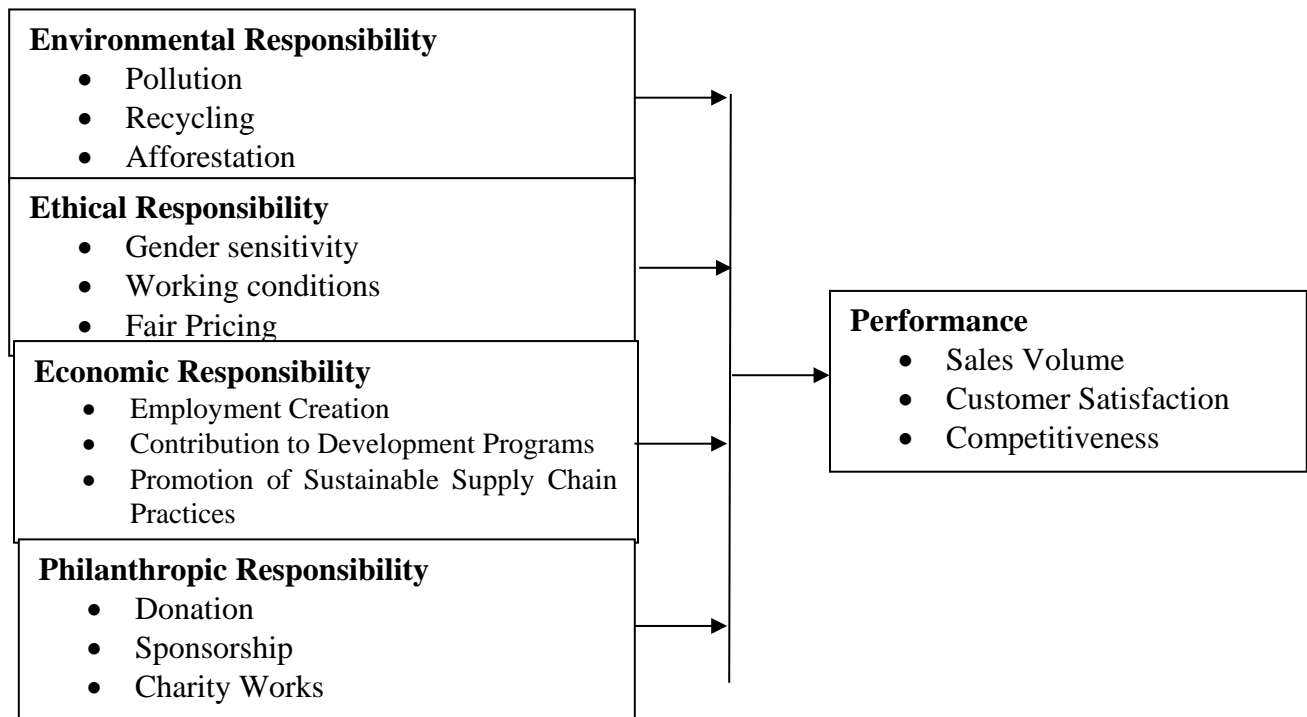
### **Institutional Theory**

The theory was proposed by J. D. Thompson in 1967 and suggests that organizations are influenced by the broader social and cultural norms and values that exist within their institutional environment. In corporate social responsibility (CSR), Institutional Theory suggests that firms may adopt philanthropic responsibility as a way to conform to the expectations of their institutional environment and to gain legitimacy and social acceptance. In the textile industry, philanthropic responsibility as a CSR can involve a firm's commitment to donating a portion of its profits or resources to charitable causes, such as education, healthcare, or environmental conservation. This can be viewed as a form of corporate social investment, where firms invest in the social and environmental well-being of the communities in which they operate (DiMaggio & Powell, 1983).

Institutional Theory suggests that firms in the textile industry may adopt philanthropic responsibility as a way to conform to the expectations of their institutional environment (Meyer & Rowan, 1977). This can include the expectations of customers, employees, investors, and other stakeholders who may value philanthropic contributions as a way of demonstrating social responsibility. By doing so, firms can enhance their reputation, gain social acceptance, and ultimately contribute to sustainable development. Furthermore, Institutional Theory suggests that firms may face pressure from institutional actors such as regulators, civil society organizations, and other stakeholders to adopt philanthropic responsibility as a CSR. This can be driven by a broader societal expectation that firms have a responsibility to give back to the community and to contribute to social and environmental well-being. In response to this pressure, firms may adopt philanthropic responsibility as a way to gain legitimacy and to avoid potential negative

consequences such as reputational damage or legal liabilities. To effectively adopt philanthropic responsibility as a CSR, firms in the textile industry may need to develop strategies that align with their organizational goals and values (Scott, 2014). This can involve partnering with charitable organizations, supporting local community initiatives, or implementing employee volunteer programs. By doing so, firms can enhance their reputation, build trust with stakeholders, and ultimately contribute to sustainable development. Institutional Theory suggests that firms in the textile industry may adopt philanthropic responsibility as a CSR to conform to the expectations of their institutional environment and to gain legitimacy and social acceptance. By aligning philanthropic contributions with their organizational goals and values, firms can enhance their reputation, build trust with stakeholders, and ultimately contribute to sustainable development.

**Conceptual Framework**



**Independent Variables**

**Dependent Variable**

**Figure 1 Conceptual Framework**

**Research Methodology**

The study adopted a descriptive research design. The target population for this study consisted of 10 textile firms operating in Eldoret town. The unit of observation comprised of employees from occupying managerial positions in the respective firms. A total of 90 respondents were targeted in the study. The current study adopted a census technique. The technique is supported by the fact that the population of the study is relatively small, as it comprises of 90 respondents. The study

relied on primary data. A questionnaire served as the main instrument for gathering primary data for this study. The questionnaire was structured on a 5-point Likert scale, with 1 representing strongly disagree, 2 representing disagree, 3 representing neutral, 4 representing agree and 5 representing strongly agree. The study utilized both descriptive statistics (such mean and standard deviation) and inferential statistics to examine the data (such as correlation and regression). The SPSS (Statistical Package for Social Scientist) V24 program was used to generate the statistics. Results of the analysis were presented by use of tables and figures. The study used the following regression model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where Y= Where: Y represents performance, X<sub>1</sub> Environmental Responsibility, X<sub>2</sub> Ethical Responsibility, X<sub>3</sub> Economic Responsibility, X<sub>4</sub> Philanthropic Responsibility, β<sub>0</sub> the Constant, β<sub>1</sub>, β<sub>2</sub>, β<sub>3</sub> Coefficients of Independent Variables, and ε Represents the error term.

## Results

The current study issued a total of 90 questionnaires to the target respondents comprising of employees in managerial positions of the firms involved in the study. 69 questionnaires were fully filled and returned for analysis. This accounted for 76.7% response rate. The response rate was suitable for analysis and making deductions since Creswell(2014) asserts that a response rate that exceeds 70% is appropriate for analysis. The study attained this high response rate through employing research assistants to assist in data collection and employing drop and pick data approach.

## Descriptive Findings and Analysis

The study used descriptive statistics because they allowed the researcher to explain how measurements on the items included in the variables were distributed. As descriptive statistics for the current study, both means and standard deviation were used. Prior to giving the average means and standard deviation for each statement while producing the descriptive statistics, the researcher first graded the responses on a scale of 1–5, then did so. On a scale of 1 to 5, with 5 denoting "Strongly Agree," 4 denoting "Agree," 3 denoting "Neutral," 2 denoting "Disagree," and 1 denoting "Strongly Disagree," respondents were asked to rate statements on each variable.

## Environmental Responsibility

The descriptive analysis results on environmental responsibility outlined in table 1 shows that the respondents agreed with the statements that the firm have undertaken initiatives to protect the environment from water pollution(mean=4.45), that the firm have undertaken initiatives to protect the environment from air pollution(mean=4.48) and that the firm have adopted waste recycling practices to reduce pollution(mean=4.59). Respondents further agreed with the statements that the firm have taken initiatives of planting trees(mean=3.78), that the firm engages the community in afforestation practices(mean=3.68) and that the firm undertakes research on ways of improving its



environmental responsibility(mean=3.71). All the respondents according to the average response mean of 4.115 and standard deviation of 0.457 agreed with all the statements on environmental responsibility. The results matches with Montgomery(2017) who established that addressing the challenges associated with firms' sustainability through the right set of business activities such as environmental activities can assist in identifying strategies that can contribute to their long-term sustainability.

**Table 1: Descriptive Statistics on Environmental Responsibility**

<b>Environmental Responsibility</b>	<b>N</b>	<b>Mean</b>	<b>Std.Dev</b>
The firm have undertaken initiatives to protect the environment from water pollution	69	4.45	0.215
The firm have undertaken initiatives to protect the environment from air pollution	69	4.48	0.204
The firm have adopted waste recycling practices to reduce pollution	69	4.59	0.141
The firm have taken initiatives of planting trees	69	3.78	0.643
The firm engages the community in afforestation practices	69	3.68	0.708
The firm undertakes research on ways of improving its environmental responsibility	69	3.71	0.831
<b>Average</b>	<b>69</b>	<b>4.115</b>	<b>0.457</b>

### **Ethical Responsibility**

The descriptive analysis results on ethical responsibility outlined in table 2 shows that the respondents agreed with the statements that there is gender parity in the firm(mean=3.66), that the firm considers the needs of customers paramount(mean=3.59), that all customers are fairly treated in terms of pricing (mean=3.54),and that the firm welcomes investors for collaborative development(mean=3.66). Respondents additionally agreed with the statements that the firm have a long lasting relationship with suppliers(mean=3.78) and that there is ethical consideration of all activities that the firm undertakes(mean=4.16). Respondents were however invariant with the statement that there is fair treatment all employees in the firm(mean=3.41). On average however, all respondents agreed with the statements on ethical responsibility as shown by average response mean of 3.686 and standard deviation of 0.792. The results agrees with Dávila and Troncoso (2018), who noted that a company should strive to ensure that the current terms of employment do not include any forms of racial, gender, or religious discrimination and that workers are paid fairly for similarly-sized amounts of work.

**Table 2: Descriptive Statistics on Ethical Responsibility**

<b>Ethical Responsibility</b>	<b>N</b>	<b>Mean</b>	<b>Std.Dev</b>
There is fair treatment all employees in the firm	69	3.41	0.931
There is gender parity in the firm	69	3.66	0.898
The firm considers the needs of customers paramount	69	3.59	0.842
All customers are fairly treated in terms of pricing	69	3.54	0.712
The firm welcomes investors for collaborative development	69	3.66	0.844
The firm have a long lasting relationship with suppliers	69	3.78	0.942
There is ethical consideration of all activities that the firm undertakes	69	4.16	0.376
<b>Average</b>	<b>69</b>	<b>3.686</b>	<b>0.792</b>

### **Economic Responsibility**

The descriptive analysis results on economic responsibility outlined in table 3 shows that the respondents agreed with the statements that the firm participates in school development programs such as building facilities(mean=3.79), that the firm routinely undertakes charity works to the less fortunate(mean=3.94), that the firm organizes health programs such as medical camps to the community(mean=3.81), that the firm prioritizes employment opportunities to the communities in the area of operation(mean=4.06) and that undertaking charity activities enhances the level of relationship between the firm and the community(mean=4.19). The respondents were however neutral on the statements that the firm have invested in education through sponsoring students(mean=3.24). An average response of 3.838 and standard deviation of 0.711 implies that all the respondents agreed with the statement on economic responsibility. The results are consistent with Aspinall *et al.*, (2015) who noted that a firm that is economically responsible is likely to have better financial performance than one that is not. This is because an economically responsible company is more likely to make sound business decisions and invest in sustainable long-term growth.

**Table 3: Descriptive Statistics on Economic Responsibility**

<b>Economic Responsibility</b>	<b>N</b>	<b>Mean</b>	<b>Std.Dev</b>
The firm have invested in education through sponsoring students	69	3.24	1.144
The firm participates in school development programs such as building facilities	69	3.79	1.012
The firm routinely undertakes charity works to the less fortunate	69	3.94	0.904
The firm organizes health programs such as medical camps to the community	69	3.81	0.824
The firm prioritizes employment opportunities to the communities in the area of operation	69	4.06	0.167
Undertaking charity activities enhances the level of relationship between the firm and the community	69	4.19	0.212
<b>Average</b>	<b>69</b>	<b>3.838</b>	<b>0.711</b>

### **Philanthropic Responsibility**

The descriptive analysis results on philanthropic responsibility outlined in table 4 shows that the respondents agreed with the statements that the firm offers donations to the less fortunate in the community(mean=4.11), that the firm offers donations to charitable organization(mean=3.79), that the firm participates in community welfare programs to improve the lives of communities(mean=3.84), that the firm engages with other organizations in the execution of philanthropic activities(mean=4.02) and that the firm sponsors development programs to the community(mean=3.57). On the statement on whether firm undertakes development projects such as provision of water to the community, respondents were neutral as shown by a mean of 3.46. However, all respondents were in agreement with the statements on philanthropic responsibility as shown by an average response mean of 3.798 and standard deviation of 0.584. According to Tangamani, Abu, and Othman (2017), a company's charitable endeavors aim to better the social, economic, or educational conditions in the area in which they operate. These circumstances typically create chances for a company to develop a long-term strategic approach for building a new client and consumer base, particularly in regions where none currently exists.

**Table 4: Descriptive Statistics on Philanthropic Responsibility**

<b>Philanthropic Responsibility</b>	<b>N</b>	<b>Mean</b>	<b>Std.Dev</b>
The firm offers donations to the less fortunate in the community	69	4.11	0.271
The firm offers donations to charitable organization	69	3.79	0.313
The firm undertakes development projects such as provision of water to the community	69	3.46	0.918
The firm participates in community welfare programs to improve the lives of communities	69	3.84	0.623
The firm engages with other organizations in the execution of philanthropic activities	69	4.02	0.431
The firm sponsors development programs to the community	69	3.57	0.949
<b>Average</b>	<b>69</b>	<b>3.798</b>	<b>0.584</b>

### **Performance**

The descriptive analysis results on performance outlined in table 5 shows that the respondents agreed with the statements that the firm has attained high customer satisfaction rates (mean=4.36), that adoption of CSR activities have boosted the firm's corporate image (mean=4.49), that the firm has a high competition niche in the market (mean=3.98) and that there is high customer attraction rates in the firms (3.87). The respondents further agreed with the statements that there is a high customer retention rates in the firm (mean=4.35) as well as an increase in sales volume in the firm (mean=4.47). An average response rate of 4.253 and a standard deviation of 0.326 implies that all the respondents agreed with the statements on performance.

**Table 5: Descriptive Statistics on Performance**

<b>Performance</b>	<b>N</b>	<b>Mean</b>	<b>Std.Dev</b>
The firm has attained high customer satisfaction rates	69	4.36	0.146
Adoption of CSR activities have boosted the firm's corporate image	69	4.49	0.213
The firm has a high competition niche in the market	69	3.98	0.538
There is high customer attraction rates in the firms	69	3.87	0.671
There is high customer retention rates in the firm	69	4.35	0.214
The sales volume has increased in the firm	69	4.47	0.173
<b>Average</b>	<b>69</b>	<b>4.253</b>	<b>0.326</b>

### **Inferential Statistics**

#### **Correlation Results**

The correlation analysis results outlined in table 6 shows that environmental responsibility and performance of textile industry in Eldoret Town bears a positive and significant correlation ( $r=0.311$  and  $\text{sig}=0.004$ ). This implies that enhancing environmental responsibility practices as a CSR strategy results to enhanced performance levels of the textile industry in Eldoret Town. The results matches with Montgomery(2017) who established that addressing the challenges associated with firms' sustainability through the right set of business activities such as environmental activities can assist in identifying strategies that can contribute to their long-term sustainability. The results also shows that ethical responsibility and performance of textile industry in Eldoret Town bears a positive and significant correlation ( $r=0.219$  and  $\text{sig}=0.006$ ). This implies that enhancing ethical responsibility practices as a CSR strategy results to enhanced performance levels of the textile industry in Eldoret Town. The results agrees with Dávila and Troncoso (2018), who noted that a company should strive to ensure that the current terms of employment do not include any forms of racial, gender, or religious discrimination and that workers are paid fairly for similarly-sized amounts of work.

The results further shows that economic responsibility and performance of textile industry in Eldoret Town bears a positive and significant correlation ( $r=0.184$  and  $\text{sig}=0.013$ ). This implies that enhancing economic responsibility practices as a CSR strategy results to enhanced performance levels of the textile industry in Eldoret Town. The results are consistent with Aspinall *et al.*, (2015) who noted that a firm that is economically responsible is likely to have better financial performance than one that is not. This is because an economically responsible company is more

likely to make sound business decisions and invest in sustainable long-term growth. The results finally shows that philanthropic responsibility and performance of textile industry in Eldoret Town bears a positive but insignificant correlation( $r=0.109$  and  $\text{sig}=0.086$ ). This implies that enhancing philanthropic responsibility practices as a CSR strategy results to insignificant improvement on performance levels of the textile industry in Eldoret Town. This tallies with Tangamani, Abu, and Othman (2017) who noted that a firm's charitable endeavors aim to better the social, economic, or educational conditions in the area in which they operate. These circumstances typically create chances for a company to develop a long-term strategic approach for building a new client and consumer base, particularly in regions where none currently exists.

**Table 6: Correlation Analysis**

		<b>Environmen tal Responsibilit y</b>	<b>Ethical Responsibili ty</b>	<b>Economic Responsibili ty</b>	<b>Philanthrop ic Responsibili ty</b>	<b>Performan ce</b>
<b>Environmen tal Responsibilit y</b>	Pearson Correlati on	1				
	Sig. (2-tailed)					
<b>Ethical Responsibilit y</b>	Pearson Correlati on	-0.031	1			
	Sig. (2- tailed)	0.074				
<b>Economic Responsibilit y</b>	Pearson Correlati on	0.101	-0.012*	1		
	Sig. (2- tailed)	0.641	0.153			
<b>Philanthropi c Responsibilit y</b>	Pearson Correlati on	0.048	-0.248	0.132**	1	
	Sig. (2- tailed)	0.203	0.271	0.143		
<b>Performance</b>	Pearson Correlati on	.311*	.219*	.184*	.109*	1
	Sig. (2- tailed)	0.004	0.006	0.013	0.086	
	N	69	69	69	69	69

\*\* Correlation is significant at the 0.01 level (2-tailed).  
\* Correlation is significant at the 0.05 level (2-tailed).

### Multiple Regression Analysis

The goal of a multiple regression analysis is to determine how closely the study's independent and dependent variables are related. The confidence level adopted in the study was 95%. The results outlined in table 7 portrays existence of a moderate relationship between strategic CSR (Environmental Responsibility, Ethical Responsibility, Economic Responsibility and Philanthropic Responsibility) and performance of textile industry in Eldoret Town as shown by R-value of 0.668. The results additionally shows that strategic CSR accounts for 44.6% in variations of performance of textile industry in Eldoret Town. This is depicted by R-Square value of 0.446.

**Table 7 Model Summary**

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
.668 <sup>a</sup>	0.446	0.412	1.067592

a. Predictors: (Constant), Environmental Responsibility, Ethical Responsibility, Economic Responsibility and Philanthropic Responsibility

The statistical significance of the model connecting the dependent variable with the independent variables was assessed through Analysis of Variance (ANOVA). The results outlined in table 8 shows that the significance value was 0.0102 which was less than the significance level of 0.05. This implies that the model was statistically significant for testing the relationship between the dependent and independent variables.

**Table 8 ANOVA (Model Significance)**

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1 Regression	260.615	4	65.1538	10.9889	0.0102 <sup>b</sup>
Residual	379.459	64	5.92905		
Total	640.074	68			

a. Dependent Variable: Performance

b. Predictors: (Constant), Environmental Responsibility, Ethical Responsibility, Economic Responsibility and Philanthropic Responsibility

The results on model coefficients outlined on table 9 shows that environmental responsibility as a strategic CSR positively and significantly influences performance of textile industry in Eldoret Town. This is shown by a beta value of 0.395 and a significant value of  $0.000 < 0.05$ . The results implies that increasing environmental responsibility practices with one units results to 0.395 units increase in the levels of performance of textile industry in Eldoret Town. The incorporation of environmental activities into production plans by businesses links them with social values, which increases the likelihood that the community supports them where they operate. According to Bahman et al. (2014), societal support for a company's operations is its greatest accomplishment. A firm is certain of success and improved performance when society is satisfied with the operations carried out under its auspices. Ethical Responsibility as a strategic CSR initiative according to the results positively and significantly influences performance of textile industry in Eldoret Town. This is shown by a beta value of 0.316 and a significant value of  $0.005 < 0.05$ . The results implies that increasing ethical responsibility practices with one units results to 0.316 units increase in the levels of performance of textile industry in Eldoret Town. According to Dávila and Troncoso (2018), incorporating employee welfare into a variety of workplace activities fosters a positive work environment where each employee commits to carrying out their assigned responsibilities and working toward the achievement of the firm's performance goals and objectives.

The results further shows that economic responsibility as a strategic CSR positively and significantly influences performance of textile industry in Eldoret Town. This is shown by a beta value of 0.246 and a significant value of  $0.018 < 0.05$ . The results implies that increasing economic responsibility practices with one unit results to 0.246 units increase in the levels of performance of textile industry in Eldoret Town. The results are consistent with Aspinall *et al.*, (2015) who noted that a firm that is economically responsible is likely to have better financial performance than one that is not. This is because an economically responsible company is more likely to make sound business decisions and invest in sustainable long-term growth. The results also shows that philanthropic responsibility as a strategic CSR positively but insignificantly influences performance of textile industry in Eldoret Town. This is shown by a beta value of 0.101 and a significant value of  $0.064 > 0.05$ . The results implies that increasing philanthropic responsibility practices with one unit results to 0.101 units increase in the levels of performance of textile industry in Eldoret Town. This is in tandem with Tangamani, Abu, and Othman (2017) who noted that philanthropic activities create chances for a company to develop a long-term strategic approach for building a new client and consumer base, particularly in regions where none currently exists.



**Table 9 Model Coefficients**

Predictors	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.978	0.175		11.303	0.032
Environmental Responsibility	0.395	0.111	0.324	3.559	0.000
Ethical Responsibility	0.316	0.106	0.243	2.981	0.005
Economic Responsibility	0.246	0.101	0.166	2.436	0.018
Philanthropic Responsibility	0.101	0.109	0.044	0.9275	0.064

The optimal regression model becomes:

$$\text{Performance} = 1.978 + 0.395(\text{Environmental Responsibility}) + 0.316(\text{Ethical Responsibility}) + 0.246(\text{Economic Responsibility}) + 0.101(\text{Philanthropic Responsibility})$$

Holding all other indicators constant, the optimal model shows that the performance of textile industry in Eldoret Town stands at 1.978. From the model, environmental responsibility accounts for the highest influence on performance, followed by ethical responsibility, then economic responsibility and lastly philanthropic responsibility.

### Hypothesis Testing

The results on hypothesis testing are presented in table 10.

**Table 10 Hypothesis Testing**

Hypothesis	Testing Criteria	Remark
<b>H<sub>01</sub></b> : There is no significant influence of environmental responsibility on performance of the textile industry in Eldoret Town.	Multivariate regression analysis (0.000 < 0.05)	Reject H <sub>01</sub>
<b>H<sub>02</sub></b> : There is no significant influence of ethical responsibility on performance of the textile industry in Eldoret Town.	Multivariate regression analysis (0.005 < 0.05)	Reject H <sub>02</sub>
<b>H<sub>03</sub></b> : There is no significant influence of economic responsibility on performance of textile industry in Eldoret Town.	Multivariate regression analysis (0.018 < 0.05)	Reject H <sub>03</sub>
<b>H<sub>04</sub></b> : There is no significant influence of philanthropic responsibility on performance of textile industry in Eldoret Town.	Multivariate regression analysis (0.064 > 0.05)	Accept H <sub>04</sub>

## **Summary Findings**

### **Environmental Responsibility**

From the descriptive statistics, all respondents agreed with the statements on environmental responsibility. Additionally, the results from correlation analysis revealed that environmental responsibility and performance of textile industry in Eldoret Town positively and significantly correlates. The results from regression analysis revealed that environmental responsibility positively and significantly influences performance of textile industry in Eldoret Town. The results bears the implications that enhancing environmental responsibility as a strategic CSR enhances the performance levels of textile industry in Eldoret Town.

### **Ethical Responsibility**

From the descriptive statistics, all respondents agreed with the statements on ethical responsibility. Additionally, the results from correlation analysis revealed that ethical responsibility and performance of textile industry in Eldoret Town positively and significantly correlates. The results from regression analysis revealed that ethical responsibility positively and significantly influences performance of textile industry in Eldoret Town. The results bears the implications that enhancing ethical responsibility as a strategic CSR enhances the performance levels of textile industry in Eldoret Town.

### **Economic Responsibility**

From the descriptive statistics, all respondents agreed with the statements on economic responsibility. Additionally, the results from correlation analysis revealed that economic responsibility and performance of textile industry in Eldoret Town positively and significantly correlates. The results from regression analysis revealed that economic responsibility positively and significantly influences performance of textile industry in Eldoret Town. The results bears the implications that enhancing economic responsibility as a strategic CSR enhances the performance levels of textile industry in Eldoret Town.

### **Philanthropic Responsibility**

From the descriptive statistics, all respondents agreed with the statements on philanthropic responsibility. Additionally, the results from correlation analysis revealed that philanthropic responsibility and performance of textile industry in Eldoret Town positively but insignificantly correlates. The results from regression analysis revealed that philanthropic responsibility positively and insignificantly influences performance of textile industry in Eldoret Town. The results bears the implications that enhancing philanthropic responsibility as a strategic CSR results to insignificant increase in the performance levels of textile industry in Eldoret Town.

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## **Conclusion**

The study findings led to conclusions that environmental responsibility as a strategic CSR positively and significantly influences performance levels of textile industry in Eldoret Town. Similarly, environmental responsibility practices such as undertaking initiatives to protect the environment from both water pollution and air pollution, adopting waste recycling practices to reduce pollution, taking initiatives of plant trees, engaging the community in afforestation practices and undertaking research on ways of improving its environmental responsibility further contributes to performance improvement of textile industry in Eldoret Town. The study findings also led to conclusions that ethical responsibility as a strategic CSR positively and significantly influences performance levels of textile industry in Eldoret Town. Similarly, ethical responsibility practices such as having a fair treatment to all employees in the firm, practicing gender parity, considering the needs of customers as paramount, treating all customers fairly in terms of pricing, welcoming investors for collaborative development, having a long lasting relationship with suppliers and practicing ethical consideration of all activities that the firm undertakes further contributes to performance improvement of textile industry in Eldoret Town.

The study findings further led to conclusions that economic responsibility as a strategic CSR positively and significantly influences performance levels of textile industry in Eldoret Town. Similarly, economic responsibility practices such as investing in education through sponsoring students, participating in school development programs such as building facilities, routinely undertaking charity works to the less fortunate, organizing health programs such as medical camps to the community, prioritizing employment opportunities to the communities in the area of operation and undertaking charity activities enhances the level of relationship between the firm and the community further contributes to performance improvement of textile industry in Eldoret Town. The study findings finally led to conclusions that philanthropic responsibility as a strategic CSR positively but insignificantly influences performance levels of textile industry in Eldoret Town. Similarly, philanthropic responsibility practices such offering donations to the less fortunate in the community and charitable organizations, undertaking development projects such as provision of water to the community, participating in community welfare programs to improve the lives of communities, engaging with other organizations in the execution of philanthropic activities and sponsoring development programs to the community further contributes to performance improvement of textile industry in Eldoret Town.

## **Recommendations for the Study**

The study offers a recommendation to the textile firms operating in Eldoret town to enhance environmental responsibility as a strategic CSR since the practice positively and significantly influence the performance levels of the firms. This can be realized by undertaking environmental responsibility activities such as undertaking initiatives to protect the environment from both water pollution and air pollution, adopting waste recycling practices to reduce pollution, taking

initiatives of plant trees, engaging the community in afforestation practices and undertaking research on ways of improving its environmental responsibility. The study also offers a recommendation to the textile firms operating in Eldoret town to enhance ethical responsibility as a strategic CSR since the practice positively and significantly influence the performance levels of the firms. This can be realized by undertaking ethical responsibility activities such as having a fair treatment to all employees in the firm, practicing gender parity, considering the needs of customers as paramount, treating all customers fairly in terms of pricing, welcoming investors for collaborative development, having a long lasting relationship with suppliers and practicing ethical consideration of all activities that the firm undertakes.

The study further offers a recommendation to the textile firms operating in Eldoret town to enhance economic responsibility as a strategic CSR since the practice positively and significantly influence the performance levels of the firms. This can be realized by undertaking economic responsibility activities such as investing in education through sponsoring students, participating in school development programs such as building facilities, routinely undertaking charity works to the less fortunate, organizing health programs such as medical camps to the community, prioritizing employment opportunities to the communities in the area of operation and undertaking charity activities enhances the level of relationship between the firm and the community. The study finally offers a recommendation to the textile firms operating in Eldoret town to enhance philanthropic responsibility as a strategic CSR since the practice positively influences the performance levels of the firms though to insignificant levels. This can be realized by undertaking philanthropic responsibility activities such as offering donations to the less fortunate in the community and charitable organizations, undertaking development projects such as provision of water to the community, participating in community welfare programs to improve the lives of communities, engaging with other organizations in the execution of philanthropic activities and sponsoring development programs to the community.

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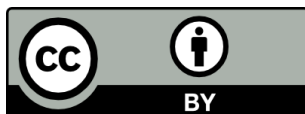
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