RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND STOCK RETURN OF COMMERCIAL BANKS LISTED IN THE NAIROBI SECURITIES EXCHANGE

BY

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DECLARATION

I, declare that this research project is my original work and has not been presented for academic purposes or examination in any other University or Institution of Higher Learning.

Signature …… Date: December 3, 2020

Oliver Arthur Owallah - D61/9809/2019

This project has been submitted for examination with my approval as the University Supervisor

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God bless you.

DEDICATION

This project is dedicated to my dear wife for standing by me, supporting and cheering me to the finish line.

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ACRONYMS AND ABBREVIATIONS

BSR - Business Social Responsibility

BSE - Bucharest Stock Exchange

CBK - Central Bank of Kenya

CMA - Capital Markets Authority

CSR - Corporate Social Responsibility

CSP - Corporate Social Performance

IBE - Institute of Business Ethics

KBA - Kenya Bankers Association

KNBS - Kenya National Bureau of Statistics

NSE - Nairobi Securities Exchange

NGOs - Non-Governmental Organizations

ABSTRACT

Firms have strived to revamp their CSR initiatives with an aim of positively influencing societies and environments within which they do business. Firms that have actively engaged in CSR, social good and ethical business practices often engaged in sustainable reporting. In Kenya, commercial banks listed on the NSE over the past 6 years have embarked on an aggressive integration of CSR into their long-term business plans. Some of the social initiatives undertaken by listed commercial banks at the NSE focus on sectors such as education, healthcare and environment among many others. Several commercial banks listed at the NSE have also adopted sustainability reporting to better communicate to their stakeholders and partners their social initiatives and the impact they are having on society This study set out to examine the linkage between CSR and stock returns of NSE listed commercial banks. The study was grounded on the social theory of contracts, the stakeholder theory and the resource-based theory. The study adopted a causal study design and the population was made up of the eleven NSE listed commercial banks as of 31st December 2019. This study relied on secondary data covering a six-year period between 2014 and 2019. The multiple regression was employed to confirm the comparative significance of the predictor variable in influencing the stock return of NSE listed banks. The study findings revealed that corporate social responsibility had a positive and significant linkages to share returns of the listed banks. The finding revealed that profitability had a positive but insignificant linkage to share returns of the listed banks. Lastly, the results revealed that that the relationship between firm size and share returns of the listed banks was positive and significant respectively. The study concluded that stock returns of the NSE listed banks are positively affected by corporate social responsibility undertakings and the bank's size.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The past ten years has seen contributions towards societal sustainability has become a mainstay of conversations in corporate circles. Traditionally, it has been held that contribution to societal sustainability comes at an additional cost to firms and thus eroding their bottom line, shareholder's value and consequently affecting their competitive advantage (Ambec & Lenoie, 2008). However, new evidence from developed economies has emerged that contributions to societal sustainability, profitability, shareholder's value, return on stock and competitive advantage are not mutually exclusive. (Berns, Riel & Bruggen, 2009). Firms experience growth by doing good aimed at promoting societal sustainability. When firms contribute towards societal sustainability, various stakeholders, in the ecosystem, such as investors, consumer and governments work together to reward such efforts thus increasing firm's profitability. Consequently, firms are not only driven by their profit motives but also by the desire to contribute towards societal sustainability through Social Corporate Responsibility (CSR) (Heal, 2008).

Based on the above it has become paramount for firms to address issues that affect the society that comprise the firm's internal and external partners. This noble notion is further espoused by the broad and encompassing definition of CSR as a firm's higher moral duty to not only focus on its profit motive but also focus having a positive societal and environmental impact. The firm's external and internal partners expect that firms will not only focus on their profit motives but also integrate CSR in its long-term business strategy (Lo, 2009). If a firm puts in place robust CSR strategies and execution strategy, there will be positive effects on the firm's performance (Cramer, 2003) and consequently the return on its stock.

Firms have realized that they do not exist in isolation but rather in a highly interdependent and deeply connected society where their actions invariably have an impact on the society; either positive or negative. Firms worth their name keep track of these effects through consistent measurement, monitoring and evaluation. This helps them align to one of the cornerstones of CSR; minimize negative effects and actively promote initiatives that will result in positive effects (Porter and Kramer, 2006).

Top management at firms have taken to identifying specific societal problems in society that they aim to solve with their CSR initiatives. Providing solutions to these societal problems invariably leads to an increase in return on stock, financial performance, market share, brand visibility, ability to reduce talent attrition and competitive advantage.

In the past, organizations in Africa have treated CSR as a mere “PR instrument” used to gloss over their public image and merely further their profit objectives in various markets (Ondego, 2008). However, with the advent of globalization; firm’s activities are coming under increased scrutiny and this has forced firms to take CSR for what it really is in order to unlock both the economic value, shareholder’s wealth and social capital that comes with genuinely trying to make the society a better place.

1.1.1 Corporate Social Responsibility

Defining CSR has been a never-ending discourse in the fields of academia, business and even society at large. The complex and differing views of various stakeholders in spheres of academia, business and society has made it difficult to come up with a universally accepted definition of CSR. This lack of convergence of definition make it difficult for firms to align to societal expectations of CSR.

However, several scholars and CSR practioners have sought to define it as a business ethos where wealth produced in pursuit of the profit motive is redistributed for the benefit of external and internal stakeholders through CSR initiatives (Smith, 2011). CSR is further defined crafting of a business strategy that is tailored towards social responsibility and sustainability of societies (Ng’ang’a, 2015). CSR has further been defined as initiatives that further the societal good that is beyond the firm’s individual interests and legal obligations (McWilliams and Siegel, 2001).

Various researchers have established several metrics for measuring CSR. Hassan et al., (2011) proposes that CSR can be measured through carrying out survey to measure a firm’s social reputation index. Under this metric of measurement, a firm can be evaluated against one or more areas of social performance. A firm’s level of CSR engagement can also be measured by their sustainability reporting and their actual CSR expense recorded in the annual financial statements.

Despite the varying definitions of CSR, the central theme cutting across all definitions is that CSR is the economic, socio-environmental impact of a firm’s actions and thus is how a firm relates with its stakeholders; internal and external. CSR has also been measured in different ways across various studies. In this study, CSR will be measured as CSR expense as a percentage of operating profit.

1.1.2 Stock Returns

The underlying primary objective of any investment is to earn a return over and above the cost (Reddy & Narayan, 2016) of the stock. Stock Return is the valued derived by an investor or shareholder by investing in the shares of a given company.

Stock Returns comprise of dividend and capital appreciation of the price of the shares. Dividends are traditionally paid out of profits of a company and are normally declared upon completion of the financial statement audit and paid in the subsequent year at a frequency of the company’s choosing. Dividend payments are driven by two determinants: the first is financial performance and the other is the investment needs of the company. Where a company has performed exceptionally well and has enough cash reserves to support their investment undertaking; they may pay out dividends to their shareholders.

The appreciation of the price of shares is also known as capital gain. Capital gain is the gain made by a shareholder when he/she sell his/her shares at a higher price than which they were bought at. Share price of a company can appreciate or depreciate over a period and is influenced by both internal such as financial performance, dividend payment history, and external factors such as inflation, interest rates and government regulations among others (Mugo, 2017).

There is universal consensus among scholars and business community that return on stock is measured as the total dividend paid and appreciation of share price.

1.1.3 Corporate Social Responsibility and Stock Return

CSR has been a significant topical development in the scholarly world as well as in corporate circles (Waddock & Smith, 2000). CSR has been defined as initiatives undertaken by firms over and above legal expectation and their profit motives. CSR is when firms take deliberate actions to ensure that they not only pursue their profit objectives, but they also foster and nurture a sustainable society and environment. CSR as a discipline, has been a subject of numerous research that discovered positive linkages between CSR and overall firm performance (Porter and Kramer, 2006).

Stock Return is the total gain made by shareholders and is defined as the total dividend payout and appreciation in share price of the company. Stock Return forms a basis for comparison of peer performance as well as a yardstick used to measure performance of the top leadership and the company at large.

From an empirical perspective, CSR has been a subject of a myriad of research work that has established positive linkages between CSR and Stock Return of firms. There is a positive linkage between CSR and Stock Return of firms based in US and Europe (Ziegler & Arx, 2008).

Several theories have been mooted by scholars such as Donaldson and Dunfee (1999), Ian Mitroff (1983) and Jay Barneys (1991). In each of their theories, the above scholars have put in place arguments that attempt to explain the linkages between CSR vis a vis success of firm's that is measured in a myriad of ways. The three scholars have a mutual consensus that indeed firms engaging in CSR have better financial performance, however measured – even as Stock Return.

In this study, we expect that we will establish a positive linkage between CSR and Stock Return of commercial banks, listed on the NSE, that actively undertake CSR initiatives aimed at positively impacting societies which they operate in. Firms also compile annual sustainability reports that detail the CSR initiatives that they have undertaken in the year and measure their societal impact. This kind of accountability and social responsibility promotes responsibly consumption within the society and consequently driving up the firm's Stock Return.

1.1.4 Commercial Banks Listed at the NSE Kenya

Kenya equity instruments trade on the NSE which was founded in 1954 within the ambit of Societies Act. The formation of the NSE was facilitated by the need to facilitate listing and trading of marketable securities e.g. equity and debt instruments. The NSE is regulated by the CMA under the CMA Act of 1989. NSE's core mandate is to provide a platform and framework where securities can be traded and as such it is an important body that enables savings and investments in Kenya.

Balance sheets of banks in Kenya have ballooned from *KES 3.26 Trillion* to *KES 3.37 Trillion* representing an increase of 3.4 % between 2014 and 2015, an indication of growth of the sector. Given the colossal assets held in fiduciary capacity by the banks and their public interest nature, there is need for the banking industry to be heavily regulated. Kenyan Banks are regulated by CBK under the CBK Act and the Companies Act. There is additional regulation by other bodies such as the KBA that govern the banking sector. Listed commercial banks in Kenya provide financial services comprising deposit acceptance, offering credit to borrowers, money transfer, forex and custodial services. Due to stakeholder expectations stability and profitability of banks is of paramount importance (Ongore & Kusa, 2013).

It is vital to note that banks enable flows of capital from savings to investors and thus creating economic value. Even as banks create economic value, they need to honor their obligations when they crystallize and generate returns/value for its shareholders. This notwithstanding banks also need to make sure that they have a progressive impression on the societies within which they exist in as well as the general environment and as such they are keen on incorporating CSR into their short- and long-term objectives.

1.2 Research Problem

Firms have strived to revamp their CSR initiatives with an aim of positively influencing societies and environments within which they do business (Porter and Krammer, 2006). Firms that have actively engaged in CSR, social good and ethical business practices often engaged in sustainable reporting. This is aimed at sensitizing their stakeholders and partners on the social initiatives that they have undertaken. Firms that have deeply unified sustainability reporting model into their business model have seen a rise in their share prices and consequently Stock Return.

Commercial banks listed on the NSE over the past 6 years have embarked on an aggressive integration of CSR into their long-term business plans. Some of the social initiatives undertaken by listed commercial banks at the NSE focus on sectors such as education, healthcare and environment among many others. Several commercial banks listed at the NSE have also adopted sustainability reporting to better communicate to their stakeholders and partners their social initiatives and the impact they are having on society. This evolution of business models and practices toward sustainability and social considerations have seen a spike in the share prices and consequently Stock Return of NSE listed commercial banks. As the big banks lead the way, their smaller counterparts are also racing to integrate CSR and sustainability into their business models.

Considerable research work has gone into studying CSR and its impact within firms. Nkaiwatei (2011) concentrated on the oil business in Kenya, Wanjala (2011) assessed factors that impact CSR in Kenyan commercial banks. Mwai (2013) interrogated the effect of CSR on the performance in companies that partner with NGOs in Kenya. Osino (2013) investigated CSR among Small and Medium Enterprises, Cheruiyot (2010) studied CSR among corporations listed at the NSE; Mwangi (2009) researched on CSR among telecommunication firms in Kenya while Mwangi (2013) focused on industrial, construction and associated sector of the NSE.

Despite the myriad studies carried out on CSR, there has not been a study carried out on the correlation between CSR of NSE listed commercial banks and their Stock Return, a yardstick for shareholder's wealth. In this study, Stock Return will be the predicted variable measured as the sum of price appreciation of the shares and dividends paid. The predictor variables in the study will be CSR, profitability and size. CSR will be measured as CSR expense as a percentage of operating profit, profitability as return on assets and firm size as the Log of total non-current and current assets. This study will answer the question; is there a correlation between Stock Return of commercial banks listed on the NSE and CSR?

1.3 Research Objective

To establish the linkage between CSR and stock returns of the NSE listed commercial banks.

1.4 Value of the Study

Results of this survey will be insightful to a myriad of stakeholders in the banking sector, such as regulators, investors, top management at banks, customers, employees and future researchers.

Investors, top management can gain insights from this study to shape their decision making around budgetary allocations for CSR and the resultant effect on maximization of shareholder's wealth i.e. Stock Return.

Regulators such as CBK and KBA among others, can make inference from the outcomes of this study to put in place policies that will encourage stability in the banking sector as well as promote socially positive activities.

This study also forms a basis for which future scholars and researchers can undertake research on the influence of CSR on Stock Returns. The study provides insightful discussion that can be an aid to other scholars in coming up with a gap that this research did not fill due to its scope.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Chapter two delves into past studies on the correlation between CSR and Stock Return. Section 2.2 discusses theories put forth by various scholars that explain the correlation between CSR and Stock Return. Section 2.3 discusses empirical evidence on CSR and Stock Return. Section 2.4 discusses the variables that influence the Stock Return of commercial banks listed on the NSE while 2.5 presents the conceptual framework of the study and section 2.6 summarizes the chapter.

2.2 Theoretical Review

This study is directed by the social theory of contracts by Donaldson and Dunfee (1999), the stakeholder theory by Ian Mitroff (1983) and the resource-based theory by Jay Barneys (1991). Donaldson and Dunfee (1999) in their theory of social contract espouse the theory of natural and legal rights. The former, being of key interest at it gives the societies power to have natural expectations of firms, states and other bodies that are not necessarily take a legal form.

On the other hand, Ian Mitroff (1983) through his stakeholder theory puts forth an important symbiotic relationship between firms and their non-traditional stakeholders, the general society. This relationship to a large extent influence how firms acts towards the general society in a bid to meet societal expectations embodied in social contracts. Jay Barnes (1991) through the Resource Based Theory (RBT), submits that a firm's growth trajectory of largely influence by the critical resources at its disposal and how the same is exploited to achieve competitive advantage.

2.2.1 Social Contract Theory

Social Contract Theory was first mooted during the age of enlightenment in the 18th Century, dubbed the "Century of Philosophy". The Social Contract theory defines the constructs of the legitimacy of authority of a state. It posits that citizens do submit to the state, a political body, in exchange of a set of rights and maintenance of social order. The theory of Social Contracts is set on natural versus legal rights.

The theory of Social Contract is set on the natural rights of the society. The contract provides that society has mandate to demand that firms are run in a way that elevates and promotes a positive society. This is further buttressed by the "Iron Law of Responsibility" that opines that; eventually, firms who do not wield their power in accordance with societal expectations on morality and responsibility will be illegitimate.

Donaldson and Dunfee (1999) further developed the theory of social contracts in a firm's context where he opines that the ethics of doing business is governed by social contracts that also provide moral guidance to firms as well as the society. It is on the backdrop of business ethics and social contracts that firms are adjudged by society if they have met their social contractual obligations.

Firms do not operate in isolation but rather within a society with which they have social contracts with and are expected to honor. Whenever firms act in a manner that is not aligned with societal expectations, in the long run, society will act towards the firm in a way to discourage self-aggrandizing actions. Social contract and its perceived repercussions act as motivation for firms to protect their brand by promoting an ethical business environment as well as putting in place authentic strategies on positively influencing society.

The social contract theory comes in handy in this study as it underpins the rationale for commercial banks in Kenya to voluntarily change their business models in order to incorporate social initiatives aimed at honoring social contracts with society. The contract theory also explains the societal expectations on the firms and the moral authority for society to hold the firms accountable.

2.2.2 Stakeholder Theory

The stakeholder theory espouses a style of management that considers the impact of business decisions on various stakeholders (Mitroff, 1983). The stakeholder theory was first mooted by Ian Mitroff back in 1983. The theory was further advanced by Edward Freeman who is officially considered the father of the stakeholder theory.

Stakeholders are firm's partners who can influence or are influenced by a firm's undertakings. They are the probable recipients of the value and risks arising from the firm's activities. Firms have express contracts, often backed by law, with key stakeholders that they must honor. Firms also have social contracts with their stakeholders which they must honor as well.

Traditionally, the view that shareholders are the only important stakeholders in a firm has been dominant. However, with the passage of time and extensive research on the subject, it has become clear that it's not only the shareholder who is a stakeholder in a firm. The stakeholder theory puts forth that a firm's actions has a straight impact on its stakeholders. The theory enumerates stakeholders as employees, customers, suppliers, financiers, trade associations, government bodies and the society at large.

The stakeholder theory provides that firms need to adopt measures, initiatives and processes in their operations to ensure that they do meet their legal and social contracts. Honoring social contracts always prove to be a challenge due to the myriad stakeholders (Jo & Harjoto, 2012). However, this does not water down the fact that firms need to find a way of honoring their social contracts.

One of the initiatives that firms have adopted in order to meet their social contractual obligations is CSR. Through various CSR initiatives, firms can have positive impact on their stakeholders and particularly the society and the environment. Incorporating CSR initiatives in firm's long strategy has become a mainstay in boardroom conversations. The boards of various firms are keen to deploy their CSR initiatives.

2.2.3 Resource Based Theory

RBT was first developed by Jay Barneys (1991). The RBT provides that a firm can gain competitive in the market by virtue of having a unique set of resources (Barney, 1991). This school thought was further enhanced by Penrose (1959) who stated that the growth trajectory of a firm is determined by the resources at its disposal.

The proponents of RBT opine that firms have different growth strategies, and these are informed by the resources and capabilities that they have at their disposal. Firms do have a variety of resources and capabilities that they can marshal to achieve competitive advantage in their respective industries.

The RBT defines resources as assets, capabilities, organization specific processes, firm attributes and even relationship with its stakeholders. The theory also defines competitive advantage as the ability to formulate a strategy that is not easily imitable within the market and use it as a driver of value creation for the firm. The theory classifies resources into two broad categories i.e. tangible resources such as people, raw materials, plant and machinery and intangible resources such as reputation, culture, accumulated experience and robust relationships with key stakeholders.

For a firm to realize the desired competitive advantage, its management ought to carry out the following tasks. Firstly, the management needs to identify the firm's potential key resources that are its disposal. Secondly the management needs to narrow down the resources and identify which ones are of critical value, firm specific and non-substitutable. Once this is done, management is then charged with developing, enhancing, maintaining, protecting and exploiting the identified assets to generate value and derive competitive advantage.

Commercial banks in Kenya have adopted a similar approach with CSR as an intangible resource. Commercial banks have turned to CSR as one of the drivers of competitive advantage. The commercial banks have steadily developed their CSR strategies and initiatives over the years and have exploited the same to curve out a unique competitive niche for themselves in the market. This competitive advantage in the market has seen commercial banks gain positive returns on their Stocks.

2.3 Determinants of Stock Returns

Stock Return is the value, over and above the initial share price, derived by an investor who has invested in the shares of a company. To a large extent, Stock Return is the yard stick that investors and the market at large use to gauge the performance of the company.

However, Stock Return should not be solely relied on as the barometer of performance as it is often affected by a myriad of both inward and outward external factors. Some of the internal factors that influence Stock Return include, but not limited to, CSR strategy, perceived strengths of the leadership, asset base of the firm and long-term business strategies put in place by firm leadership. Some of the external determinants also include performance of peers in the market, economic inflation, interest rates, investor attitude, political climate among others (Azar, 2014).

Stock Return will be measured on the ratio measurement scale as the sum of the gain in share price and dividend declared. We will take the average change stock price during the year and the dividend declared.

2.3.1 Corporate Social Responsibility

CSR is a strategy utilized by firms to achieve competitive advantage (Newman et al., 2016) by going about their activities in a socially acceptable manner. CSR enhances corporate brand and status which results in firms' competitiveness. CSR is a business ethos that seeks to redistribute wealth back to society and this encompasses internal and external stakeholders. (Smith, 2011). The constructs of CSR are initiatives that further the societal good that is beyond the firm's individual interests and legal obligations (McWilliams & Siegel, 2001).

Despite the varying definitions of CSR, the central theme cutting across all definitions is that CSR is the socio-economic and environmental impact of a firm's actions and thus it is how a firm relates with its stakeholders; internal and external. The firm's level of engagement in CSR can also be measured by the firms' annual CSR budget that is recorded in their annual financial statements.

In this project we will interrogate the linkage between CSR and Stock Return of NSE listed commercial banks for the period 2014 to 2019. CSR will be measured on the ratio measurement scale as a percentage of total CSR expense to operating profit.

2.3.2 Profitability

Profitability is the amount of money that firm can obtain from the business operation activity that determines the growth of the firm. It can also be explained as a company's capacity to yield incomes in the future and can also show the operations success of a company (Smith, 2011). A company's profitability is one of alternatives and is employed to correctly evaluate to what level the return rate from investments will be achieved. Profitability shows financial investment's profits, that is it affects the company's value if its ability to create earnings increases as the price of stock also goes higher (Smith, 2013). So that a firm remains in running and ward off competition from organizations working in the same industry, profit maximization is a vital objective. Profitability is measured through performance proxies such as sales margins and profit margins, return on investment (ROA), net return, among others.

2.3.4 Size

Company size is normally considered as the most appropriate control variable based on empirical evidence that firms that are large are more engaged in CSR initiatives compared to medium and small firms, owing to the abundance of resources at their disposal (Smith, 2013). Smith argues that big firms have a higher profile thus attract considerable public attention and are always keen to safeguard their reputation with the broader public. Size will be one of the control variables in this paper and is measured on a ratio scale as the log of total assets. This data will be obtained from the listed bank's annual financial statements.

2.4 Empirical Studies

Wuttichindanon (2018) investigated the CSR disclosures of 137 companies on the Thailand Securities Exchange for the year 2014. The firms are required to annually disclose their CSR initiatives through a sustainability report or an annual registration statement. Wuttichindanon examined the choices the firms make in the first year of disclosure and obtained secondary data from regulatory filings. The independent variables were lumped into three, influence from shareholders, size and age of the firm and the firm's profitability. Wuttichindanon used the regression model to conduct his study and arrive at results. The results revealed that size of the firm is positively linked to choice of CSR disclosures. The study revealed that bigger firms and those controlled by government preferred sustainability reporting. Wuttichindanon concluded that CSR in firms is due to their shareholder's influence and corporate visibility influence the nature of CSR reporting.

Simionescu and Dumitrescu (2018) empirically interrogated the effect of CSR on performance of firms listed on the Bucharest Stock Exchange (BSE). The study covered the period November 2014 to July 2015 and focused on 62 companies. The study interrogated the influence of CSR on financial performance of listed firms. CSR and company financial performance were measured as a CSR global index and return on assets, respectively. The CSR data was collected through survey and ROA was measured from the financial statements. The study used the regression model to determine the linkage between CSR and company financial performance and results pointed to a positive linkage between the two. Simionescu and Dumitrescu concluded that there is a positive correlation between CSR and performance (financial) of companies that adopt CSR initiatives to positively impact employees, the environment and the society at large.

Gichohi (2016) also interrogated the effects of CSR on financial health of NSE listed firms. They study was conducted in the year 2014 and focused on 66 NSE listed firms during the period 2010 to 2014. Financial health was measured as ROA while CSR was measured as total investment put into CSR initiatives by the listed firms. Gichohi used the linear regression model in testing the linkages of financial performance vis a vis CSR. The results showed that investment in CSR accounted for a 45% change ROA of NSE listed firms. Gichohi concluded that a weak positive relationship existed between the two. Gichohi recommended that firms take up more CSR initiatives to grow shareholder value. It was also recommended that the onus of ensuring that firms are ethical lies with government.

Hirigoyen and Rehm (2015) interrogated the consequence of CSR on financial performance of listed firms across the USA, Europe and Asia-Pacific. In this study, CSR was broken down into sub-groups such as human rights and resources, commitment to societies, governance and preservation of the environment. Financial performance was measured as ROE, ROA, and market to book ratio. The study looked at a sample of 239 firms listed across various stock exchanges in the USA, Europe and the Asia Region and covered the period 2009 to 2010. Hirigoyen and Rehm employed the linear regression and the Granger causality test as methodologies in their study to ascertain the linkage between social responsibility and financial performance. The results showed a negative influence between financial performance and CSR.

A research conducted by Mwai (2013) interrogated the linkage between CSR and financial performance of firms that partner with NGOs. Mwai's stretched a 5-year period from 2008 to 2012 and gathered secondary data from financial statements. The study focused on a sample of 6 corporate-NGO partnerships and relied on the regression equation to ascertain the linkage between CSR and financial performance. Mwai measured CSR as a ratio of the CSR expense to total operating expense and proxied corporate financial performance as ROA and introduce size, measure as log of assets, as a control variable. The regression results showed a robust positive link between CSR and CFP. Mwai concluded that firms need to undertake more of

CSR to improve their overall financial performance.

Osino (2013) interrogated the connection between CSR and financial performance of SMEs in Kenya. Osino's study covered the period 2008 to 2012 and focused on the top 100 SMEs at the time and collected CSR data using questionnaires. She focused on the SME space as prior studies had not covered this niche and she measured financial performance as ROA and CSR as a total index of CSR disclosure and used the linear regression equation to determine the linkage between the two. Osino discovered a direct link between ROA and CSR. The study revealed that CSR greatly influenced financial performance of SMEs studied. Osino recommended that SMEs should take up more CSR initiatives as it bolsters their financial performance.

Mwangi (2013) examined the relationship between CSR and financial performance of NSE listed firms and covered the period 2007 to 2011. He narrowed down on the following sectors: manufacturing, construction, and allied sectors. Mwangi relied on secondary data that covered the period 2007 to 2011. The study used the multiple regression model to discover the nature of the linkage between CSR and financial performance. The study measured CSR as the investment made year on year and financial performance as ROA. The linear regression model showed an insignificant positive relationship between CSR and ROA.

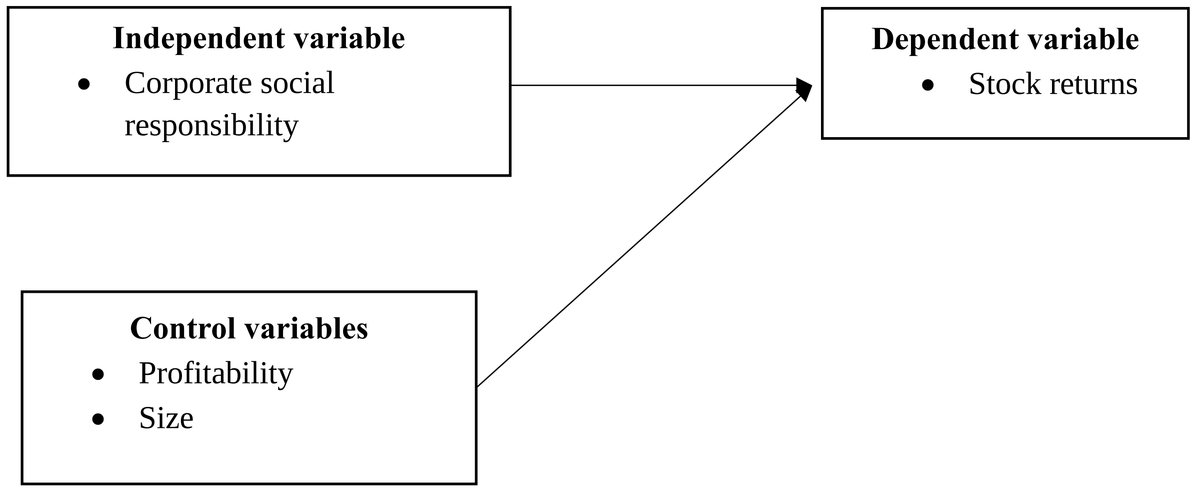
Okwoma (2012) interrogated the consequence of CSR on the performance of commercial banks in Kenya from a financial standpoint in the year 2012. The study covered the period 2007 to 2008 where 28 commercial banks were studied. Okwoma measured CSR, the predictor variable, as the total expenditure on CSR activities in any period and financial performance, the predicted variable, as ROA and ROE; accounting performance measures as it is difficult to obtain market value on non-listed firms. The study relied on secondary data from bank's financial statements and CBK'S supervision reports. The study also relied on primary data on CSR practices collected through questionnaires. Okwoma's study relied on the linear regression equation to determine the linkage between CSR and performance of commercial banks in Kenya. The output of the regression analysis showed that CSR expenditure had a strong positive correlation to ROA for larger and medium sized banks. Okwoma conclusion was that CSR positively affects the financial performance of large and medium commercial banks in Kenya. Okwoma recommended the smaller commercial banks focus more on strategic marketing initiatives to boost their financial performance.

Cheruiyot (2010) explored the consequence of CSR undertakings on corporate performance of NSE firms. Cheruiyot carried out this study in 2010 and covered a period between 2004 and 2008. The study measured CSR as incremental expenditure on CSR initiatives while measuring financial performance as ROA and ROE. The research employed a linear regression model to ascertain the link between incremental CSR expenditure, ROA and ROE. The linear regression model revealed a robust positive linkage between CSR and financial performance of the sampled companies. Cheruiyot recommended that all stakeholders embrace CSR to improve performance. He also recommended that government ought to maintain a CSR tracker for all companies and publish this on an annual basis.

2.5 Conceptual Framework

The conceptual framework outlines the correlation between the predictor and predicted variables that form the subject of this study. The predictor variable is CSR, and this is measured as a percentage of CSR expense to operating profit. The predicted variable is Stock Return measured as a sum of gain in share price and dividend declared. The control variables are represented by profitability and size of a firm. This study anticipates that the predictor variable will positively influence the predicted variable.

Figure 2.1: Conceptual Model



Source: Author (2020)

2.6 Summary of Literature Review

CSR has developed into one of the cornerstones for corporate success across the globe. This has been buttressed by the social contract and stakeholder theories that argue that there are inherent gains to be made when a firm engages in activities that are aimed at bettering environments within which they operate. It is on this premise that the wave of CSR has swept across the corporate world. Firms are more than ever deliberately incorporating CSR initiatives into their business strategies, both long-term and short term. However, there has been no single theory put forth by a scholar on the specific impact of engaging in CSR on listed commercial banks.

A myriad of empirical studies has been done to investigate the effects of firms taking up CSR initiatives and whether this has a direct positive correlation with market's measurement of performance. Empirical studies point to a positive impact by CSR on performance of firms. However, there has not been an empirical study on the effect of CSR on Stock Return of banks listed on the NSE. This study aims to fill that gap and provide critical insight both banks, regulators, policy makers and other stakeholders on how to better improve the banking sector in Kenya.

Numerous empirical studies have been done in the fields of finance and economics on financial health of NSE listed firms and more specifically commercial banks. Various studies have also touched on the influence of CSR on performance listed firms in the NSE. However there has not been a single study done to determine the linkages between CSR and Stock Return of NSE Listed commercial banks. This study aims to take a focused approach in establishing the link between Stock Returns of one of the most important economic sectors of the country and one of the most powerful social tools available to firms.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section details the techniques adopted in this study, data collection, technique and statistical analysis performed on the data collected.

3.2 Research Design

This research adopted a causal study design. A causal design of the research is aimed at identifying the nature of the cause and effect relationship between variables. In using causal design in this study, we control other variables that may influence stock return of the NSE listed commercial banks. Casual design's main advantage is its ability to interrogate the nature of the relationship between variables.

The aim of this study was to ascertain the impact of CSR on Stock Return of the NSE listed commercial banks. The causal research design is fit for this study as it clearly brought out the linkages between the variables under study.

3.3 Population of the Study

A population is a pool from which a statistical sample, which a researcher needs to study, is drawn. The study's population entails the eleven NSE listed commercial banks as of 31st December 2019. The study undertook a census technique as the number of banks registered on the NSE was not large.

3.4 Data Collection

Data for this research was from secondary sources. Information on CSR expense, operating profit and total assets was extracted from the commercial bank's annual financial statements. Information on share market prices was obtained from the NSE database. This study focused on a six-year period data; between 2014 and 2019. The time frame of 6 years ensured ease of access of information and collation of data required for testing. The six-year period also reduced the effects of confounding influences in on the variables being studied.

3.5 Diagnostic Tests

This study relied on secondary data and as such performed the following diagnostic tests:

3.5.1 Unit Root Test for Stationarity

Time series data may reveal some trend or unit roots meaning that the means and variances are constant. This makes the data non-stationary hence skewing the analysis of the same. To solve this problem the data ought to be differenced to obtain stationary data required for accurate results of the study. This study relied on the Augmented Dicky Fuller Test to investigate whether the data collected was stationary. This test was hypothesized as below:

H0: The data is non-stationary

H1: The data is stationary

We reject the null hypothesis after establishing a stationary time series data.

3.5.2 Auto-Correlation Test

The data collected was subjected to the auto-correlation check that is aimed at determining correlation between data points at different times of similar variables. This revealed if there was correlation between the data points of the individual variables collected over the 6-year period and whether the subsequently computed standard errors are accurate. The Breusch-Godfrey test for serial correlation was used for autocorrelation testing.

3.5.3 Test for Heteroscedasticity

The data collected was also subjected to the heteroscedasticity test. One of the basic assumptions of regression modelling is that the variances are homogenous, and errors of the model are similarly distributed. The Breusch-Pagan/Cook-Weisberg test was used to test for heteroscedasticity

3.5.4 Test for Multicollinearity

Multicollinearity suggests that at least two independent variables are closely related in a research model. Multicollinearity leads to large covariances and variances which affects t statistics which are significant and reduces data information reliability leading to biased results. Multicollinearity was assessed using the variance inflation factors

3.6 Data Analysis

Data gathered was taken through revision, compilation and categorization process to enable a better and well-organized statistical analysis. The diagnostic tests were carried out on the data before a regression analysis was done to examine the relationship between the predictor variable (CSR) and the predicted variable (Stock Return of NSE listed commercial banks).

3.6.1 Analytical Model

The multiple regression modelling was employed to establish the comparative significance (sensitivity) of the predictor variable in influencing the stock return of NSE listed banks. The model requirement was as follows

$$SR = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where;

SR = Stock Return = Ln $((P_1-P_0)+D)/P_0$

X_1 = CSR = [(CSR expense/ Operating profit) * 100]

X_2 = Profitability measured as return on assets

X_3 = Size (Log of Total Assets)

ε= error term

β_0 = Constant

β_1- β_3 = Regression coefficients

P1=Ending stock price (period 1)

P0=Initial stock price

D=Dividends

3.6.2 Test of Significance

The independent variables in the regression model was subjected to an F-Test to determine whether they are jointly significant in influencing the dependent variable. The t test was used to assess the individual importance of the regression coefficients.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND INTERPRETATION

4.1 Introduction

This chapter details the findings and results of the analysed data. The chapter thus comprises of the response rate results, summary statistics results and the test of assumption under diagnostic tests. The chapter further presents the correlation and regression analysis output and finally an interpretation of the study results.

4.2 Descriptive Statistics

The study targeted the eleven NSE listed commercial banks as of 31st December 2019 and gathered data for a period of six years from 2014 to 2019. The study managed to collect data from all the listed banks hence a 100% response rate. Table 4.1 illustrates summary statistics which comprises of the mean, standard deviation, minimum and maximum.

Table 4.1: Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Stock Returns	66	-1.782	.668	-.08620	.382557
CSR	66	.008	.124	.05295	.047681
Profitability	66	-.010	.050	.02380	.012663
Firm size	66	10.941	13.709	12.41953	.646451

Source: Study Data (2020)

Table 4.1 shows that stock returns had an average value of -0.08620 (SD=0.382557) with least and highest values of -1.782 and 0.668 respectively. This means that the average return of the listed banks was -8.62% with the negative value indicating that most of the listed banks had negative return over the considered study period. The average value for CSR was 0.05295 (SD=0.047681) with lowest and highest values of -1.782 and 0.668 respectively. This shows that average value of CSR expense for most banks was 5.295% with the maximum value indicating some banks pledged 12.4% of the expenses as CSR expenditure. Profitability had an average value of 0.02380 (SD=0.012663) with minimum and maximum values of -0.010and 0.050 respectively. This indicates that the average ROA for the listed banks was 2.380% and the negative value indicating some banks had made loses during the considered research period. Lastly, the average value for size was 12.41953 (SD=0.646451) with least and highest values of 10.941 and 13.709 respectively.

4.3 Diagnostic Tests

The study undertook the stationarity test, test of autocorrelation, test for heteroscedasticity and the multicollinearity test.

3.5.1 Stationarity Test

The Augmented Dicky Fuller Test was used to investigate whether the data collected was stationary. Table 4.2 shows the results.

Table 4.2: Stationarity Test

Variable	**test statistic**	**P-value**
Share returns	-8.86389	0.000000
CSR	-7.0325	0.000000
Profitability	-3.65112	0.007201
Firm size	-3.67917	0.006644

Source: Study Data (2020)

Table 4.2 shows that all the P values are less than the significance value of 0.05. This means that all the variables are stationary and the null hypothesis was rejected and the alternative hypothesis adopted.

3.5.2 Test of Autocorrelation

The Breusch-Godfrey test for serial correlation was used for autocorrelation testing. Table 4.3 illustrates the outcomes.

Table 4.3: Test of Autocorrelation

Breusch-Godfrey test for first-order auto correlation
Test statistic: LMF = 0.911694,
with p-value = P(F(1,61) > 0.911694) = 0.343

Source: Study Data (2020)

The output in table 4.3 shows the p value was 0.343 thus greater than 0.05, the significance value. This finding thus reveals that the data set does not suffer from autocorrelation.

3.5.3 Test for Heteroscedasticity

The Breusch-Pagan/Cook-Weisberg test was employed to test for heteroscedasticity. Table 4.4 shows the outcomes

Table 4.4: Test for Heteroscedasticity

Breusch-Pagan test for heteroscedasticity
Test statistic: LM = 4.229203,
with p-value = P(Chi-square(3) > 4.229203) = 0.237754

Source: Study Data (2020)

The Breusch-Pagan test for heteroscedasticity in table 4.4 indicates that the P- value is 0.237754, which is more than the value of significance at 0.05. The finding thus reveals that the study's data set does not suffer from heteroscedasticity.

3.5.4 Test for Multicollinearity

Multicollinearity was evaluated using the variance inflation factors (VIF) and the tolerance levels. Table 4.5 shows the outcomes

Table 4.5: Test for Multicollinearity

Variable	Tolerance	VIF
CSR	.916	1.091
Profitability	.546	1.833
Firm size	.515	1.942

Source: Study Data (2020)

Table 4.4 shows that all the VIFs (1.091, 1.883 and 1.942) were less than the recommended threshold of 10. This is an indication of absence of multicollinearity thus implying that the non-violation of the multicollinearity assumption.

4.4 Correlation Analysis

The study undertook correlation analysis to assess the direction and the strength of the relationships between the variables in the study. Table 4.6 shows the outcomes.

Table 4.6: Correlation Analysis

	Share returns	CSR	Profitability	Size
Share returns	1			
CSR	.153	1		
Profitability	.216	-.166	1	
Firm size	.291*	-.287*	.473**	1

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

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

Source: Study Data (2020)

Table 4.7 indicates that the association between CSR and share returns was weak and positive as shown by a correlation coefficient of 0.153 correspondingly. Profitability had a weak positive (r=0.216) correlation with share returns. Firm size on the other hand had a weak positive (r=0.291) with share returns respectively. From the table, none of the correlations was above 0.7 thus an indication that the variables were not highly correlated.

4.5 Regression Analysis

The study adopted the multiple regression model to assess how independent variables were related with the dependent variable. The regression results comprises of the model summary, ANOVA and regression coefficients. The outcomes were as follows

4.5.1 Model Summary

Table 4.7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.382[a]	.146	.104	.362023

a. Predictors: (Constant), Firm size, CSR, Profitability

Source: Study Data (2020)

The model summary findings on the above table show that the coefficient of determination value (R square) was 0.146, which implies the study variables (firm size, CSR and profitability) accounted for 14.6% of the variation in the dependent variable (share returns). The other percentage (85.4%) is explained by other factors not considered by the research and the error term. The overall correlation coefficient (R) of 0.382 indicates a weak correlation among the study variables.

4.5.2 ANOVA

Table 4.8: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.387	3	.462	3.528	.020[b]
	Residual	8.126	62	.131		
	Total	9.513	65			

a. Predicted Variable: Share returns

b. Predictors: (Constant), Firm size, CSR, Profitability

Source: Study Data (2020)

The analysis of variance (ANOVA) results above shows that the regression model was significant as shown by the F value (3.528) which is significant as indicated by the p value (0.020<0.05). This shows the model is fit and a good predictor of the relationship between the predicted and predictor variables.

4.5.3 Regression Coefficients

Table 4.9: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.770	1.145		-2.419	.019
	CSR	2.061	.984	.257	2.095	.040
	Profitability	.750	4.801	.025	.156	.876
	Firm size	.206	.097	.348	2.126	.037

a. Dependent Variable: Share returns

Source: Study Data (2020)

The coefficients results show that corporate social responsibility (CSR) had a positive (B=2.061) and significant (P value =0.040<0.05) linkage with share returns of the listed banks. The results further shows that profitability had a positive (B=0.750) and insignificant (P value = 0.876>0.05) linkage to share returns of the listed banks. Lastly, the results further show that the relationship between firm size and share returns of the listed banks was positive (B=0.206) and significant (P value =0.037<0.05) respectively. From the results, the following equation was derived.

$$SR = -2.770 + 2.061X_1 + 0.750X_2 + 0.206X_3$$

4.6 Interpretation of the Findings

The study found that CSR positively (B=2.061) and significantly affected stock returns of NSE listed commercial banks. This finding therefore indicates that a unit increase in CSR significantly increases the listed banks stock returns by 2.061 units. According to, McWilliams and Siegel (2001) support that the constructs of CSR are initiatives that further the societal good that is beyond the firm's individual interests and legal obligations. A study by Simionescu and Dumitrescu (2018) concluded that there is a positive correlation between CSR and performance (financial) of companies that adopt CSR initiatives to positively impact employees, the environment and the society at large. Gichohi (2016) concluded that firms take up more CSR initiatives to grow shareholder value. Osino (2013) discovered a direct link between ROA and CSR. However, Hirigoyen and Rehm (2015) showed a negative influence between financial performance and CSR.

Secondly, the study documented an insignificant and positive (B=0.750) linkage between profitability and stock returns of the NSE listed banks. This finding thus suggests that a unit increase in profitability insignificantly increases the listed banks stock returns by 0.750 units. According to, Smith (2013) a company's profitability is one of alternatives and is employed to correctly evaluate to what level the return rate from investments will be achieved. Profitability shows financial investment's profits, that is it affects the company's value if its ability to create earnings increases as the price of stock also goes higher.

Lastly, the study revealed that firm size positively (B=0.764) and significantly affected stock returns of NSE listed commercial banks. The finding thus indicates that a unit increase in firm size significantly increases the listed Kenyan commercial banks by 0.764 unit. Similarly, Smith (2013) argues that big firms have a higher profile thus attract considerable public attention and are always keen to safeguard their reputation with the broader public. Wuttichindanon (2018) revealed that bigger firms and those controlled by government preferred sustainability reporting.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study findings and gives conclusions and recommendations. The chapter also outlines the research limitations and suggests areas for further research.

5.2 Summary

This study examined the link between CSR and stock returns of NSE listed commercial banks. The study was grounded on the social theory of contracts, the stakeholder theory and the resource-based theory. The study employed a causal study design and the population was made up of the eleven NSE listed commercial banks as of 31st December 2019. The study relied on secondary data covering a six year period between 2014 and 2019. The multiple regression was employed to investigate the comparative significance of the predictor variable in influencing the stock return of NSE listed banks. The study collected data from all the listed banks hence a 100% response rate.

The descriptive analysis result revealed that share returns had an average value of -0.08620 indicating that the avg. return of the listed banks was -8.62%. The findings showed that the average value for CSR was 0.05295 indicating that average value of CSR expense for most banks was 5.295% respectively. Further, profitability had an average value of 0.02380 indicating that the average ROA for the listed banks was 2.380% while the average value for size was 12.41953 respectively.

The correlation results revealed that the association between CSR and share returns of the listed commercial banks was weak and positive. On the other hand, profitability had a weak positive correlation with share returns of the NSE listed banks. Further, firm size had a weak positive with share returns the NSE listed banks.

The model summary results indicated that firm size, CSR and profitability was responsible for 14.6% of the variation in share returns. The coefficients results revealed that CSR had a positive and significant relationship with share returns of the listed banks. The finding revealed that profitability had a positive and insignificant linkage to share returns of the listed banks. Lastly, the results revealed that that the linkage between firm size and share returns of the listed banks was positive and significant respectively.

5.3 Conclusion

The finding of the study established that corporate social responsibility positively and significantly affected the stock returns of NSE listed commercial banks. The study based this finding concludes that corporate social responsibility significantly affect the NSE listed banks stock returns as CSR initiatives by banks indicates the banks societal impact which promotes responsibly consumption within the society and consequently driving up the firm's stock return.

Further, the study results revealed that profitability had an insignificant and positive relationship with stock returns of the NSE listed banks. The study as per this finding concludes that though profitability has a positive impact it insignificantly affects the listed banks at the NSE share returns.

Finally, the study findings revealed that firm size positively and significantly affects stock returns of NSE listed commercial banks. Based on this observation, the study concludes that bank size positive and significantly listed banks share returns as bank size is associated with economies of scale and larger firm easily access capital market and other resources which in turn send a positive signal about a bank's growth which leads to increased share returns.

5.4 Recommendations for Policy and Practice

The study showed that share returns of NSE listed banks was positively affected it CSR initiatives. As per this observation, the study recommend that the management of the listed banks should carry out more CSR activities it enhances visibility of the corporate brand resulting in increased firms' competitiveness and consequently higher returns on its stock.

Further, the study concluded that stock returns of the listed NSE banks was positively but insignificantly influenced by bank profitability. However, the study recommend that the boards of listed banks should make certain that their firms are profitable as this is one of the goals of firms which ultimately leads to maximization of shareholders wealth.

The study final conclusion was that share returns of the listed banks were positively and significantly affected by the banks' size. The study thus recommended that the management of the listed banks need to invest more in assets to growth their banks in size so to enjoy the economies of scale associated with larger sized firms and be able to access resources from the environment thus enhancing the firms share prices and profits.

5.5 Limitations of the Study

This research majorly relied on secondary data which was collected for a period six years between 2014 and 2019. Secondary data however has several limitations one of them being that secondary data is historic and does not mirror existing business and economic conditions. Secondary data is also obtained from financial statements that are based on specific accounting assumptions and organization may use different assumptions when preparing such statements making comparisons difficult.

The banking sector belong to the financial sector which comprises several other institutions like SACCOs, insurance firms, collective investment schemes and microfinance institutions. Thus, the results may not be extrapolated to other financial institutions since different firms have different CSR policies. The study was also carried out in Kenya thus; the findings are limited to the study context and the measures therein.

Finally, the study targeted the 11 NSE listed commercial banks as 31st December 2019. However, many banks in Kenya are not listed hence the study did not incorporate data from the non-listed banks since they do not have share returns. The study also focused on CSR measured through the CSR expenditure to total operating expenses, profitability measured through ROA and size of firm quantified as natural log of assets. The findings thus are based on the study measures and metrics.

5.6 Suggestions for Further Research

The study's model summary showed CSR, profitability and firm size accounting for 14.6% of the variation in share returns of the listed commercial banks. This is an indication that listed banks share returns are significantly affected by other factor both internal to the firm and external to the firm. The study thus suggest further research on other predictor variables of stock returns among listed banks in Kenya.

The study focused on listed commercial banks at the NSE in Kenya. However, NSE is segmented into a number of categories making it hard to generalize the findings to the other segments which also undertake CSR activities. The study recommends additional research on the other NSE segments or all the firms to determine the impact of CSR on the firms stock returns. An additional research can also be carried out using other measures of stock return and corporate social responsibility as well as profitability and bank size.

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APPENDICES

Appendix I: List of Banks Listed at the NSE as at 31 December 2019.

1. Absa Bank Kenya PLC
2. Diamond Trust Bank Kenya Limited
3. Equity Group Holdings
4. I&M Holdings Ltd
5. KCB Group Ltd
6. National Bank of Kenya Ltd
7. NCBA Group PLC
8. Stanbic Holdings Plc
9. Standard Chartered Bank Ltd
10. The Co-operative Bank of Kenya Ltd
11. HF Group Ltd

Appendix II: Study Data

Bank	Year	Share returns	CSR	Profitability	Size
Barclays(ABSA)	2019	0.198	0.026	0.020	12.832
	2018	0.132	0.023	0.023	12.691
	2017	0.053	0.020	0.026	12.511
	2016	-0.402	0.022	0.028	12.467
	2015	-0.199	0.020	0.035	12.392
	2014	-0.058	0.027	0.037	12.328
Stanbic	2019	0.186	0.040	0.021	12.587
	2018	0.114	0.037	0.021	12.580
	2017	0.139	0.058	0.017	12.424
	2016	-0.157	0.069	0.021	12.277
	2015	-0.416	0.069	0.024	12.247
	2014	0.340	0.079	0.031	12.106
Coop	2019	0.134	0.050	0.032	13.016
	2018	-0.112	0.046	0.031	12.932
	2017	0.192	0.038	0.029	12.866
	2016	-0.310	0.022	0.036	12.771
	2015	-0.105	0.033	0.034	12.744
	2014	0.644	0.031	0.028	12.562
DTB	2019	-0.167	0.025	0.018	12.864
	2018	-0.064	0.027	0.018	12.842
	2017	-0.010	0.039	0.018	12.803
	2016	0.668	0.046	0.022	12.701
	2015	0.353	0.026	0.022	12.512
	2014	-1.782	0.021	0.024	12.262
Equity	2019	-0.144	0.026	0.033	13.421
	2018	-0.126	0.035	0.034	13.259
	2017	0.095	0.040	0.036	13.170
	2016	0.018	0.035	0.035	13.068
	2015	0.105	0.042	0.040	12.967
	2014	0.105	0.046	0.050	12.750
HFC	2019	0.154	0.068	-0.002	10.941
	2018	-0.630	0.039	-0.010	11.011
	2017	-0.761	0.069	0.002	11.120
	2016	0.000	0.053	0.013	11.183
	2015	-0.721	0.061	0.017	11.180
	2014	0.373	0.375	0.016	11.018
I&M	2019	-0.454	0.021	0.034	12.661
	2018	-0.402	0.014	0.029	12.573
	2017	0.344	0.032	0.028	12.389
	2016	-0.105	0.035	0.035	12.257
	2015	-0.207	0.056	0.035	12.163
	2014	0.000	0.046	0.009	11.652
KCB	2019	0.366	0.124	0.028	13.709

	2018	-0.132	0.098	0.034	13.479
	2017	0.397	0.083	0.030	13.380
	2016	-0.420	0.080	0.033	13.297
	2015	-0.265	0.079	0.035	13.232
	2014	0.188	0.088	0.034	13.103
NBK	2019	-0.256	0.106	-0.003	11.626
	2018	-0.564	0.086	0.000	11.651
	2017	0.261	0.070	0.004	11.607
	2016	-0.783	0.059	0.001	11.655
	2015	-0.452	0.036	-0.009	11.740
	2014	-0.150	0.097	0.007	11.721
NCBA	2019	0.282	0.008	0.016	13.112
	2018	-0.194	0.057	0.020	12.247
	2017	0.261	0.081	0.020	12.236
	2016	-0.509	0.066	0.025	12.040
	2015	-0.285	0.032	0.027	12.018
	2014	-0.043	0.040	0.028	11.890
Stanchart	2019	0.040	0.009	0.030	12.619
	2018	-0.067	0.009	0.028	12.559
	2017	0.096	0.032	0.023	12.561
	2016	-0.031	0.055	0.036	12.431
	2015	-0.538	0.039	0.027	12.363
	2014	0.094	0.074	0.047	12.313

RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND STOCK RETURN OF COMMERCIAL BANKS LISTED IN THE NAIROBI SECURITIES EXCHANGE

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