SUPPLY CHAIN'S ESG INITIATIVES AND ORGANIZATIONAL PERFORMANCE OF TELECOMMUNICATION EQUIPMENT VENDORS IN KENYA

BY

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DECLARATION

I declare that this is my original work and has not been presented for any award in any university.

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Isaac Koech

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This research project has been submitted for presentation with my approval as university supervisor.

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DEDICATION

This research project is dedicated to my wife Winnie and our boys Wise, Ivan, and Israel. They have been my support system during my long hours of working on this project. They were patient with me during writing of this project report, spending long hours into the night. They gave me motivation and emotional support without which I would have given up on this project.

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This work stands as a testament to my faith, and I offer it as a dedicated expression of gratitude to the Almighty God. I extend my heartfelt thanks for the divine guidance that has illuminated my path, the unwavering strength that has carried me through the trials and tribulations, the clarity of mind that has enabled me to navigate through complexity, the protection that has safeguarded me at every step, and the valuable skills that have been bestowed upon me. My profound appreciation extends to the gift of a healthy life that has allowed me to undertake this endeavor.

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ABBREVIATIONS AND ACRONYMS

AI	Artificial Intelligence
ESG	Environmental, Social and Governance
GRI	Global Reporting Initiative
SASB	Sustainability Accounting Standards Board
SCM	Supply Chain Management
SP	Sustainability Performance
SPSS	Statistical Package for Social Sciences

ABSTRACT

This study aimed to investigate the impact of ESG initiatives on the organizational performance of telecommunications vendors in Kenya. Employing a qualitative research design, the study leveraged in-depth interviews.The primary focus was on conducting interviews with top management and departmental heads who played instrumental roles in the transformation of the telecommunications sector and provided valuable insights.The study concentrated on three prominent telecommunication vendors in Kenya: Huawei, Nokia, and Ericsson. The interviews were carried out at their Kenyan headquarters, involving six key personnel from each organization. The comprehensive interview guide consisted of open-ended questions delivered through various methods, including verbal, written, and video formats. The data collected through these primary techniques underwent rigorous, systematic, substantive, and logical review, classification, editing and completion to ensure that the findings were conclusive. The data analysis process centered on content analysis, a systematic approach for interpreting qualitative data such as interview transcripts. Content analysis aimed to identify patterns, themes, and insights within the responses of the interviewees, ensuring the integrity and reliability of the data. The study's ultimate conclusion shed light on the profound interconnection between ESG initiatives within the supply chain and the organizational performance of telecommunications equipment vendors in Kenya. As per participants, it became evident that ESG principles were not superficial considerations in these organizations but were intertwined into their operational fabric, playing an integral role in their success.Interviewees pointed that ESG served as a driving force for transformation and innovation, fostering competitiveness, flexibility, and financial stability through cost reductions. The study revealed that ESG initiatives played a pivotal role in setting clear and ambitious objectives, spurring inventive thinking, promoting creative solutions, and fostering a culture of innovation. Social initiatives, particularly those related to diversity and inclusion, contributed to the influx of fresh ideas, while ethical governance practices prioritized transparency and reduced conflicts of interest, creating value and promoting growth. According to respondents, Supply chain ESG initiatives streamlined services, consolidated capital management, and enhanced adaptability. Social initiatives nurtured a flexible and diverse workforce, while ethical governance practices made decision-making processes more efficient. The financial stability of these organizations was significantly influenced by supply chain ESG principles, leading to cost savings through energy-efficient measures and risk mitigation. Interviewees pointed that social initiatives played a crucial role in enhancing employee well-being, reducing turnover, and increasing overall productivity. Ethical governance practices managed legal and ethical risks, further ensuring financial stability and customer satisfaction. These results hold broader implications, emphasizing the imperative role of ESG principles in the contemporary business landscape, where their integration can serve as a conerstone for sustainable growth and prosperity.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

According to Krishnamoorthy (2021), Environmental, Social and Governance (ESG) is a new construct that has gained momentum in both academia and corporate world. Many organizations have realized that "what is good for society is good for business". Organizations' resilience is determined by how well they implement their environmental, social and governance and thus guaranteeing a sustainable society.

Sustainable development has been defined as the development that meets the needs of the present without compromising the ability of the future generations to meet their own needs, (WCED, 1987). Human induced climate change has caused widespread and adverse impact and losses that has caused irreversible damage to the nature and people, (Pörtner et al., 2022). Adverse effects of the climate change is resulting in droughts , food insecurity, mulnutrition and species extinction.

The study is guided by three hypotheses put forward by the preceding scholars. The research incorporates the dynamic capability theory by Teece et al (1997), Żak, A. (2015) triple bottom line theory and the stakeholder theory set forth by Freeman (2001). In a nutshell, theories play fundamental part in connecting the relevance and critiques surrounding the study.

1.1.1 Environmental, Social, and Governance

According to Arvidsson and Dumay, 2022 ESG is an acronym denoting Environmental, Social, and Governance. Environment encapsulates a company's ecological practices such as resource utilization, carbon emissions, waste management, and commitments to sustainability. Social facets encompass a company's interactions with its workforce, local communities, clientele, and broader society, encompassing themes such as labor ethics, diversity, human rights, and community involvement. Governance revolves around a company's internal structures and practices, scrutinizing elements such as board composition, executive compensation, shareholder rights, and transparency. ESG standards provide an encompassing view of a company's ethical, societal, and environmental accountability, guiding its dedication to sustainable business conduct and societal well-being.

In recent years, the relevance of ESG factors has surged as businesses acknowledge that their impact extends beyond financial performance. Integrating ESG considerations into corporate strategies confers a spectrum of advantages. Hence, addressing environmental risks and embracing sustainable practices not only mitigates ecological harm but can also heighten operational efficacy, cost efficiency, and reputation management (Landi and Sciarelli, 2018). Secondly, robust social practices foster favorable employee relations, customer loyalty, and community benevolence, fortifying long-term business robustness. Effective governance norms cultivate principled decision-making, curbing legal and reputational liabilities while nurturing stakeholder faith. Furthermore, ESG concerns resonate profoundly with conscientious investors who prioritize harmonizing investments with values, potentially enhancing capital accessibility and overall financial performance.

Operationalizing ESG principles often involves the adoption of resilient frameworks and strategies. This includes defining transparent sustainability objectives aligned with core business operations (Drempetic et al, 2020). Transparent reporting mechanisms are adopted to communicate ESG performance, adhering to globally recognized standards like the Global

Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB). To adeptly infuse ESG considerations into operations, companies engage in stakeholder dialogues, conduct regular ESG risk assessments, and embed ESG factors into decision-making protocols. Collaboration with suppliers, customers, investors, and regulatory bodies becomes crucial to foster concerted endeavors toward sustainable outcomes.

1.1.2 Organizational Performance

Performance refers to the output realized through thorough procedures of production, process, and service delivery Khang et al (2010). It entails both the financial as well as the non-financial metrics that explains about the performance. The return on asset, sales, profits and cash flow have been maximized immensely as the parameters for the performance. Nevertheless, the qualitative metrics such as level of operation, customer satisfaction and service delivery have also been utilized. Correspondingly, the organizational performance blueprints how well a firm is meeting the financial in addition to market-oriented goals. It explains the capability of the firm to achieve the objective and optimize the outcome.

Green et al (2012) posits that performance is improvement of the environment thereby maintaining prolonged well-being and reinforcing the social wellness. Profitability, productivity, and customer satisfaction are crucial in business. Performance is pivotal determinants portraying if the business can withstand any challenges which might emanate in future.

The scholars have utilized wide operational metrics to coin organizational performance. These metrics spans from employees' performance using the balance score card to the customer satisfaction. As a result, judgment of the level of performance can either be qualitative or quantitative. Measurement of firm's performance is critical for knowing the stability of the business, Amemba et al (2013). Because of this, identification of variations in the performance can aid in the determination of the corrective actions. It is imperative to state that organizations maximize their performance to gauge their competitiveness, financial health, customer satisfaction and their productivity among others.

1.1.3 Telecommunication Equipment Vendors in Kenya

Huawei, Nokia and Ericsson continued to be the top three telecommunication equipment vendors globally, Pongratz (2023). The other four vendors in the top seven vendors driving eighty (80%) of global market include ZTE, CISCO, Samsung and Ciena. In Kenya, Huawei, Nokia and Ericsson are still at the top 3 Equipment vendors with local presence and registered legal entities.

Global market is changing drastically due to technological improvement. Kibor et al (2022) posited that telecommunication industries have heightened the dissemination of information. The benefits emanating from the telecommunication can be seen through increased use of mobile phones, money transfer and mobile network operations.

Gatobu and Maende (2019) posited that telecommunication has been crucial in infrastructure development. Moreover, the firms have always innovated crucial ways by combining their efforts to add the complementary capacity. Consequently, the firms have relied on strategic alliance for their technical and operational prosperity.

1.2 Research Problem

Globally, several research show that ESG is foremost in the organizational operations. Besides contributing to longevity performance, it protects the environment and reduce the cost. Khang et al (2010) analyzed the relationship between supply chains versus the organizational performance. The study was conducted in Malaysia. Additionally, Chandran (2011) concentrated on electronics sector in Malaysia and attempted to elaborate the importance of benchmarking in the supply chain. Subsequently, repurposing ESG to embed longevity plans, protection of environment and integration is vital for business and the environment, Aus der Beek et al (2016). Finally, Neri et al (2021) called for balancing strategies, sustainable practices in ESG to enhance productivity and performance. Tahmid, et al (2022) while conducting a study using data from EU for 180 companies in twenty-two countries established that there is a positive impact of ESG initiatives on firm value and performance.

Telecommunication is one of the key pillars of the economic transformation in Kenya. It is well captured under the vision 2030. It seeks to develop and progress the nation into a knowledge-based economy. Subsequently, this is achieved through shifting the prevailing industrialization process to the adoption of innovation and use of telecommunication products Magembe and Njuguna, (2019). In Malaysia, transformation has immense correlation with paradigm shift in the telecommunication, Arokiasamy and Abdullah (2013). In fact, in 2013 the country had registered 12 mobile service providers hence becoming very competitive. Moreover, innovation and transformation had reached unprecedented heights due to large-scale development in the telecommunication, big data and cloud computing (Barbosa, et al

2018). Furthermore, Ciulli et al (2020) advocated for greening the whole sector of supply chain to adhere with sustainable practices.

Locally, studies undertaken in Kenya have reinforced understanding. Gachau and Moronge (2018) scrutinized the green procurement practices. Contextually, the study delved into Kenya Red Cross Society. The objective of this examination was to highlight the connection relating to the green procurement verses the supply chain performance. Correspondingly, the descriptive research design was utilized while focusing on the 70 employees. Moreover, the incorporation of questionnaires was meaningful for sourcing the first-hand information. Wanja and Odoyo (2020) expounded on sustainable procurement practices. Nonetheless, the experimentation was pegged on Food and Beverage firms categorized under manufacturing. In addition, Njagi and Namusonga (2020) explained the relevance of public participation in the rigorous process of administering sustainable procurement management. On the ground of this, the devolved county became the viewpoint of the study. It is imperative to posit that Musewe and Gekara (2021) looked keenly on the public procurement as stipulated and articulated by state corporations. David and Shalle (2014), while exploiting their study in manufacturing firm, indicated that reverse logistics adoption was supreme in spearheading the supply chain performance.

From the research viewpoint, it is evident that ESG has attracted minimal academic scrutiny. The arrays of preceding scholars have logically and systematically examined ESG using different methods and concepts with an aim of recommending appropriate operational and best industrial activities. The studies have factored different sectors of the economy around the global. Nevertheless, the past experimentations concentrated on divergent set of industries ranging from service to the manufacturing sector. Contrary, ESG have neither been articulated extensively global, local and regional markets. In that case, this presents a knowledge gap worth study and resolving the research loopholes. On this account, several gaps emanate from the preceding studies namely, contextual, conceptual and methodology. In that case, this study sought an extensive and exhaustive examination on answering the question on the influence of supply chain ESG initiatives on the organizational performance of telecommunication vendors in Kenya.

1.3 Research Objective

1.3.1 General Objective

The objective of this examination was to establish the influence of ESG initiatives adopted on the organizational performance of the telecommunication vendors in Kenya.

1.3.2 Specific objectives

i. To determine ESG initiatives adopted by the telecommunication vendors in Kenya.
ii. To examine the influence of adopted Environment initiatives on the organizational performance of the telecommunication vendors in Kenya.
iii. To examine the influence of adopted Social initiatives on the organizational performance of the telecommunication vendors in Kenya.
iv. To examine the influence of adopted corporate Governance initiatives on the organizational performance of the telecommunication vendors in Kenya.

1.4 Value of the Study

The research is crucial for enhancing the understanding of ESG practices and the performance of the firms. Hence, the environmental practices, social implementation, and governance can go a long way in disseminating critical information for decision making. The study is fundamental for increasing awareness about the telecommunication vendors in Kenya. This can be fundamental in aligning the framework, ESG, and working toward efficient productivity.

The study can be vital for the policy makers and regulators in making regulations, core values, and rules guiding the operation of the businesses. The businesses can aid the government to make appropriate policies, hence creating a holistic framework for the telecommunication industries. The policies formulated can nurture the business towards sustainable goals that address the planet, people, and the business.

The research can be a cornerstone for the upcoming scholars. This study can act as one of the reference points for extensive study. Since the subject on ESG has gained momentum across the research spectrum, this part can become a subset of significant milestones made in that section. In summary, it can upgrade the available knowledge under the purview of the telecommunication sector.

The findings can be instrumental in relaying supreme information to the experts, governments, and stakeholders. In that scenario, the implementation of best ESG practices can be initiated and accomplished with ease. The experts can replicate the study. Similarly, the practitioners can develop best practices, collaboration, and cooperation to assist in the development of longevity plans.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is vital for explanation of the interrelationship between the hypothesis and the current study. The chapter set forth the foundation of knowledge by relating the current study with preceding works of other scholars. Empirically, the research highlights the context, methods and concepts of the past studies and make a case prompting the further experimentation. In addition, it identifies the prevailing gaps which the current study intends to close.

2.2 Theoretical Framework

This subsection scrutinizes the theories reinforcing the investigation. It concretely expounds on the corpus of the hypothesis that have been proven scientifically. It helps in determining the interrelationship and the degree of interconnection between the current topic and the theories. In a nutshell, a logical, sophisticated, and systematic analysis of theories is substantive for informative study. Theory summary of the presupposition, relevance and critiques is summarized and synthesize in the arguments. In this regard, the theory building in this study include dynamic capability theory, Triple bottom line theory and stakeholder's theory.

2.2.1 Dynamic Capability Theory

The hypothesis was embedded by Teece et al (1997) to appraise the capability of the firm to integrate, reconfigure and renew its capability. The theory put great emphasis on the product development and building new product to suit the current market demands. Therefore, it underscores the creative management and entrepreneurial acts which drive the market. Subsequently, the theory underpins the speed and degree to which business's unique inputs are utilized to reap maximum outcome. In summary, it advocates for seizing the opportunities and transforming specific attributes of business hence reinforcing the evolution and innovation.

The theory has shortcoming including the fact that exploration and exploitation is impossible through a solitary organization. Moreover, sometimes, it consumes lots of time and greater unpredictability whenever there is disruptive technology. Hence, competence is the master plan for any transformation, reconfiguration, renewal, and integration to occur (Muema, 2021). Moreover, the procedures of developing assumptions, validation, realignment of assets and sourcing the required competence is time consuming and expensive. Nonetheless, trade expansion demands are shaped by the global specialization, demands as well as the global chain.

This hypothesis is pertinent in the ESG since it allows the reconfiguration, renewal, recreation and integration of paramount sustainable practices. This is critical for enhancing the competitiveness and business stability. The surrounding and the business can work amicably. The environment is the source of the competent employees enhancing competitive advantage of the firm (Muigua, 2022. The competence is key pillar for effectiveness and efficiency. In a summary, dynamic capability portrays the firm capability to orchestrate the undertakings within their disposal and utilized adequately. Based on the theory the business can modify, revamp and maintain good ecosystem while striving for profits.

2.2.2 Triple Bottom Line Theory

This is crucial in the accounting framework in stipulating the social environment and the financial outcome. The theory was put forth by Elkington (1997) as the yardstick for the performance. The hypothesis places much concentration on the profit, planet and the people. The business keeps keen concentration on the profits through the substantive strategic planning and cost reduction Alhaddi, (2015). In the same spirits it utilizes the people as the key stakeholders in employment, management, decision making, market and human rights. Moreover, the planet relates to the environmental protection hence preserving the environment from the carbon emissions. The more sustainable future factors in the social and environmental sustainability while protecting the goals of the business. In summary, a healthier environment is crucial for business continuity.

The theory faces some shortcoming including the quantification of the critical issues relating to people and planet for example commitment. Moreover, the financial standards have been rigid for so long with minimal absorption policies regarding the environmental protection Alzoubi et al (2020). In that scenario, reaching a unique international standard where firms adhere to regulation is difficult since it demands for consumers to spend more ethically. It is crucial to encapsulate that triple bottom line advocates for the focus on the people, planet, and profit concurrently. Focus on people considers that all stakeholders such as customers, community and the employees are taken care. Planet considerations include ethical sourcing of raw materials and cutting on energy consumptions. Nevertheless, there are heightened pressures for the companies to protect the environment while other push for the profit hence may cause divergence on the overall approach.

The relevance of this hypothesis is well-articulated through the creation of sustainable future focusing on social and environmental blueprints. This is critical for longevity survival and continuous growth, Henry et al (2019). Consequently, it gives firms the new windows to generate revenues and increase customers' awareness. Eventually, it eliminates the risk and increase compliance by focusing on the key success pillars of the organization. Theory calls for consideration of stakeholders in generation of profit, encouraging lower energy and increasing transparency.

2.2.3 Stakeholder Theory

Business undertaking calls for the holistic measures for its longevity survival and sustainability. In this case stakeholder theory embedded by Freeman (2001) to stress the interconnection association during business, customers, employees as well as investors among others. It evaluates moral values and advocates for management of the organization based on the decision by all the stakeholders. From scrutiny the owners of the firms' demand for continuous increment in the profit. Nevertheless, the management advocates for the realignment of goal to remain buoyant in the market. The theory is crucial in mapping the progress, interactions, and meaningful relationship among the stakeholders.

The critiques emanating from the theory include the postulation that decision is made after considering all opinions from the stakeholders. It is impossible to factor in all the decision in the business since different stakeholders have divergent views grounded on their interest. In addition, the shareholder invests the money in the firm with the objective of reaping maximum returns. Contrary, the theory is criticized due to assumption that all the interest of the stakeholders such as pricing, quality, quantity, and returns are balanced. In the real sense, the management weigh and make informed decision by prioritizing return and business continuity.

The relevance of this hypothesis starts from the creating meaningful connection with the stakeholders. It enhances productivity through balancing the needs of all the stakeholders hence coming up with the most appropriate and harmonious method. Therefore, the stakeholder benefits the companies via the positive response. The business growth increase significantly as a result of incorporation of several strategies from different experts. According to Will et al (2018), companies' success or predicaments can affect the stakeholders positively or negatively. From the stakeholder's viewpoint, the organization can adopt supreme strategies that favor the business, sharpen the techniques, and increase the productivity.

2.3 Environmental, Social and Governance Initiatives

The business that stabilizes its activities become a formidable force. Strong performance is replicated on the overall productivity outcome, effectiveness as well as the efficiency. The organizational performance is one of the key pillars underpinning the sustainability of the business. This is measured through its capacity to achieve the strategic objective, create substantial value, and improve the business financial outlook.

2.3.1 Environmental Initiatives

In recent times, the looming threat of climate change has garnered significant attention due to its adverse effects on the environment and the very existence of humanity. As a result, there has been a global surge of what can be referred to as the "green wave," as highlighted in the work of Dey et al (2019). This wave symbolizes the collective effort worldwide to combat pollution and environmental degradation. Companies have actively joined this movement, adopting more environmentally friendly activities in their operations. The primary goals are to improve the overall quality of life by creating a healthier environment, ensuring access to safer and cleaner food, and even saving money. The cumulative impact of these activities is the conservation of the environment and a significant contribution to mitigating the effects of climate change.

Halkos and Polemis (2018) emphasize that the conservation of the environment is crucial for developing longevity plans, not only for individual businesses but also for the global community. While there is a growing advocacy for green environmental practices, there remains a gap in the research landscape. Few studies have focused on the relationship between ESG (Environmental, Social, and Governance) initiatives and a company's overall performance. Notable works by Bhattacharya et al (2013) have examined aspects of the green supply chain. However, a comprehensive exploration of how ESG initiatives impact the performance of organizations, especially in the context of the telecommunication sector in Kenya, remains an area that requires more attention and research.

2.3.2 Social Implementation

Muema (2021) underscores the evolving focus of businesses on addressing social and external environmental needs through the practice of corporate social responsibility (CSR). In this paradigm, sustainability in business involves the dual objectives of maintaining a healthy environment while concurrently advancing social infrastructural development and diminishing the environmental footprint. Such an approach aims to not only achieve growth but also do so in a manner that is socially responsible and ecologically sustainable. Engaging in CSR activities is critical for fostering holistic development, as it encourages the forging of strategic and collaborative partnerships among firms. By aligning corporate objectives with the well-being of society and the environment, companies can play an active role in enhancing the overall welfare of the communities they operate in.

Furthermore, as suggested by Kate et al (2023), the initiation of well-coordinated supply chains relies on the voluntary integration of various key pillars. These fundamental cornerstones encompass economic, environmental, and social variables. The interconnectedness of these dimensions is of paramount importance for the effective and efficient management of both material and information flows within the supply chain. Such an integrated approach not only optimizes capital flow but also deeply influences critical aspects like procurement, distribution, and production. When combined with social implementation, the principles of Environmental, Social, and Governance (ESG) enable firms to achieve superior performance while concurrently promoting sustainable development. In this context, businesses become capable of driving economic growth, reducing their environmental impact, and fostering social well-being as interconnected components of their overall strategy.

2.3.3 Governance

Governance performs a pivotal mantle in the performance of organizations, encompassing internal rules, practices, and controls with a strong focus on ethical responsibility. Key factors that ensure performance include openness and accountability, overseen by the board of directors and internal audit, as highlighted by Aksoy and Aksoy (2020). The effectiveness of a company is significantly influenced by its governance practices. Firms optimize sound corporate management to achieve successful goals and obtain greater returns by proactively reducing the risk of fraud and misappropriations. As proposed by Ahammad (2017), companies operating with ethical responsibility become game-changers, attracting, and retaining investors while developing sound policies that promote long-term business sustainability. Landi and Sciarelli (2018) underscore the fundamental role of good governance in enhancing financial returns and fostering greater moral and ethical consciousness among both consumers and investors.

Xie et al (2019) identify a positive interconnection between governance disclosures and firm performance, highlighting that companies with higher-quality governance reports tend to achieve superior financial outcomes. Conversely, Ghoul et al. (2017) propose a negative association between transparency in governance reporting and firm value. Nonetheless, the practice of governance reporting is linked with increased investor confidence and trust. Adams (2017) establishes a positive correlation between governance reporting and investor perceptions of firm value.

Transparency practices, according to Yang and Babiak (2023), hold a greater likelihood of attracting and retaining investors, enhancing access to capital, and improving investment opportunities. Moreover, Yang and Babiak (2023) find that the positive impact of governance reporting on firm performance is more pronounced in countries with stronger legal and institutional frameworks. Moreover, the relationship between governance reporting and firm performance is influenced by board characteristics and the governance structure. A study conducted by Rossi, et al (2021) revealed that board independence and board size play a significant role in moderating this relationship, underscoring the importance of internal governance mechanisms. Ultimately, governance considerations have a substantial impact on a company's performance, as evidenced by research conducted by Arvidsson and Dumay (2022). Companies that prioritize effective corporate governance tend to outperform their competitors in terms of financial returns, while also attracting and retaining customers and appealing to investors who value moral and ethical business practices, as indicated in the study by Aula and Mantere (2020). By focusing on governance practices, companies can position themselves for success in a competitive business landscape.

2.4 Empirical Review

Globally, Soon and Udi (2010) analyzed the supply chain management with key to resolving the value chain flexibility. The study maximized exploratory techniques and to give informative evidence. From the study, the comparative case examinations were conducted focusing on several manufacturing firms ranked under the electrical and electronic industry. Supply chain management from the perspective of value chain flexibility: an exploratory study. The scrutiny focused deeply on core flexibility which included the operational, supply and logistics dimensions. The study was successful through the maximization of case survey to identify the interrelatedness among the variables. Nevertheless, the outcome postulated that manufacturers prioritize flexibility in the value chain within the industry. However, the examination was undertaken in Malaysia hence their special need for local study looking at ESG.

Raza, et al (2021) examined the sustainable supply management versus the sustainability performance (SP). These variables were mediated by supply chain risk management (SCRM) while being moderated by the size. The data were assembled from 436 professionals via survey. Contextually, the study looked at 6 manufacturing and logistics firms in China. The study indicated the positive interconnection between the SSM and SP. Hence, the study analyzed from divergent concept from the current study. Moreover, the research was done in China therefore a local study is crucial for bridging the gaps.

Dey et al (2022) scrutinized the supply chain sustainability versus the performance of SMEs by utilizing structural equation modeling. The study was mandated by the special role of SMEs in turning around the economic prosperity. The study initiated the SSCM as crucial pillar of SP. The research maximized Data Envelopment Analysis which eased the conclusive finding. The evidence posted had been implemented in United Kingdom, India and France hence demonstrating the effectiveness. In a nutshell, the policy makers recommended the implementation of SSCM to enhance effectiveness and efficiency.

Choi and Zhang (2011) examined the green logistics in special reference to the business performance in China. The outcome posted a positive interconnection amid the two variables. The researchers illustrated that green logistics were the game changer in the improvement of business competitiveness and organizational prosperity. Therefore, the study recommended for special matching of environmental consideration versus the profitability to enhance systematic and logical green logistics. However, the study concentrated on China businesses hence there is need for Kenya study examining the telecommunication industry.

Green et al (2012) interrogated interconnection between green supply chain management in respect to performance. The study was keen on determining if GSCM practices were meaningful and beneficial to the manufacturing firms. Based on the outcome, it was postulated that green supply chain practices posted a positive interrelationship. As a subsequent, it was evident that GCSM played substantive impact on the performance of manufacturing of firms. However, there is need for local research.

Regionally, Warinda et al (2020) investigated the Sustainable development in East Africa. This interrogation used panel data from 1,160 smallholders. The research sampled 23 projects from a cumulative of 90 projects implemented under the span of 15-years. In addition, the study posted benefits accruing from cycle time, flexibility, and quality agricultural products. In this account this study looks at ESG initiatives versus the performance of Telecommunication firm.

Gachau and Moronge (2018) scrutinized the interconnection between the green procurement practices in conjunction with the supply chain performance. The context of the study was Kenya Red Cross Society. The goal of this examination was to give concrete evidence about the humanitarian organization. Subsequently, the examination utilized the descriptive survey techniques as compatible design for this subject. Hence 70 employees were selected to help in sourcing the primary data via questionnaires. Thereafter, it was subjected to SPSS for inferential and descriptive computations. The finding posted a positive connection hence emphasizing green procurement practices in the performance.

Onyango (2014) evaluated the GSCM on the performance of Tea Processing firms. The study looked at the green distribution, green marketing, reverse logical, and green purchasing. Therefore, this was possible through adoption of correctional design after the completion of census survey. Assembling data was thorough since 32 tea processing firms within Kericho and Bomet Counties. Thereafter, the computation of both inferential and descriptive results were done via SPSS. The presentations were well-articulated under in the tables and charts. Nonetheless, an extensive study is crucial for the far-reaching outcome.

Wainaina (2021) studied the effect of SCM on competitive advantage and organization performance. The research was undertaken in Kenya with keen scrutiny of dairy processing firms. Wide array of activities including supplier development and logistic practices were scrutinized. The study concluded that SCM was crucial in organizational performance under the mediation of competitive advantage. However, the current study is looking at ESG initiaves and organization performance of telecommunication firms.

Miriti (2020) scrutinized the supply chain optimization while comparing with the service delivery. The study was crucial due to existing challenges in the humanitarian organizations. In accordance to the subject, the study examined inventory management, transport, strategic sourcing as well as distribution versus the service delivery. The study maximized descriptive design as well as census survey techniques by considering a population of 28 firms. After administration of questionnaires, the descriptive and inferential computation were done. The findings elucidated that all the four-variable prioritized had positive connection with the service delivery. Nevertheless, the research recommended for green transport option to reduce pollution. Unlike the current study which factors in ESG and performance telecommunication firms, the preceding study scrutinized the service delivery.

2.5 Conceptual Framework

The interrelationship between ESG and organizational performance is stipulated in the schematic diagram below. A conceptual framework is concrete yardstick portraying the connection between the predictor and predicted variables. The factors considered under the independent variables includes environment, Social and governance while the predicted variable is the organizational performance.

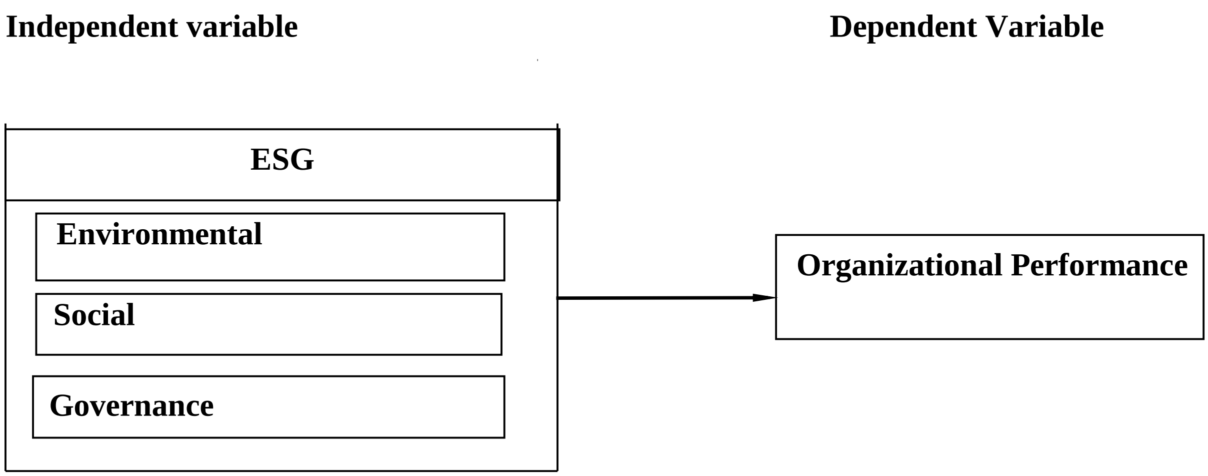

Figure 2.1 Conceptual Framework Source: Author (2023)

2.6 Summary of Literature and Research Gaps

Grounded on the research, it is evident preceding analysis have been extensive. It is imperative to postulate that from global, regional to local inquiries, several areas ranging from manufacturing, processing to service industry have been emphasized among others Choi and Zhang (2011). However, there are minimal scholarly works which have looked at telecommunication sector in Kenya. In addition, the research conducted regionally and globally are not a representative of Kenya's set-up. Hence, there is conceptual and contextual gaps which the current study is attempting to close.

Furthermore, the past scholarly work produced varied and controversial results. In other words, the research has not been conclusive since most of them looked at SCM and performance, SCM and service delivery or competitive advantage Wainaina (2021).

Therefore, a study on ESG practices versus the performance is both informative and paramount for increasing the know-how. Based on the existing research gap, a study on ESG initiatives and the organizational performance of telecommunication firms in Kenya is supreme.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter is fundamental yardstick linking the different areas of the study. It identifies and justify the research design that is compatible to the research topic. Empirically, it set a solid foundation for the entire research by allowing the systematic and smooth undertaking of several research problems. It also demonstrates an adequate target population that give reliable evidence. In addition, the chapter explain the techniques used in data collection with concrete justification. The data analysis and presentation is appropriately discussed in the current study.

3.2 Research Design

Kothari (2015) underscores the research design as the bedrock upon which definitive findings rest. This study harnessed the qualitative design research technique. In the study, data was collected through the adoption of in-depth interviews. The qualitative methodology was considered suitable for several reasons: it allowed for a comprehensive portrayal of the situation, minimized biases during data collection, and revealed the intricate details of the event, including its "what, where, and how" aspects (Kotari, 2015). This approach possessed the unique capacity to offer highly specialized and invaluable insights into processes that might otherwise have remained poorly understood or hidden.

3.3 Data Collection

Assemblage of data highlights the course of action useful in assembling data for extensive analysis. Burns (2008) concluded that the data collection represents a deeper insight of getting concrete information useful and relevant for making informed conclusion. The data collection was guided by prevailing empirical gaps. Successively, the data was sourced through interviews. On the ground of this, data collection was conducted primarily through interviews. The interview questions were tailored to address research gaps and the research question, facilitating the achievement of objectives. The target personnel for interviews included top management and heads of deparpments drawn from departments such as Finance, Human Resource, Innovation, Risks and Compliance, Monitoring and Evaluation, and Strategy. These personnel played a crucial role in driving the transformation of telecommunication and provided pertinent information.

The pivotal point of the research was telecommunication vendors in Kenya. This study intended to collect data from three companies, including Huawei, Nokia, and Ericsson. The interviews took place at the Kenya Headquarters, focusing on six key personnel. Each interviewee received a comprehensive interview guide comprising open-ended questions, which was conveyed through verbal, written, video, or a combination of these methods. If any information was unclear, the interviewer sought for further clarification and elaboration. Responses were then recorded in paper transcripts. Conclusive and extensive study was underpinned by sourcing data and analyzing. Consequently, it was the master blueprint providing eminent research information.

3.4 Data Analysis

The data sourced via the primary techniques was subjected to rigorous, systematic, substantive, and logical procedure of reviewing, classifying, editing, and completing to aid in realization of conclusive outcome. The process of analyzing data from interviews involved key steps, primarily utilizing content analysis; a systematic approach to interpreting qualitative data, such as interview transcripts. Content analysis identifies patterns, themes, and insights from interviewee responses, ensuring data integrity. Encouraging open and honest responses without overly structured procedures or leading questions, as emphasized by Jerzak et al (2023) reveals valuable insights into banks' strategies amid competition and economic turbulence.

Interview data offered a comprehensive view of the company's past, present, and future outlook. Filtering the data involved classifying, reviewing, and summarizing responses, identifying recurring themes and trends. The systematic confirmation process ensured data completeness and accuracy, minimizing misinterpretation and bias to maintain credibility and reliability.

Data analysis entailed defining objectives, integrating appropriate tools, and using content analysis techniques to draw meaningful conclusions based on interview responses, as highlighted by Kleinheksel et al (2020). This combination of content analysis, open respondent interactions, filtering, confirmation, and systematic data analysis yielded valuable insights into the financial performance landscape and customer satisfaction.

CHAPTER FOUR: DATA ANALYSIS, RESULTS, PRESENTATION AND DISCUSSION

4.1 Introduction

The chapter played a central role in presenting the outcomes derived from the collected data. It was essential for conveying and illustrating the findings, which were further elucidated through an extensive discussion and interpretation process. The data collection process involved interviews with key executives and head of departments responsible for Finance, Human Resources, Innovation, Risks and Compliance, Monitoring and Evaluation, and Strategy. This study drew data from three prominent companies: Huawei, Nokia, and Ericsson. The qualitative methodology was chosen for several compelling reasons: it enables a comprehensive depiction of the situation, reduces biases during data gathering, and unveils the candid details of an event.

4.2 Demographic Information

The participants followed a well-structured interview guide, which served as a framework for assessing their qualifications and experience in strategic management. The interviews revealed that the interviewees held a diverse range of certifications, including those related to environmental protection, health and safety, Global Reporting Initiatives, and sustainability reporting, in addition to certifications in strategies, finance, management, leadership, and governance. Furthermore, it was evident that all the respondents had at least a bachelor's degree, with the majority also holding master's degrees and boasting extensive experience in their respective fields.

This in-depth analysis and careful evaluation demonstrated that the interviewees were highly competent, well-informed, and knowledgeable, truly representing the organization's leadership. Their seniority and involvement in strategic formulation and advisory roles to the board contributed to the provision of reliable and valid information. Additionally, their academic backgrounds, past experiences, and professional qualifications equipped them with the expertise to offer competent-based solutions, comprehensive knowledge, and sound judgment. The interviews took place at the organization's headquarters for Huawei, Nokia, and Ericsson.

4.3 Supply Chain’s ESG Initiatives and Organizational Performance

The participants in the study emphasized the growing significance of the relationship between a company's supply chain Environmental, Social, and Governance (ESG) initiatives and its overall organizational performance. They expressed how their respective companies are increasingly recognizing the importance of integrating sustainable and responsible practices within their supply chains. This strategic shift is driven by the need to address stakeholder demands and gain a competitive edge in today's dynamic marketplace.

According to the respondents, ESG initiatives within the supply chain encompass a diverse set of activities with the common goal of mitigating environmental impacts, advancing social responsibility, and establishing robust governance practices. These activities span areas such as reducing carbon emissions, minimizing waste, ethical sourcing of materials, promoting fair labor practices, and improving transparency and accountability throughout the supply chain. Participants emphasized the effectiveness of these initiatives in adhering to global sustainability standards and their potential to yield numerous advantages for overall organizational performance.

The interviewees highlighted several key benefits of supply chain ESG initiatives. Firstly, they noted that these initiatives contribute to cost savings and operational efficiencies. Through measures like waste reduction, optimized transportation, and the adoption of energy-efficient practices, companies can lower operational costs, thereby bolstering their financial performance. Furthermore, efficient, and responsible supply chain management results in increased productivity and minimized disruptions, which collectively enhance the organization's operational performance.

Respondents stressed that ESG initiatives play a pivotal role in enhancing a company's reputation and brand value. With growing emphasis on sustainability and social responsibility from consumers and investors, organizations that demonstrate a genuine commitment to ESG values can attract a broader customer base and foster long-term brand loyalty. Additionally, these initiatives are a strategic approach to risk mitigation. By proactively addressing potential environmental and social risks in the supply chain, companies can avoid costly disruptions, legal liabilities, and protect their reputation. This proactive risk management contributes to the overall resilience and sustainability of the organization.

According to participants, ESG initiatives also stimulate innovation and bolster competitiveness and as a result improve customer satisfaction. The drive toward sustainable practices within the supply chain often necessitates research and development, leading to the creation of new technologies and processes. These innovations can provide a competitive edge in the market and even open new revenue streams. Additionally, the commitment to ESG initiatives within the supply chain fosters stronger relationships with stakeholders, encompassing customers, investors, employees, suppliers, and local communities. These positive relationships enhance goodwill and facilitate the attraction of investments, talent retention, and the maintenance of harmonious relationships with suppliers and the local community.

4.3.1 Environmental Initiatives

In the discussion, participants emphasized the robust endeavors of companies to combat climate change, curtail greenhouse gas emissions, and transition toward a low-carbon economy. These encompass a range of actions aimed at mitigating global warming and lessening a company's ecological footprint. Notably, organizations have invested in research and development pertaining to climate change, environmental protection, and emerging concerns, as indicated by the interviewees. According to Dey et al (2019), firms have adopted environmentally friendly way to create serene environment. Their findings were in concurrence with the prevailing study since they advocated for healthier environment, clean food, and conversation of biodiversity.

An intriguing innovation mentioned by respondents is the application of telematics, which enables telecommunication firms to monitor and enhance driver behavior. This, in turn, not only boosts operational efficiency but also contributes to a reduction in energy consumption and emissions which concurs with the findings of Iwan etal (2013) who found out that telematics reduced freight distribution costs.

The participants pointed out on adoption of energy-efficient practices within these companies. This encompasses encouraging the use of renewable energy sources, optimizing energy utilization, and advancing energy-efficient technologies as part of their environmental commitment. On the other side, Halkos and Polemis (2018) posited that conservation of environment is the crucial blueprint ensuring longevity plans that protect global community.

As per interviewees, two of these telecommunication companies in an environmentally conscientious move, have introduced a policy where employees return old laptops after a two-year cycle. The respondents pointed that this move helps in management of e-wastes and this finding agrees with the works of Williams, et al (2008) who found out that laptop return policy helps in mitigating the impact on environment of informal recycling. Furthermore, some of these organizations offer special holidays dedicated to environmental protection, allowing employees to actively partake in environmental preservation activities, such as tree planting and fostering innovation for ecological sustainability.

Interviewees stated that there is a growing sense of responsibility toward the judicious use of natural resources. This includes endeavors to curtail waste, safeguard ecosystems, and ensure the sustainable utilization of resources, including water and raw materials. These companies have also introduced a range of products designed to harmonize with the environment and convey a message of environmental protection. The participants went on to reveal that Huawei, Nokia, and Ericsson are currently taking measures to handle waste responsibly by diminishing, recycling, and reusing materials. Hence concurring with Arvidsson and Dumay (2022) position that adoption of sound waste disposal practices is deemed essential to minimize environmental harm.

The conversation also delved into the subject of companies actively encouraging and supporting biodiversity and conservation efforts. This encompasses safeguarding ecosystems, preserving natural habitats, and averting harm to wildlife. These companies have adopted product design such as telecommunication towers that camouflage trees so that it does not interfere with wild animals especially in the sites located in wildlife ecosystem.

The participants brought to light several sponsored marathons aimed at protecting the environment. Lewa Marathon is one such event where vendors colloborate with Safaricom (customer) . Participants mentioned that the aim of Lewa Marathon is to conserves wild life and it take places every year in Kenya. These findings concur with Miriti (2020) articulation that stakeholders' involvement is key in environmental protection.

The participants conveyed that advanced technologies, including artificial intelligence for security, such as facial recognition and biometrics, are being leveraged to preclude unauthorized access, and there exist incentives for environmental safeguarding, coupled with penalties for infractions. The participants also shared insights into the utilization of remote monitoring cameras and closed-circuit television (CCTV) systems to vigilantly oversee the environment. Furthermore, smart helmets and personal protective equipment (PPE) are provided to suppliers as a measure to mitigate risks. Additionally, the use of sensor-equipped taps and automatic motion-sensing light bulbs enhances organization security, conserves energy and water and guarantees employee safety, according to the participants. These findings agree with the study by Kilubi and Rogers (2018) whereby employee safety emerged as a paramount concern according to participants, emphasizing its pivotal role in the workplace. The participants highlighted that safety extends beyond regulatory compliance, constituting a fundamental aspect influencing their overall sense of security and job satisfaction. The research also indicates a notable connection between safety and technological advancements as well as business innovations. The evolving landscape of technology introduces new tools and systems that contribute to enhancing safety protocols, while innovative business practices may reshape approaches to safety training, risk management, and emergency response. This underscores a dynamic relationship between safety considerations and the continual evolution of technology and business strategies, emphasizing the need for organizations to adapt and integrate these advancements to ensure and improve employee well-being.

The interviewees further expounded on the significance of sustainable supply chains, extending their commitment to environmental responsibility throughout the entire supply chain. They have established partnerships with suppliers who share their dedication to environmentally sound practices. The participants mentioned several initiatives aimed at providing training on health and safety to both staff and suppliers.Specifically, the respondents pointed out the initiatives of training,examination and certification of suppliers on environmental ,health and safety, opening of the platforms to suppliers for managing of their employees' health and safety, issuance of mobile phones to suppliers'employees for use in EHS initiatives and issuance of onboard diagnostic devices for the vehicles to suppliers.

Furthermore, the respondents postulated the development and promotion of eco-friendly products and services as a significant aspect of a company's environmental commitment. Notably, the research and development of the telecommunications radios that are energy saving, intelligent tools in the radios that shuts down transmitters at night during low usage not only help in resource savings but also reduces impacts on environment. In addition, some organizations have transitioned to solar energy to safeguard the environment. The interviewees coined the concept of environmental reporting, recognizing transparency as indispensable. These companies have embarked on the path of disclosing their environmental initiatives, objectives, and achievements to stakeholders, including shareholders and the public. According to the participants, aligning these environmental initiatives is seen as pivotal in enhancing customer satisfaction, agility, competitive advantage, and revenue generation. In summary, these telecommunications companies are demonstrating a steadfast commitment to environmental stewardship, employing diverse strategies, forging partnerships, and innovating to protect the environment and infuse sustainability throughout their operations.

According to the respondents, Telecom vendors in Kenya are now adopting the model of collocation of sites where they install equipment in one site for all telecom vendors and telecom operators. In this move, the equipment for Nokia, Ericsson and Huawei are installed in shared towers where telecom operators such as Safaricom, Jamii Telecom and Airtel share the infrastructure to offer their services to the final customers. This move helps in reducing the footprints and in saving costs through optimizing of the resources. These findings concur with the study of Amadasun et al (2020) who found out that sharing of the infrastructure is a solution for reducing costs and conservation of environment.

4.3.2 Social Initiatives

Social initiatives within the Environmental, Social, and Governance (ESG) framework represent the actions taken by companies and organizations to address and positively influence a variety of social and human-related factors. These initiatives are an essential component of a company's dedication to responsible and sustainable business practices, and they are frequently considered alongside environmental and governance endeavors. Respondents emphasized the paramount role of social initiatives in driving product reengineering, consequently positioning the telecommunications industry as an economic powerhouse.

These findings concurred with Xie, et al (2019) perspective which emphasizes the contemporary shift in the understanding of supply chain performance, highlighting the pivotal role played by social factors. The recognition of the significance of relationships, collaborations, and ethical considerations within the supply chain represents a departure from traditional metrics focused solely on operational efficiency. Study underscores the newfound importance of effective communication and collaboration among diverse stakeholders, including suppliers, manufacturers, distributors, and customers, as integral elements for optimizing supply chain processes. Additionally, the acknowledgment of social responsibility and ethical practices, such as fair labor and sustainable sourcing, is portrayed as not only contributing to a positive corporate image but also aligning with the evolving values and expectations of modern consumers.

For instance, participants noted a heightened commitment to Diversity and Inclusion in the telecommunications sector. These companies actively promote diversity and inclusion within their workforce, striving to ensure equal opportunities for individuals from all backgrounds while championing gender equality and fostering a workplace culture that values diversity. The respondents pointed out that their views are considered before decisions are made. This is through the culture of speak ups where employees participate in voice surveys, get opportunity to give suggestions and improvements. The respondents indicated that these organizations have zero tolerance policy against discrimination based on race, gender, sexual orientation and health grounds. These findings agree with the study done by Sabharwal

(2014) in which he found out that workplace's productivity is improved if employees' views are taken into consideration before taking any decisions.

Kate et al. (2023) identifies key pillars supporting the supply chain, namely economic, environmental, and social variables. Their findings emphasize the interconnected nature of these pillars, underscoring their critical role in the effective and efficient management of both information and material flows within the supply chain. The study aligns with current research, where scholars assert that Environmental, Social, and Governance (ESG) factors play a pivotal role in fostering superior performance. The integration of ESG considerations in supply chain management is seen as a strategic approach that not only contributes to sustainable development but also promotes economic prosperity and addresses environmental challenges. Moreover, the emphasis on good governance emerges as a roadmap for ensuring sustainable practices, which, in turn, has positive implications for social and economic well-being. Their findings showcased the interconnectedness of economic, environmental, and social variables as central to achieving effective supply chain management hence aligning it with broader goals of sustainability and responsible governance.

According to respondents, Huawei, Nokia, and Ericsson have also adopted comprehensive remuneration packages for their employees. These measures include medical care, bonuses, and ownership shares. These incentives offered to employees attract and help retain competent staff resources which enhances productivity and customer satisfaction. These findings concur with Okpo, Eshiet, and Emenyi's (2023) assertion emphasizing the significant role that a good remuneration package plays in talent attraction and its subsequent impact on organizational performance. Their perspective aligns with a widely acknowledged principle in human resource management, suggesting that competitive and fair compensation acts as a crucial factor in attracting skilled and talented employees to an organization. In the contemporary job market, where skilled professionals have various employment options, offering an attractive remuneration package becomes a strategic imperative for organizations seeking to secure top talent. Beyond talent attraction, participants also imply that a well-structured remuneration system can positively influence organizational performance. When employees feel fairly compensated for their contributions, it often results in increased job satisfaction, motivation, and commitment, all of which can contribute to enhanced productivity and overall organizational success. Thus, their statement underscores the link between effective compensation strategies, talent acquisition, and organizational performance in the dynamic landscape of contemporary employment.

Furthermore, participants highlighted improvements in Labor Practices. As a result, ESG initiatives are centered on ensuring fair labor practices. This includes providing equitable wages, safe working conditions, and the protection of workers' rights. These endeavors may involve compliance with labor laws, ethical recruitment practices, and addressing issues such as child labor and forced labor. In their commitment to promoting social initiatives, the participants mentioned that telecommunications companies sponsor training programs and collaborate with various universities to provide internship and employment opportunities. Additionally, they engage in activities such as training, donations and promoting inclusivity in directorship positions.

Respondents pointed out that Nokia, Ericsson and Huawei have put in place programs for women empowerment. There exists program that promote women in technology and women in business. These programs ensures that women who have been disadvantaged historically are empowered to study science and math courses thus preparing them for technology related careers. Women in business is an opportunity where some proportion of business in these telecom equipment vendors are reserved for women led and women owned businesses.

Interviewees also emphasized the significant focus placed on Employee Well-Being within these telecommunications firms. As a result, these companies invest in programs and benefits designed to enhance employee well-being. This includes providing mental health support, health and wellness initiatives, sponsoring club memberships and encouraging a healthy work-life balance.

Community Engagement was another area of importance highlighted by the interviewees. In this context, telecommunications companies like Huawei, Nokia, and Ericsson actively engage with local communities through philanthropic efforts, volunteer programs, and support for local development initiatives. They also consider the social impact of their operations on nearby communities. The deduction made by Yang and Babiak (2020) highlights the inclusion of philanthropic undertakings as an element within the Environmental, Social, and Governance (ESG) practices, carrying implications for the enduring performance of organizations. This standpoint activity that acts of philanthropy, positioned as a social facet of ESG, extend beyond ethical duties and actively contribute to the comprehensive durability and prosperity of a business. The scholars suggest that such endeavors not only fulfill societal responsibilities but also assume a strategic function in fortifying the organization's sustainability and performance. This viewpoint resonates with the expanding acknowledgment that enterprises, acting as conscientious corporate entities, ought to actively contribute to societal and environmental causes as an inherent component of their operational and strategic blueprints for continual triumph.

In addition, the participants pointed out the paramount importance of Customer Relations. These telecommunications companies prioritize the establishment of transparent and respectful relationships with customers. They provide accessible and helpful customer service and promptly address customer concerns and feedback. Interviewees concluded that Human Rights played a pivotal role within Huawei, Nokia, and Ericsson. These telecommunications companies actively respect and promote human rights, both within their own operations and in the regions where they conduct business. They are committed to preventing human rights violations and abuses.

The interviewees further emphasized the existence of mandatory Education and Training programs to enhance the competence of their employees. These programs provide opportunities for employee education and skill development while also supporting educational initiatives in communities where the companies operate.

Healthcare and Safety were underscored as priorities among these telecommunications firms. Ensuring the health and safety of employees, customers, and communities through the implementation of safety protocols, healthcare benefits, and safety measures is of paramount importance. As per the insights provided by Machira and Palamuleni (2017), giving precedence to the well-being of both healthcare and safety within an organization is crucial for achieving optimal organizational performance. This perspective underscores the notion that a strategic focus on healthcare and safety measures is not only a moral imperative but also a fundamental driver of overall organizational success. The emphasis on healthcare suggests a commitment to the physical well-being of employees, promoting a healthy workforce that can contribute effectively to organizational goals. Simultaneously, prioritizing safety measures implies creating a secure and conducive work environment, mitigating risks, and fostering a culture of well-being.

Additionally, the participants stressed that there is an increased focus on ethical Marketing and Advertising. Telecommunication companies diligently avoid deceptive or harmful marketing and advertising practices, including the avoidance of practices such as greenwashing and false claims. The participants also highlighted Charitable giving as a core aspect of the social initiatives within these telecommunications companies. Huawei, Nokia, and Ericsson actively engage in charitable giving by donating to nonprofits and supporting social causes. These efforts often address critical issues such as poverty alleviation, educational support, healthcare, and disaster relief. They have also provided free training to numerous students.

Additionally, the interviewees emphasized the great significance of social Impact Investments. These investments involve allocating resources to projects, funds, or initiatives that have a positive social impact. Examples include investments in affordable housing, renewable energy projects, and educational initiatives. In conclusion, the participants highlighted those social initiatives, when seamlessly integrated with environmental and governance practices, contribute to a holistic ESG approach. These initiatives not only serve to make a positive social impact but can also enhance a company's reputation, reduce risks, and attract investors who prioritize responsible and sustainable business practices.

4.3.3 Governance

In the context of Environmental, Social, and Governance (ESG), governance serves as the foundation that shapes how organizations are managed and directed. It encompasses a comprehensive set of principles, practices, and policies that not only guide the decision-making process but also dictate the allocation of responsibilities and ensure accountability for the organization's actions. Governance, a pivotal pillar of ESG, plays an indispensable role in promoting ethical and sustainable business practices.

First and foremost, participants underscore the paramount importance of Corporate Leadership in governance. This encompasses determining the composition of the board of directors and delineating the roles and responsibilities of executive officers, ultimately shaping the leadership structure of the organization. The emphasis is on appointing competent and ethically sound leaders at the helm of affairs. Furthermore, participants highlight the critical role played by Oversight and Audit Committees in enhancing operational integrity, eliminating fraud, and ensuring compliance with international standards. A cornerstone of governance within ESG is the meticulous approach to auditing. This encompasses not only annual audits but also random and forensic audits, all of which are instrumental in ensuring that telecommunication firms rigorously adhere to global standards. Notably, external auditing, entrusted to reputable firms with outstanding international ratings, has substantially elevated the performance of these companies.

In consequence, governance assumes a comprehensive role in steering organizations towards prosperity, shouldering a holistic mantle that guides the formulation of internal rules and regulations with a robust emphasis on ethical responsibility, as highlighted by Aksoy and Aksoy (2020). It functions as a mechanism that encourages and aids in the establishment of a strong ethical framework, ensuring transparency and accountability within the organization.

This commitment to ethical conduct safeguards the longevity of the business. The assertion is made that the operations and performance of firms are significantly shaped by the nature of their governance.

Interviewees also shed light on a practice of board rotation and retirement, designed to preempt any standstill situations, leadership vacuums, or quorum-related issues, thereby ensuring the seamless continuity of operations. On the other side, Krishnamoorthy and Raghu (2021) draw the conclusion that effective governance in an organization correlates with heightened transformation and improved performance. Their assertion suggests that when governance practices are sound and well-structured, organizations are better positioned for successful transformation initiatives and enhanced overall performance. This conclusion underscores the notion that a well-governed organization is more likely to adapt successfully to changes, implement transformative strategies, and ultimately achieve improved performance outcomes.

The participants acknowledged that Huawei, Nokia, and Ericsson are committed to Supply Chain Responsibility. This is executed by ensuring ethical practices throughout the supply chain, which includes responsible sourcing, fair treatment of suppliers and contractors, and efforts to prevent human rights abuses within the supply chain. The participants also underscored the critical importance of Product Safety and Quality within these telecommunications companies. They ensure that their products and services meet stringent safety and quality standards, with a strong commitment to not causing harm to consumers or the community.

Moreover, the participants drew attention to the prominence of ethical Leadership and Governance within Huawei, Nokia, and Ericsson. These companies are dedicated to promoting ethical leadership and governance, with a strong focus on transparency, accountability, and responsible decision-making. According to interviewees, there has been significant improvement in Stakeholder Engagement. Telecommunications companies actively engage with a wide range of stakeholders, including employees, customers, communities, and investors. This engagement allows them to understand the needs and concerns of these stakeholders and address them appropriately.

Another vital dimension of governance is Transparency and Disclosure, which is integral to ESG practices as per respondents. Governance mandates the provision of transparent and accurate information regarding a company's ESG performance and practices to a wide range of stakeholders, including investors, customers, and the public. Notably, recruitment within these firms is merit-based, coupled with attractive remuneration packages aimed at eradicating corruption and safeguarding the welfare of employees. Additionally, financial reports are consistently relayed on time and are subject to comprehensive auditing.

Interviewees placed significant emphasis on Ethical Business Practices within companies like Ericsson, Nokia, and Huawei. This involves upholding ethical business conduct, preventing conflicts of interest, and combating issues such as bribery, corruption, and fraud. As a result, these telecommunication firms have established robust policies for reporting such transgressions and facilitating whistleblowing. Importantly, the identity of whistleblowers remains securely guarded, ensuring their anonymity. Furthermore, Governance has heightened Compliance and Risk Management, safeguarding the adherence to all relevant laws and regulations. This involves the establishment of risk management processes to identify, assess, and mitigate risks, including those related to ESG. Compliance and risk management are critical aspects of achieving transformation and acting as a powerhouse while discharging duties within the bounds of established rules and regulations.

The findings on ethical practices as outlined above agrees with other scholars . Ahammad (2017) reached the conclusion that ethical responsibility has become the epicenter for businesses, aligning with the findings of the current research. This underscores the contemporary acknowledgment of the pivotal role that ethical considerations play in the core functioning of businesses. Concurrently, Landi and Sciarelli (2018) assert that good governance serves as a driving force propelling business development, efficiency, and significant financial returns. Their perspective emphasizes the integral relationship between effective governance practices and the overall success and growth of a business. Together, these insights underscore the interconnected importance of ethical responsibility and good governance in shaping the landscape for businesses, reflecting a broader trend where organizations increasingly recognize the significance of ethical conduct and strong governance in achieving sustainable and prosperous outcomes.

According to respondents, accountability mechanisms are firmly established within telecommunication firms. Governance includes the creation of structures that ensure accountability, possibly through defining clear lines of responsibility, forming oversight committees, and holding individuals or entities responsible for their actions. Additionally, an annual declaration of conflicts of interest is standard practice. A noteworthy transformation among these firms is their role as beacons of partnership, fostering Stakeholder Engagement. This entails actively engaging with various stakeholders, including shareholders, employees, customers, and communities. The goal is to understand their concerns and integrate their perspectives into the decision-making process.

To bolster ESG governance, a focus on Board Independence has emerged as an ongoing endeavor within telecommunication firms as per interviewees. Independent directors play a crucial role in providing unbiased oversight and ensuring that the interests of all stakeholders are considered. This is facilitated through the appointment of non-executive directors. Moreover, these organizations are committed to improving Executive Compensation practices, including performance-based bonuses. Governance principles mandate that executive compensation should be directly linked to ESG performance, ensuring that leaders are incentivized to prioritize sustainability and responsible practices.

Moreover, this emphasis on ethical responsibility fosters heightened moral and ethical awareness among both consumers and investors. Xie et al. (2019) specifically highlighted a positive correlation between governance disclosures and firm performance, indicating a connection with higher-quality governance. This perspective underscores the notion that transparent governance practices positively influence the overall performance of a firm. In contrast, Ghoul et al. (2017) diverged from this viewpoint, pointing out a negative interrelationship between transparency in governance reporting and firm value. The disparity in findings between these studies suggests that the relationship between governance transparency and firm outcomes is complex and context-dependent, highlighting the nuanced nature of governance dynamics in influencing organizational performance and value.

The interviews stated that a cornerstone of governance within ESG is the development and implementation of Sustainability Policies and Strategies. This guides the organization's efforts in line with ESG principles and long-term sustainability. Additionally, participants pointed imperative managing data. Data Management plays a pivotal role, encompassing data collection, management, and reporting related to ESG factors. Effective data management is a linchpin for measuring, tracking, and reporting on ESG performance.

Interviewees indicated that these telecommunication firms have prioritized Shareholder rights and enabling them to influence ESG matters through voting and active engagement. Moreover, there are effective mechanisms and policies for Conflict Resolution have been put in place. This ensures the resolution of conflicts, disputes, and grievances, both internally and with external stakeholders, minimizing legal disputes and promoting holistic collaboration. An unswerving focus on Audit and Assurance is apparent, driven by the dynamic nature of the business environment. ESG governance mandates independent audits and assurance processes to verify the accuracy and reliability of ESG disclosures among telecommunication firms.

These organizations have adopted a resolute Long-Term Perspective, articulated in their strategic and tactical plans. ESG governance encourages organizations to adopt a long-term view, considering the far-reaching impact of their decisions on future generations. This approach welcomes change and prioritizes long-term goal achievement. Importantly, these telecommunication companies demonstrate adherence to International Standards, aligning their practices with international guidelines, including those advocated by organizations such as the United Nations. This not only unlocks growth opportunities but also creates value.

Innovation, imagination, and adaptability have taken center stage for these telecommunication firms according to respondents. Governance empowers them to innovate and adapt to evolving ESG trends and challenges, ensuring that they remain relevant and responsible in a dynamic environment. This commitment to sustainable development is aligned with emerging trends, driving transformation and continuous improvement.

In conclusion, effective Governance forms the very fabric of these telecommunication firms. It is a pivotal factor in embedding ESG principles into the core of the organizations' operations and decision-making processes. This not only mitigates risks and enhances reputation but also attracts responsible investors, contributing to long-term sustainability and success. Participants also underscore the substantial contributions made by these telecommunication companies to the growth trajectory of the Kenyan economy.

4.4 Discussion and Summary

Telecommunications companies, as highlighted by interviewees, participants, and respondents, are demonstrating their unwavering commitment to addressing climate change and sustainability through significant investments in research and innovation. These investments underscore their dedication to effecting a meaningful change in the environment. Interviewees pointed out that these companies have embraced innovative strategies like telematics to closely monitor and enhance operational efficiency. This technology-driven approach not only enhances their operational efficiency but also results in a substantial reduction in energy consumption and emissions, further highlighting their devotion to environmental responsibility.

Furthermore, interviewees emphasized that these companies actively champion biodiversity and conservation, which reflects their commitment to environmental stewardship. They have implemented proactive measures to curtail pollution, advance cleaner air, water, and soil quality, and participate vigorously in broader sustainability endeavors. Their unwavering commitment to adhering to environmental laws and regulations permeates their supply chains, ensuring alignment of every facet of their operations with these environmental responsibilities. Eco-friendly practices, such as transitioning to renewable energy sources, are also integral to their environmental initiatives.

Soon and Udi (2010) underscored that the primary focus of manufacturers lies in enhancing the flexibility of the value chain within firms. It is important to note that their research was conducted in Malaysia, and thus, it may not fully capture the blueprints of the Kenyan context. On the other hand, Raza et al. (2021) highlighted a positive interrelationship between Social Sustainability Management (SSM) and Sustainable Performance (SP) in China. While these findings offer valuable insights, it's acknowledged that they may not encompass all the specific concepts addressed in the current study. This recognition emphasizes the need for contextual consideration and the understanding that research outcomes are influenced by the unique dynamics of the geographical and organizational settings in which they are conducted.

Warinda et al. (2020) deviated from the scope of the current research by focusing specifically on agricultural firms. In their study, they highlighted the benefits derived from considerations such as cycle time, flexibility, and the quality of agricultural products. This divergence suggests that the impact of certain variables on organizational performance may vary across different industry sectors. While their findings may not directly align with the concepts explored in the current research, they provide valuable insights into the unique dynamics and challenges faced by agricultural firms, emphasizing the importance of tailoring management strategies to suit the specific characteristics of different sectors.

Expanding beyond their environmental pursuits, these companies, as described by participants, maintain a strong emphasis on social initiatives within the Environmental, Social, and Governance (ESG) framework. Diversity and inclusion constitute paramount elements of their approach. Interviewees underscored that these companies actively advocate equal opportunities, gender equality, and a workplace culture that values diversity. They have introduced numerous benefits and opportunities for their employees, underscoring their dedication to social responsibility.

Contrastingly, Gachau and Moronge (2018) arrived at a conclusion that supports a positive interconnection between green procurement practices and supply chain performance. This aligns with the findings of the current research, indicating a shared perspective on the potential benefits of incorporating environmentally sustainable procurement practices into the supply chain. Their agreement underscores a consensus in the literature regarding the positive impact of green procurement on overall supply chain performance, emphasizing the importance of environmentally conscious practices for organizations aiming to enhance their operational efficiency and sustainability.

The participants also emphasized that improvements in labor practices are a central component of their social initiatives. These companies prioritize equitable labor conditions, safe workplaces, and ethical recruitment practices, mirroring their commitment to social responsibility. Employee well-being is central to their corporate culture, with investments in mental health, wellness, and work-life balance programs that underscore the importance of a healthy and balanced workforce in realizing sustainable business practices.

Furthermore, Yang and Babiak (2023) emphasized that governance reporting plays a critical role in business transformation, contributing to improved access to capital, enhanced investment opportunities, and fostering a mutual relationship between investors, customers, and the business. This perspective aligns seamlessly with the present findings, reinforcing the idea that transparent and accountable governance practices not only support the internal transformation of a business but also have external implications. Effective governance reporting is portrayed as a facilitator for attracting capital, providing valuable investment opportunities, and nurturing a symbiotic relationship among investors, customers, and the business entity. The acknowledgment of governance reporting as a multifaceted tool underscores its significance in shaping a positive and sustainable business environment.

Dey et al. (2022) employed Data Envelopment Analysis (DEA) to arrive at conclusive outcomes, with a specific focus on the United Kingdom, India, and France. Despite the similarity in their findings with the current study, it is noteworthy that the methodologies applied were distinct. This variance in methodology emphasizes the importance of diverse research approaches to corroborate and enhance the robustness of conclusions. While the conclusions align, the use of different methods adds depth to the understanding of the subject, illustrating the flexibility and adaptability of analytical techniques in assessing similar research questions across various geographic contexts.

Furthermore, these companies actively engage with their communities, as noted by the interviewees. They participate in philanthropy, volunteer programs, and support for local development initiatives, further illuminating their dedication to being responsible corporate citizens and contributing to the well-being of the areas in which they operate. Supply chain responsibility, product safety, ethical customer relations, and education and training programs are integral components of their broader social initiatives. Their commitment to ethical leadership, transparency, accountability, stakeholder engagement, and social impact investments completes their approach within the ESG framework.

Moreover, governance, as elucidated by participants, stands as a cornerstone of their commitment to ESG. It plays a pivotal role in guiding their operations and ensuring responsible and sustainable business practices. Governance encompasses corporate leadership, oversight, transparency, and ethical practices. Interviewees highlighted that compliance with legal and regulatory requirements, risk management, and accountability are fundamental to their governance approach. It further ensures that sustainability policies and strategies are in harmony with ESG principles, and that data management is rigorous for measuring and reporting on ESG performance.

Choi and Zhang (2011) advocated for the specialized alignment of environmental considerations with financial returns to promote a systematic and logical approach to green logistics. Their proposal emphasizes the need for a strategic integration of environmental concerns into financial decision-making processes. On the contrary, Green et al. (2012) asserted a positive interconnection between green supply chain management and performance, presenting a viewpoint that differs from the current study's concepts. This divergence underscores the complexity of the relationship between green practices and performance within the supply chain, highlighting the existence of varied perspectives and approaches in the literature. The disparities in these outcomes suggest that the field of green logistics and supply chain management is dynamic, with evolving theories and viewpoints that warrant careful consideration in understanding the intricate interplay between environmental considerations and financial outcomes.

Wainaina (2021) put forth the proposition that Supply Chain Management (SCM) serves as a driver of organizational performance, with competitive advantage mediating this relationship. However, it's crucial to note that this study did not encompass all the concepts of Environmental, Social, and Governance (ESG) factors, potentially limiting the comprehensiveness of the outcomes. While emphasizing the critical role of SCM and competitive advantage in organizational performance, it highlights the need for a more comprehensive investigation that includes a broader range of ESG factors to offer a more exhaustive understanding of the multifaceted influences on organizational success.

Miriti (2020) proposed the adoption of green transport options to reduce pollution, presenting a perspective that diverges from the focus of the current study, which advocates for Environmental, Social, and Governance (ESG) practices to enhance performance in telecommunication vendor firms. While both studies share an interest in environmentally conscious practices, they differ in their specific emphasis. This contrast highlights the diversity of strategies and approaches within the broader domain of sustainability and environmental responsibility.

Protection of shareholder rights, conflict resolution, audit and assurance, a long-term perspective, adherence to international standards, innovation, and adaptability are key constituents of their governance approach, as underscored by participants. This commitment to effective governance is instrumental in burnishing their reputation, mitigating risks, and attracting responsible investors who share their dedication to ethical and sustainable business practices.

In summary, as emphasized by respondents, these telecommunications companies are devoted to serving as ethical stewards of progress, sustainability, and the Kenyan economy. Their comprehensive approach to ESG principles encompasses environmental, social, and governance practices, with a focus on making a positive impact, reducing risks, and fostering responsible business practices.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter serves as a critical component in providing an in-depth summary of the study's key concepts and context. Furthermore, it offers a wide range of recommendations to build upon the research findings. By highlighting the study's limitations, it also identifies areas that warrant further investigation, shedding light on a broad spectrum of issues. This chapter forms the foundation for future assessments, as it includes rigorous analyses within the recommendations section. The integration of theories and practices enriches the depth of knowledge derived from the study, contributing to a more thorough and diligent understanding of the subject matter.

5.2 Summary

Supply Chain’s ESG Initiatives and Organizational Performance of Telecommunication Equipment Vendors in Kenya" demonstrates a strong commitment to organizational improvement in the face of challenges. The primary motivation was to enhance all aspects of the organization, spanning various departments, and the organization, regardless of the difficult circumstances. The study was primarily guided by the principles of Environmental, Social, and Governance (ESG), taking a holistic approach to boosting organizational performance. Telecommunication equipment vendors in Kenya have consistently excelled, driven by their productivity, continuous improvement efforts, and the advantages of economies of scale, which have proven instrumental in maintaining the organization's resilience and vitality. ESG practices were identified as fundamental drivers of organizational performance, underlining their importance in achieving the organization's objectives.

Furthermore, the pursuit of organizational performance necessitated the development and implementation of clear, binding directives designed to benefit the organization. The study suggests that in the face of challenges and adversity, the alignment of ESG principles with the organization's goals and objectives can be a powerful force for improving and sustaining organizational success. The interviews underscore the critical role of ESG principles in assessing supply chain and financial performance. Furthermore, the interviewees highlighted the active support these companies offer for biodiversity and conservation. This includes measures to safeguard ecosystems, reduce pollution, and enhance air, water, and soil quality, as integral components of their sustainability efforts. Initiatives like sponsoring marathons for environmental protection serve to raise awareness and promote positive environmental change. The use of advanced technologies, such as AI for security and remote monitoring systems, significantly contributes to enhancing environmental safety and security, further promoting sustainability and environmental responsibility.

Compliance with environmental laws and regulations is a central focus, extending throughout their supply chains. This comprehensive approach underscores their dedication to environmental responsibility across all operational aspects. The companies also actively pursue eco-friendly products and services, with some transitioning to renewable energy sources like solar power to reduce their carbon footprint and offer cleaner energy alternatives. Transparency and environmental reporting were emphasized as integral to their operations, strengthening customer relationships and market competitiveness.

Moving beyond environmental concerns, the interviews highlighted the emphasis placed on social initiatives within the ESG framework. Diversity and inclusion, promoting equal opportunities and gender equality, are paramount. The provision of healthcare benefits, bonuses, and ownership shares for employees highlights their role as an economic powerhouse and their commitment to social responsibility. Improvements in labor practices are another key element, with a focus on fair labor conditions, safe workplaces, and workers' rights protection. Ethical recruitment practices and support for training and education programs demonstrate their dedication to social initiatives. Employee well-being is central to their corporate culture, with investments in mental health, wellness, speak up culture, and work-life balance programs. These commitments underscores the importance of a healthy and balanced workforce in achieving sustainable business practices.

Additionally, these companies actively engage with communities through philanthropy, volunteer programs, and support for local development initiatives. Their commitment reflects an acknowledgment of the social impact they have on the communities in which they operate. Supply chain responsibility is another core aspect of their social initiatives, ensuring ethical practices and responsible sourcing of materials and resources throughout their value chain. The interviews highlighted the focus on product safety and quality, with strict adherence to high standards, ensuring reliable and ethical services and products for customers. Transparent and respectful customer interactions are a priority, promoting human rights both within their organizations and in the regions where they operate. Ethical marketing and advertising practices further underscore their commitment to ethical business conduct and customer relations.

The participants noted that these companies invest in education and training programs to enhance employee competence and support community education. A focus on healthcare and safety extends beyond their workforce to encompass safety protocols and benefits in place to ensure the well-being of their employees both at work and in their broader communities.

The interviews further emphasized the commitment of these companies to social responsibility through charitable giving. Their contributions to critical causes illustrate their dedication to making a positive social impact and actively participating in initiatives that benefit society. Ethical leadership and governance practices are actively promoted, emphasizing transparency, accountability, and responsible decision-making. Stakeholder engagement emerged as a central element of their social initiatives, actively seeking to address the needs and concerns of various stakeholders, ensuring the organizations fulfill their social responsibilities and remain aligned with stakeholder expectations. Social impact investments were identified as a significant part of their approach, allocating resources to projects with a positive social impact, such as affordable housing and renewable energy, thereby contributing to the betterment of society.

In summary, the interviews reveal the depth of commitment by telecommunications companies to address climate change, sustainability, and various social and human-related factors. Their comprehensive approach to ESG principles focuses not only on making a positive social impact but also on enhancing their reputation, reducing risks, and attracting responsible investors who share their commitment to responsible and sustainable business practices. Governance plays a central and vital role within the overarching framework of ESG principles, shaping the management and direction of organizations. It represents a comprehensive and intricate system of principles, practices, and policies guiding decision-making processes and ensuring accountability, promoting ethical and sustainable business practices.

Key dimensions of governance that emerged from the interviews include corporate leadership, oversight and audit committees, transparency and disclosure, ethical business practices, compliance and risk management, accountability, stakeholder engagement, board independence, executive compensation tied to ESG performance, development and implementation of sustainability policies, data management, safeguarding shareholder rights, mechanisms for conflict resolution, audit and assurance, a long-term perspective, adherence to international standards, and the embrace of change. These elements collectively contribute to fostering ethical and sustainable practices within these organizations and ensuring alignment with ESG principles.

5.3 Conclusion

To wrap-up, this study illuminates the profound impact of ESG initiatives on the organizational performance of telecommunication equipment vendors in Kenya. ESG isn't a mere compliance exercise; it's deeply embedded in the core of these organizations. Their commitment to environmental responsibility fosters innovation, agility, competitive advantage, and financial stability. By actively investing in sustainability, they embrace innovation, reducing energy consumption and emissions, and thus remaining agile and responsive to evolving market demands. This commitment also bolsters their competitive edge, attracting environmentally conscious customers and responsible investors while simultaneously ensuring financial stability through cost savings and risk mitigation.

ESG principles are not isolated within these organizations; they are interconnected, forming an integrated framework for responsible business practices. The emphasis on social responsibility complements their environmental efforts, promoting diversity, inclusion, and workforce well-being. Ethical governance practices tie these elements together, ensuring transparency, accountability, and responsible decision-making. In Kenya and beyond, this holistic approach to ESG principles underscores that they are not mere buzzwords but strategic drivers of long-term organizational success. In the contemporary business landscape, the significance of ESG initiatives cannot be understated. They serve as pillars for fostering innovation, promoting agility, securing competitive advantages, and maintaining financial stability. The results of this study emphasize that businesses that embrace ESG as an intrinsic part of their core pillars are not only more resilient but also better positioned for sustainable growth and prosperity.

In conclusion, this all-encompassing study delved deeply into the pivotal connection between Environmental, Social, and Governance (ESG) Initiatives within Supply Chain and the Organizational Performance of telecommunication equipment vendors in Kenya. The research discoveries unveiled that ESG principles are not peripheral matters in these companies but rather intricately woven into the very essence of their operations and integral to their triumph.

ESG goes beyond a mere checklist; it occupies a fundamental role in propelling these organizations towards elevated performance. It serves as a driving force for transformational growth. This study underscores that ESG isn't merely about benevolence or adherence to regulations; it stands as a strategic necessity. It profoundly shapes various dimensions of their organizational performance, sparking favorable transformations in innovation, flexibility, competitive edge, and financial steadiness.

According to the participants, ESG establishes bold and well-defined objectives. ESG principles act as catalysts for inventive thinking. These telecommunication equipment vendors do not settle for conventional approaches. Instead, they actively engage in environmental responsibility, spurring them to seek creative solutions to curtail energy consumption and emissions. Their dedication to social initiatives, particularly in terms of diversity and inclusion, fosters the influx of original concepts. Moreover, the ethical governance practices within these organizations foster a culture of innovation, prioritizing transparency and diminishing conflicts of interest. It stands as paramount in creating value and steering transformation while unlocking the potential for organizational growth.

As per the interviewees, ESG within the supply chain helps consolidate services, unifying capital management and streamlining operations seamlessly. ESG also nurtures adaptability within these companies. By giving priority to sustainability, they proactively prepare themselves to adjust to ever-evolving environmental regulations and shifting market trends. Social initiatives further contribute to a flexible and diverse workforce, ready to confront new challenges with resilience. Ethical governance practices streamline decision-making processes, reduce bureaucracy, and render these organizations efficient, productive, and effective in their operations.

According to the interviewees, the performance of supply chain ESG guided by principles contributes to financial stability. The emphasis on environmental responsibility leads to cost savings, as energy-efficient measures are implemented, and risks are mitigated. Social initiatives play a pivotal role in enhancing employee well-being, subsequently reducing turnover and elevating overall productivity. The ethical governance practices meticulously manage legal and ethical risks, ensuring the financial stability of these organizations.

To summarize, supply chain ESG initiatives have ensured the adoption of sound governance, structures, frameworks, policies, procedures, and standards. ESG is an intrinsic part of telecommunication equipment vendors that is their identity, shaping their commitment to responsible and sustainable business practices. The findings of this study underscore the pivotal and strategic role of ESG initiatives in their journey towards holistic success and sustainability. These results have broader implications, emphasizing the imperative nature of ESG principles in the contemporary business landscape, where their integration can serve as a linchpin for sustainable growth and prosperity.

5.4 Recommendation

Based on the comprehensive findings of this study, several key recommendations emerge for telecommunications companies operating in Kenya and, by extension, for organizations across various industries aiming to strengthen their Environmental, Social, and Governance (ESG) initiatives. Accordingly, it is evident that ESG principles are not an isolated facet of business operations; rather, they are intrinsically woven into the fabric of successful organizations. As such, the primary recommendation is for companies to integrate ESG into their core business strategies. These principles should not merely be viewed as compliance requirements or superficial gestures but as essential drivers of long-term growth and prosperity. By incorporating ESG considerations into strategic decision-making processes, organizations can create a holistic approach to sustainability, ensuring that these principles align with the company's overarching objectives and values.

The study's findings also highlight the critical role that innovation and agility play in the context of ESG. To harness the transformative potential of ESG, companies are encouraged to embrace innovation actively by providing an enabling environment for it. This involves not merely adhering to conventional practices but actively seeking inventive solutions to environmental and social challenges. By promoting a culture of continuous improvement and adaptability, organizations can position themselves as leaders in ESG initiatives. It is imperative to stay ahead of evolving trends and regulations, not only as a means of compliance but as a proactive response to global challenges, thereby ensuring a competitive advantage. This therefore requires companies to invest in research and development.

Transparency and compliance emerge as central tenets of effective ESG practices. Organizations are recommended to commit to open and honest communication regarding their ESG performance and practices. This commitment extends both internally and externally, as clear, and accurate information sharing promotes trust and accountability among stakeholders. Rigorous data management, accurate reporting, and comprehensive audits of ESG disclosures should be integral components of a company's strategy. This robust approach to transparency is not merely a compliance requirement but a mechanism for building credibility and confidence.

Another noteworthy recommendation relates to the paramount importance of social initiatives. The findings underscore the need for organizations to prioritize social responsibility, focusing on areas such as diversity and inclusion, fair labor practices, employee well-being, and community engagement. To promote a diverse and inclusive work environment, companies should actively advocate for equal opportunities, gender equality, and a culture that values differences. Moreover, the introduction of healthcare benefits, bonuses, and ownership shares for employees demonstrates a commitment to retaining talent and underscoring the organization's role as a positive economic force.

Labor practices also warrant special attention in the pursuit of ESG goals. Fair labor conditions, safe workplaces, and protection of workers' rights should be at the forefront of any organization's initiatives. Ethical recruitment practices, as well as support for training and education programs, demonstrate a commitment to ethical and responsible treatment of the workforce. Additionally, companies should focus on enhancing employee well-being, investing in programs and benefits that actively support mental health, wellness, and work-life balance. These efforts signal a recognition of the crucial role that a healthy and balanced workforce plays in achieving sustainable business practices.

Community engagement forms another integral aspect of social initiatives. Organizations are encouraged to actively participate in their communities through philanthropy, volunteer programs, and support for local development initiatives. This engagement reflects an acknowledgment of the social impact they have on the areas in which they operate and reinforces their role as responsible corporate citizens. Additionally, supply chain responsibility should not be overlooked. Companies must ensure that ethical practices extend throughout their supply chains, preventing human rights abuses and promoting responsible sourcing of materials and resources. This comprehensive approach underscores the organization's commitment to ethical and sustainable practices across the entire value chain.

Product safety and quality are paramount, as they directly influence customer trust and brand reputation. It is recommended that companies adhere to stringent standards to ensure that the products and services they provide meet the highest quality and safety requirements. Transparency and respectful interactions in customer relations should also be prioritized, as these foster strong relationships and customer loyalty. Furthermore, it is imperative that companies actively respect and promote human rights both within their organizations and in the regions in which they operate. Adherence to ethical marketing and advertising practices is an additional means by which companies can demonstrate their commitment to ethical business conduct and positive customer relations.

Moreover, a long-term perspective is a critical component of effective ESG governance. It is recommended that organizations incorporate a forward-looking view into their strategic and tactical plans, considering the long-lasting impact of their decisions on future generations. This approach involves embracing change and welcoming it as an essential part of the journey toward achieving long-term ESG goals. Adherence to international standards is equally essential. Companies should align their practices with international guidelines advocated by organizations like the United Nations. This not only ensures that their practices meet global standards but also positions the organization as a responsible global player, opening doors to growth opportunities.

Finally, a culture of innovation, imagination, and adaptability should be actively nurtured within organizations. Governance empowers companies to not only respond to evolving ESG trends and challenges but to proactively innovate. This fosters a culture of continuous improvement, ensuring that organizations remain not just relevant but at the forefront of responsible and sustainable business practices.

5.5 Limitations of the Study

ESG undertakings and their influence on corporate performance may exhibit significant variances contingent on the sector, societal, and economic determinants. The study's focus was on Ericsson, Nokia, and Huawei, serving as emblematic representations of all the telecommunication equipment vendors in Kenya. A primary constraint in this research was pinpointing the opportune moment for engaging with the senior management within Ericsson, Huawei, and Nokia. It became evident, upon scrutiny and verification, that these executives were engrossed in multifarious responsibilities. Nevertheless, through persistent appeals and in-person visits to their headquarters, the upper echelons of management consented to partake in the interview process. It is paramount to note that the shared insights were treated as confidential, and the investigator explicitly articulated the scholarly intent behind the inquiries. The predominant data accrual techniques in this investigation encompassed surveys and interviews. It is imperative to acknowledge that these approaches possess the inherent capacity to introduce predispositions, as respondents might be inclined to furnish answers that align with societal expectations or harbor subjectively inclined perspectives.

5.6 Areas of Further Research

This study, focused on the impact of Environmental, Social, and Governance (ESG) initiatives on the organizational performance of telecommunication equipment vendors in Kenya, brought to light a multitude of significant findings and insights. It is essential to recognize that the influence of ESG practices on organizational performance is highly multifaceted and can be subject to various industry-specific, cultural, and economic factors. One of the primary limitations of this study was the challenge of accessing and interviewing senior personnel within major telecommunication equipment vendors, namely Ericsson, Huawei, and Nokia. These individuals had demanding schedules, managing various crucial issues within the organizations. Overcoming this hurdle required persistent efforts and direct visits to the company headquarters. However, it's worth noting that the data obtained from these interviews were considered confidential, and the researcher was obliged to clarify the academic purpose of the study to gain insights. It's important to acknowledge that this limitation may have impacted the depth of data collected and the extent to which internal practices and challenges were disclosed.

Another critical point of consideration is the data collection methods utilized in this study, primarily relying on interviews. While these approaches are valuable for gathering qualitative insights and perceptions, they can introduce certain biases. Participants may tend to provide socially desirable responses, and their viewpoints can be highly subjective. Future research might consider integrating quantitative analyses to supplement the qualitative findings and provide a more empirical foundation for assessing the impact of ESG practices on organizational performance. Future research has opportunity to extend this study. One promising direction is to conduct cross-industry comparative analyses to understand how ESG practices influence performance across diverse sectors. Also, future studies may want to look at the intervening role of regulators such as communication authority of Kenya. Additionally, longitudinal studies that track the evolution of ESG initiatives over time can provide insights into their long-term effects and adaptability. Furthermore, global comparative studies involving telecommunication equipment vendors from various countries could uncover the influence of distinct cultural, legal, and economic contexts on ESG implementation and performance outcomes.

Quantitative analyses can be employed to establish statistical correlations between specific ESG indicators and performance metrics, offering empirical evidence of their impact. Case studies that focus on specific ESG initiatives and their implementation could provide more nuanced insights. Examining the perceptions and experiences of stakeholders such as customers, employees, and investors regarding ESG practices would offer a comprehensive understanding of the subject. Future research might delve into the impact of regulatory changes on ESG initiatives within the telecommunication sector. Analyzing how new environmental and social compliance laws affect ESG practices and performance outcomes could be particularly relevant. Furthermore, comparative studies between telecommunication equipment vendors in emerging markets and developed countries could highlight unique challenges and opportunities within each context.

As technology continues to advance rapidly, investigating how innovations like artificial intelligence can enhance ESG practices and subsequently impact organizational performance is a timely and crucial area for exploration. Finally, examining the role of supply chain partners in promoting ESG initiatives and how such collaborations influence overall performance could be an essential avenue for future research.

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APPENDICES

Appendix I: Interview Guide

SUPPLY CHAIN'S ESG INITIATIVES AND ORGANIZATIONAL PERFORMANCE OF TELECOMMUNICATION EQUIPMENT VENDORS IN KENYA

Types of Professional Certification if any……………………………………….........................

Level of Education………………………………………………………….........................

Experience in the telecommunication equipment vendors………...………………………………

Current position in the telecommunication equipment vendor…………………………………….

Part A: Environmental Initiatives

a) **What initiatives are put in place by your organization to address climate change concerns?**

b) How is wastes management dealt with in your organization?

c) Are there any initiatives to ensure proper use of scare resources (energy, water etc)?

d) How does these environmental initiatives affect organization's performance in the following areas:

- Financial (Revenue & profitability)
- Customer satisfaction

Part B: Social Initiatives

a) **What are social initiatives are put in place in the following areas both in the organization and also partners/suppliers:**

i) Prohibition of Child Labour

ii) Health & safety initiatives

iii) Data privacy

iv) Employee welfare

v) Donations and sponsorship of community projects

vi) Internships and trainings

vii) Diversity and inclusions

viii) Practices against discrimination and promotion of social equity

e) How does these social initiatives affect organization's performance in the following areas:

- Financial (Revenue & profitability)
- Customer satisfaction

Part C: Governance Initiatives

a) What governance initiatives have been implemented in your organization in the following areas:

i) Board & management

ii) Oversight and independent audits

iii) Executive remunerations

iv) Accounting and disclosure requirements

v) Management of corruption and bribery issues

f) How does these governance initiatives affect organization's performance in the following areas:

- Financial (Revenue & profitability)
- Customer satisfaction