INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON THE PROFITABILITY OF DOMESTIC AIRLINES IN KENYA

BY

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MASTER OF BUSINESS ADMINISTRATION (CORPORATE MANAGEMENT)

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DECLARATION

I declare that the work in this dissertation has not been previously published or submitted elsewhere for award of a degree. I also declare that this my own original work and contains no material written of published by other people except where due reference is made and author duly acknowledged.

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Signature: …… ……………………..…… Date: …**29.10.2025**……………..………

I do hereby confirm that I have examined the master's dissertation of

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And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed.

Signature: **Date: 29th October 2025**

Dr. Jane Wangari Njuru

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ABSTRACT

Domestic airlines in Kenya play a key role in economic growth but face profitability challenges due to high costs and competition. Despite adopting corporate social responsibility initiatives to enhance customer profitability and loyalty, financial struggles persist. This study therefore examined the influence of corporate social responsibility on the profitability of Kenyan domestic airlines focusing on the influence of economic, environmental, ethical and philanthropic social responsibility on the profitability of Kenyan domestic airlines. research was anchored on the theory of social costs, social contract theory and triple bottom line theory. This research utilized a descriptive research framework. The study targeted 162 heads of corporate affairs/ CSR, finance, information and communication technology, marketing and communication, strategy/business development, operations, human resources, procurement, and customer service departments in the 18 domestic airlines in Kenya. The method of stratified random sampling was adopted in sampling the size. The research was centered primary data that was acquired utilizing structured questionnaires. The study tool produced quantitative data which was both analyzed by the inferential and descriptive statistics with the assistance of SPSS version 28. Percentages, standard deviation, frequency distribution and mean were among descriptive statistics of the study. Pearson correlation coefficient and linear regression analysis were utilized as inferential statistics. Diagnostic tests confirmed that assumptions of linearity, normality, homoscedasticity, and multicollinearity were met, ensuring reliability and validity of results. The findings indicated that economic corporate social responsibility (β_1 = 0.190, p = 0.031), environmental corporate social responsibility (β_2 = 0.185, p = 0.024), ethical corporate social responsibility (β_3 = 0.183, p = 0.018), and philanthropic corporate social responsibility (β = 0.507, p = 0.000) all had positive and significant influence on profitability. The study therefore recommends that airline management strengthen partnerships with local suppliers, promote resource efficiency through environmental initiatives, uphold ethical labor practices, and expand community development programs.

Key words: Corporate Social Responsibility, Profitability, Domestic Airlines, Economic Environmental, Ethical, Philanthropic

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ACRONYMS AND ABBREVIATIONS

COVID-19: Coronavirus Disease 2019

CSR: Corporate Social Responsibility

ECSR: Environmental Corporate Social Responsibility

EPS: Earnings per Share

GDP: Gross Domestic Product

KCAA: Kenya Civil Aviation Authority

KTDA: Kenya Tea Development Authority

NACOSTI: National Commission for Science, Technology and Innovation

NSE: Nairobi Securities Exchange

PCSR: Philanthropic Corporate Social Responsibility

ROA: Return on Assets

ROE: Return on Equity

ROI: Return on Investment

SMEs: Small and Medium-sized Enterprises

TBL: Triple Bottom Line

VIF: Variance Inflation Factor

TERMS AND DEFINITIONS

Corporate Social Responsibility: It refers to organization's commitment to operate ethically and sustainably by addressing economic, environmental, ethical, and philanthropic responsibilities to benefit stakeholders and society at large (Massaro & Bagnoli, 2022)

Domestic Airlines: These are air carriers that provide flight services within the geographical boundaries of a specific country (Barnett & Fleming, 2022).

Economic Social Responsibility: It involves a firm's obligation to contribute to the economic well-being of its stakeholders by ensuring profitability, job creation, and fair business practices (Murtaza & Javed, 2023)

Environmental Social Responsibility: It focuses on minimizing a company's negative environmental impacts through practices such as reducing emissions, conserving resources, and supporting environmental protection initiatives (Nguyen & Vien, 2023).

Ethical Social Responsibility: It is a firm's commitment to operate with integrity, fairness, and respect for human rights in all its dealings (Shareef, 2023)

Philanthropic Social Responsibility: It involves voluntary activities by a company to support community development, such as donations, charity work, and sponsoring social causes (Mekonnen, 2024)

Profitability: It is the firm's ability to generate earnings and financial gains from its operations after covering all expenses (Amaechi & Okeudo, 2022)

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Over the past decade, Corporate Social Responsibility has emerged as a competitive strategy influencing firm performance, including in the aviation sector. Airlines worldwide play an essential part in connecting people, supporting tourism, and driving global economic development, significantly contributing to national GDP (Rahman & Rahman, 2023). However, in the past five years, many airlines have experienced declining profitability due to service quality issues, customer dissatisfaction, and rising operational costs. Between 2021 and 2022 alone, industry profitability dropped by 6.2%, accompanied by a 4.1% decline in passenger numbers and reduced load factors (International Air Transport Association, 2023). In response to these challenges, airlines have increasingly adopted CSR practices, particularly those focused on community engagement and environmental sustainability, as strategic tools to improve their reputation, foster customer loyalty, and safeguard long-term profitability (Galhoz, 2024).

CSR continues to gain prominence in the modern business landscape, as organizations acknowledge the importance of aligning profit-making objectives with broader environmental and social responsibilities (Chung & Lee, 2022; Sorsa, 2024). In this study, CSR is conceptualized through four key dimensions that is economic, environmental, ethical, and philanthropic responsibility which collectively serve as the organizing constructs guiding the analysis. By integrating CSR within the frameworks of companies, businesses enhance corporate reputation, build stakeholder confidence, increase consumer loyalty, and attract investors through sustainable and ethical practices. Furthermore, Galhoz (2024) found that companies adopting CSR tend to gain competitive advantage by being more innovative and efficient in risk management and operations.

As global markets become increasingly integrated and stakeholder expectations evolve, CSR particularly across its four facets is no longer viewed as voluntary but stands as a strategic priority for resilience, sustainability, and societal impact.

Globally, CSR has emerged as a key driver of financial performance in the airline sector. In Spain, CSR programs such as community engagement and environmental conservation have attracted socially conscious travellers, boosted revenue, and reduced operational costs (Sorsa, 2024). In China, aligning CSR with national policies has enhanced profitability through government support and customer loyalty (Li & Xiong, 2023). Similarly, in Taiwan, CSR initiatives have improved operational efficiency and profitability, particularly for full-service carriers (Kao, 2022).

In Africa, CSR plays a growing role in enhancing airline performance. In Egypt, airlines like Egypt Air use CSR to strengthen brand trust, customer satisfaction, and loyalty, which drives profitability (Fathallah & Montaser, 2024). In South Africa, airlines invest in CSR programs focusing on environmental protection, education, and community empowerment to enhance reputation and competitiveness (Aigbavboa & Mkhize, 2023). Such initiatives improve customer relations, operational efficiency, and long-term sustainability across the region.

Corporate Social Responsibility in Ghana, Nigeria, and Rwanda is increasingly adopted to improve brand image and stakeholder confidence. For example, Air Peace in Nigeria engages in philanthropic activities like disaster relief and sponsorship programs, enhancing loyalty (Jinadu et al., 2024). Africa World Airlines in Ghana focuses on environmental sustainability and community development aligned with national goals (Asamoah & Yeboah, 2022). Similarly, Rwand Air promotes youth education and green aviation, improving efficiency and long-term viability (Ngabonziza, 2023).

Numerous studies have revealed that in Kenya Corporate Social Responsibility is positively connected to financial performance in different sectors. Edukon, Rotich, and Odongo (2023) linked CSR to stronger brand loyalty among blue-chip firms, while Kipchumba and Kwasira (2023) associated strategic CSR with higher profitability in textiles. Despite these findings, limited research focuses on Kenya's domestic airlines, which often lack structured CSR strategies and transparent reporting—creating a gap in understanding CSR's impact on profitability and competitiveness in this sector.

The domestic airline industry in Kenya operates in a challenging environment shaped by fluctuating fuel prices, regulatory demands, infrastructure constraints, and changing passenger expectations (Kimathi, 2024). Carriers like Jambojet, Fly540, Safarilink, and Kenya Airways' domestic division face high operational costs and post-COVID-19 recovery challenges (Otwane & Waithaka, 2025). These pressures highlight the need for CSR-driven strategies to enhance sustainability and stakeholder confidence (Kinyua & Kangai, 2024).

Kenya Airways, which offers both domestic and international operations, illustrates this landscape vividly. For the year ending December 2023, the airline reported an operational profit of KSh 10.5 B and a net profit of KSh 5.4 B in 2024, its first after-tax profit in over a decade (Kenya Airways, 2025). These gains are attributed to strategic cost-cutting, increased traffic, and CSR-aligned initiatives emphasizing environmental sustainability, community support, and ethical governance (Mumo, 2021).

Profitability and CSR are closely connected in this context. Socially responsible practices such as investments in education, health, and environmental protection build goodwill, reduce reputational risk, and strengthen stakeholder relationships (Kimathi, 2024). This fosters revenue growth, cost efficiency, and employee motivation, enhancing customer retention and competitiveness (Manyala & Mberia, 2021). Airlines integrating CSR into strategy gain regulatory goodwill, attract partnerships, and improve financial outcomes.

1.1.1 Corporate social responsibility

CSR is the ethical obligation of firms to aid in societal welfare beyond profit-making. Nahar and Khurana (2023) define CSR as a multifaceted concept encompassing philanthropic, ethical, legal and economic responsibilities. Massaro and Bagnoli (2022) outline CSR as a businesses' commitment to enhance community welfare via the distribution of corporate resources and voluntary business activities. According to Peinado-Vara (2022), CSR involves balancing environmental, social, and economic concerns in corporate operations and stakeholder interactions. According to Bannier, Bofinger and Rock (2022), CSR is a company's responsibility to ensure that its relationship with stakeholders is responsible so that a sustainable value creation can be achieved to both the society and the business.

The significance of CSR considering that it helps to build a better reputation of the business, increase customer loyalty, and engage employees (Peinado-Vara, 2022). CSR enables businesses to gain the confidence of the stakeholders hence sustaining their businesses. It is also critical towards risk management and exposure to legal punishments through ensuring ethical compliance (Massaro and Bagnoli, 2022). Besides, CSR projects contribute to social development by helping a community in charitable works and environmental protection, which results in a positive social change (Bannier et al., 2022). CSR brings about innovation, competitiveness, and also makes the companies part of the global effort to create sustainability in the society since corporate interests are aligned with the societal needs.

The other elements of CSR have been discussed in various studies. Hamad and Cek (2023) focused on the social, environmental, and economic views of CSR, emphasizing their combination in business activities. In the same manner, Barlas, Valakosta, and Brinia (2023) paid attention to CSR in regard to philanthropic, ethical, economic, and environmental duties and responsibilities with the focus on a wider outlook of corporate responsibility. An analysis conducted on different CSR practices including legal, social, ethical, economic, and philanthropic responsibilities conducted by Oluwakemisola (2025) demonstrates a holistic way of approach. Based on these researches this study explored CSR by relating it to four major components namely: economic, environmental, ethical and philanthropic.

1.1.2 Profitability

Profitability can be described as the ability of an organization to produce income when compared to the spending of funds and additional costs incurred within a given duration of time (Maung, Douglas & Tan, 2022). According to Wulandari and Roslina (2023), the concept of profitability is that of how best a firm can profit on its financial investments, assets, and operations. As Amaechi et al. (2022) have found, profitability is the measure of the financial wellness of an enterprise, which is assessed in terms of earning income in comparison with revenue, assets, equity, and costs. As Okan and Aksoy (2022) noted, profitability is the ability of an organization to produce returns on invested capital and is essential in knowing whether management strategies and operations are effective.

The profitability serves as a key measure that determines the long-term sustainability of a company financially. It is a ratio of income to expenses, assets and equity of a company, which is an important indicator of business efficiency and success in operation (Ichingwa & Kamau, 2025). Profitability helps organizations to reinvest in their operations, increase their market share and increase shareholder value. It is also necessary in attracting investors, financing and also in creating confidence among employees and stakeholders (Oluwakemisola, 2025). Furthermore, long-term profitability enables business to absorb market shocks, fund innovation and fulfilling their social and corporate responsibilities, therefore, ensuring further growth and competitiveness within the industry (Njoroge, 2023).

The studies conducted in different regions across the world have quantified airline profitability based on different financial metrics. Amaechi et al. (2022) have compared the profitability of domestic airlines using ROA and ROI. Likewise, Maung et al. (2022) determined the profitability of airlines by ROE and ROA. Huang, Hsu, and Collar (2021) used a wider method as they considered ROA, ROE, operating income margin and net profit margin. Consistent with these studies, this study that was undertaken used ROE and ROA to measure the profitability of domestic airlines in Kenya.

1.1.3 Domestic airlines

Kenyan local airlines contribute to the better connectivity of the country, economic development, and tourism (Ichingwa & Kamau, 2025). They offer very important connection between large cities and towns and remote places, where there are very little roads. The local airlines contribute to the growth of trade in the region, business, and travel faster through medical, educational, and social objectives (Kenya Civil Aviation Authority, 2024). Also, they contribute greatly to the tourism sector in Kenya as they are used to transport tourists to national parks, coastal resorts, and cultural amenities. These airlines promote the employment of people in aviation, logistics, hospitality, and travel services, which enhances the socio-economic growth of Kenya (Ochieng', Ayodo and Deya, 2023).

Kenyan domestic airlines are mainly regulated under the KCAA that ensures the safety and security of aviation and the quality of services (Kenya Civil Aviation Authority, 2024). It controls such airlines by licensing, checking compliance, standards of operation and periodic inspections. It holds jurisdiction over compliance with international airline standards, environmental standards, and passenger safety standards (Ochieng'Ayoda & Deya, 2023). Also, the ministry of Roads and Transport is involved in overseeing the policy making in the aviation sector. Using these regulatory action options, the domestic airlines must operate at a high standard of operation, deliver passenger safety, financial stability, and environmental responsibility in the vibrant Kenyan airspace.

There are currently 45 registered domestic airlines in Kenya with Kenya Airways being the dominant national carrier that controls about 45 percent of the domestic market. Budget airlines such as Jambojet and Fly540 control a total of approximately 35 percent of the market providing low-cost travel (Kenya Airports Authority, 2023). The remaining market share is taken by other niche airlines like the Safarilink and the East African Safari Air Express, which operate to remote destinations and safaris. Nevertheless, one of the greatest problems of the Kenyan domestic airline market is the increasing cost of operation caused by the volatility of fuel prices, high maintenance costs, and airport fees. Airlines such as Kenya Airways, Jambojet, and Fly540 are particularly affected as they struggle to balance profitability with affordable fares. Moreover, the devaluation of currencies increases the prices of aircraft renting, and spares. In addition, most of the local airlines are gradually integrating CSR in their business models, which emphasize on environmental preservations, education sponsorships, community health programs, and sustainable tourism methods to improve their corporate image and stakeholder expectations.

CSR is increasingly becoming an important issue in the airline sector, where airlines are facing pressure to control their economic, social and environmental effects. The new CSR initiatives by many of the Kenyan domestic airlines are based on environmental conservation, sponsorship of education, community health programs, and promoting sustainable tourism practices to improve corporate image, stakeholder expectations and national development objectives. However, despite these initiatives, there remains limited empirical evidence on how such CSR practices translate into measurable profitability outcomes, creating a conceptual basis for examining the link between CSR dimensions and the profitability of domestic airlines in Kenya.

1.2 Statement of the Problem

Domestic airlines in Kenya play a significant role in regional connectivity, tourism promotion, and national economic growth (Mumo, 2021). However, they face persistent challenges in maintaining profitability, a situation that worsened after the COVID-19 outbreak due to reduced passenger demand and cash flow constraints. Many airlines have adopted Corporate Social Responsibility (CSR) initiatives as strategic measures to enhance customer loyalty, brand reputation, and stakeholder trust with the expectation of improving long-term profitability. Despite this shift, the sector continues to experience financial strain. For instance, Kasomba and Omagwa (2020) report that Kenyan domestic commercial airlines incurred a net loss of Kshs 8 billion in 2020 compared to 7.1 billion in 2019, highlighting sustained profitability challenges within the industry. While CSR programs such as environmental conservation, community empowerment, and disaster relief have been implemented to align with governance and sustainability goals, their actual contribution to financial recovery remains unclear. Prior studies in Kenya, including those by Kipchumba and Kwasira (2023) and Edukon, Rotich, and Odongo (2023), have examined CSR and firm performance in sectors such as textiles and blue-chip companies, yet none have empirically focused on the domestic airline industry, which faces unique operational and financial dynamics. This study therefore sought to investigate the influence of Corporate Social Responsibility on the profitability of domestic airlines in Kenya, addressing this evident empirical gap in the aviation sector.

1.3 Objectives of the Study

1.3.1 General objective

The general objective of the research was to investigate the influence of corporate social responsibility on the profitability of domestic airlines in Kenya

1.3.2 Specific objectives

The specific objectives of the study were;

i. To establish the influence of economic corporate social responsibility on the profitability of domestic airlines in Kenya
ii. To examine the influence of environmental corporate social responsibility on the profitability of domestic airlines in Kenya
iii. To determine the influence of ethical corporate social responsibility on the profitability of domestic airlines in Kenya
iv. To establish the influence of philanthropic corporate social responsibility on the profitability of domestic airlines in Kenya

1.4 Research Questions

i. What is the influence of economic corporate social responsibility on the profitability of domestic airlines in Kenya?

ii. How does environmental social corporate responsibility influence the profitability of domestic airlines in Kenya?

iii. To what extent does ethical social corporate responsibility influence the profitability of domestic airlines in Kenya?

iv. What is the influence of philanthropic corporate social responsibility on the profitability of domestic airlines in Kenya?

1.6 Significance of the Study

The findings of this study were valuable to various stakeholders, including airline managers, policymakers, regulators, and researchers. To Kenyan domestic airline management, the research provided insights into how the four CSR dimensions; economic, environmental, ethical, and philanthropic affect profitability, enabling managers to strategically align CSR initiatives with business objectives to enhance sustainability and competitive advantage. These insights may help guide decisions on resource allocation, corporate image, customer loyalty, and stakeholder engagement to strengthen long-term profitability.

For policymakers and regulatory bodies such as the Kenya Civil Aviation Authority (KCAA), the study offered evidence-based guidance for formulating policies and frameworks that promote responsible CSR practices, encouraging sustainable operations and financial stability within the aviation sector. For academicians and researchers, the study provided a foundation for further empirical exploration of CSR–profitability linkages in the aviation context and contributed to theory development by reinforcing the applicability of the Social Contract Theory and the Triple Bottom Line framework in explaining how social responsibility supports economic performance. The findings enriched existing literature and offered reference material for future studies and postgraduate research in CSR, profitability, and sustainability.

1.7 Scope of the Study

The research aimed to examine the influence of corporate social responsibility on the profitability of domestic airlines in Kenya. The research's focus was on 4 CSR's elements, which included economic, environmental, ethical and philanthropic. This study was conducted in Kenyan domestic airlines. As per KCAA (2024), Kenya had eighteen domestic airlines. The units of observation were the Heads of Departments in corporate affairs/ CSR, finance, information and communication technology, marketing and communication, strategy/business development, operations, human resources, procurement, and customer service. Thus, the target population included 162 heads of corporate affairs/ CSR, finance, information and communication technology, marketing and communication, strategy/business development, operations, human resources, procurement, and customer service departments in the 18 Kenyan domestic airlines. The study was undertaken between July 2025 and October 2025.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter gives a comprehensive literature review pertinent to the research. It starts with the theoretical framework, which discusses key theories that serve as a basis for the research. The chapter also addresses the empirical review, which examines past research on the effects of ethical, environmental, economic and philanthropic social responsibility dimensions on profitability. Furthermore, the chapter outlines the conceptual framework that highlights the link between research variables. Also, it provides the operationalization of study variables, which describes the manner in which each variable will be assessed and analyzed in the research.

2.2 Theoretical Framework

This is defined as a set of systematic ideas that can provide a platform on which a researcher can explain the relationship between variables (Schindler, 2021). It also directs the research because it provides a lens in which the problem is examined and assists in making a sense of findings using existing theories. The theory of social costs, social contract and triple bottom line theory was the basis of this research.

2.2.1 The theory of social costs

The Theory of Social Costs was established in the seminal work by Karl William Kapp, a German economist, in 1950, the book entitled The Social Costs of Private Enterprise. According to Kapp, most economic activities, especially those of a private enterprise, have undesirable side effects known as social costs that are not incurred by the businesses but transferred to the society (Gatto, 2020). These are environmental degradation, health concerns of the people, and only the socio-economic inequalities. The theory condemns the inability of the market to capture these externalities and emphasizes the tendency of uncontrolled profit maximization to harm social welfare (Oehmke and Opp, 2025). Kapp highlighted the necessity of institutional interventions and corporate responsibility to internalize these external costs, and, in this way, make economic development to serve the larger interests of society. In the context of this study, the theory suggests that when airlines internalize social costs through CSR activities such as reducing emissions, improving worker welfare, or supporting community initiatives they convert potential external costs into strategic investments that enhance efficiency and profitability.

There are several assumptions on which the Theory of Social Costs is founded. The theory presupposes that unregulated private enterprises are mainly driven by profit interests, which will push the costs off them to minimize the operational costs (Stafford & Kuiper, 2021). The second assumption of the theory is that markets are simply unable to consider all social and environmental impacts of business practices, which distort pricing and cause inefficiency. The social costs theory assumes that the internalization of social costs would not occur by firms unless through the institutional or policy intervention like regulation or the CSR. The theory will also assume that these externalities are not random but regular (Barauskaite and Streimikiene, 2021). This implies that integrating CSR as a self-regulatory mechanism enables firms to manage these predictable externalities, reducing future financial risks and improving long-term profitability through cost savings and enhanced brand equity.

Social costs theory has been quite popular in the discipline of scholarly discourse in the fields of economics, business ethics, and environmental management. Gatto (2020) used the theory as an example to criticize how capitalist systems tend to disregard the net social and environmental effects of corporate conduct, where stricter regulatory frameworks and social business conduct are needed to externalize these externalities. Similarly, Javed et al. (2020) applied the theory to demonstrate that positive impact on the degree of negative externalities helps ethical CSR to mitigate the threat of corporate legitimacy, trust toward the company, and long-term performance. These studies collectively support the economic rationale that CSR-driven reduction of external costs translates into improved corporate image, stakeholder confidence, and ultimately financial gains—key aspects of profitability for domestic airlines.

The social costs theory is a solid conceptual basis through which the issue of CSR on the Kenyan domestic airlines' profitability can be examined. Multiple externalities in the aviation industry are connected with the environmental pollution, noise, safety, and labor concerns (Adam and Mose, 2025). According to the theory, inefficiencies arise when airlines fail to address these issues, leading to social costs borne by communities or governments. However, when airlines proactively absorb such costs through CSR initiatives (e.g., employee development, environmental sustainability, and community outreach), they not only reduce regulatory and reputational risks but also enhance operational efficiency and customer satisfaction, which directly improve profitability. Consequently, it is possible to increase customer satisfaction, raise regulatory adherence, and create a strong corporate image, which ultimately leads to positive performance outcomes (Mutie & Muli, 2024).

This research sought to explore how CSR affects the profitability of Kenyan domestic airlines, and the Theory of Social Costs directly aligns with this objective (Kimathi, 2024). As it is explained, incorporation of CSR in business activities is not only morally right but also strategically beneficial. By internalizing social costs through CSR, airlines transform potential economic liabilities into sources of value creation, achieving both societal welfare and profit maximization. Conversely, failure to perform these tasks can result in damage to reputation, criminal charges, and loss of customers (Otwane, & Waithaka, 2025). In this way, the theory provides a strong analytical framework to determine whether the CSR practices by domestic airlines result in a higher performance of the organization by minimizing the externalities and enhancing the value-generation in the long-term.

2.2.2 Social contract theory

The theory traces its origins to political philosophy. During the 17th and 18th centuries, Thomas Hobbes, John Locke, and Jean-Jacques Rousseau contributed to the theory greatly (Linderborg, 2024). According to the theory, personnel agree, either implicitly or explicitly, to forfeit some of their freedoms and submit to authority in exchange of the remaining rights (Stott, West and Harrison, 2020). This theory has in the corporate setting developed to describe the relationship between organizations and the society. It implies that companies are governed by a tacit agreement with the society, according to which they are given legitimacy and resources access in exchange of performing activities that are beneficial to society. From an economic standpoint, fulfilling this "social contract" through CSR enables firms to maintain legitimacy and stakeholder confidence, which translates into customer retention, stronger brand equity, and stable revenue streams. Conversely, breaching this contract by engaging in irresponsible practices can increase regulatory costs, damage reputation, and reduce profitability (Korn et al., 2020).

The social contract theory is grounded on a number of assumptions. It is founded on the assumption that the society within which an organization operates gives it the legitimacy and power in the form of mutual and changing expectations (Kirchmair, 2023). It assumes implicit contract between corporations and stakeholders based on which the further approval of society depends upon the practices of the organization and its donations to the social good. This theory underlines that enterprises must not only comply with the law, but they should also adhere to ethical norms, as well as be responsible (Linderborg, 2024). When companies break such expectations by polluting the environment, exploiting their employees or failing to meet the needs of communities they are likely to lose their social license to be in operation or get sanctions. In economic terms, maintaining this social license through CSR activities such as environmental conservation, fair labor practices, and community engagement helps firms mitigate operational risks, attract investor confidence, and sustain profitability over time. Social expectations are considered dynamic as well, and the corporate responsiveness and accountability should be constant.

The social contract theory has applied broadly in the political science, civic policy, and organization studies to comprehend the association between the institutions and the people. As an illustration, Loewe, Zintl, and Houdret (2021) used the theory to understand how authoritarian governments provide economic gains and necessities to ensure political stability by exchanging them with political compliance and limited civic rights. In their argument, this implicit social contract is weakened when governments cannot live up to the expectation of people leading to the social unrest and decline in legitimacy. They find that inclusive and accountable governance is important. In the same way, Gillberg (2023) criticized the exclusionary institutional practices according to which the inability of organizations to adhere to the principles of fairness, inclusion, and equity could result in the violation of the social contract, resulting in loss of societal trust. Translating this into a corporate context, organizations such as airlines that honor the social contract by delivering environmental stewardship, fair treatment of employees, and social value can enhance their legitimacy, strengthen customer loyalty, and improve financial outcomes through sustained patronage and positive public perception.

This study sought to explore the influence of corporate social responsibility on Kenyan domestic airlines' performance, and Social Contract Theory directly supports this objective. The theory describes that the prosperity of an airline is not merely determined by financial policies that the airline has but also whether it is able to satisfy the changing demands of the society. CSR serves as a means of meeting the social contract by regulating such critical matters as issues of community involvement, environment, and workers well-being (Kariuki & Bett, 2021). When airlines actively uphold this contract, they create social goodwill that leads to market preference, higher ticket sales, and reduced reputational risks—factors that improve profitability. Therefore, the theory has a robust conceptual model to evaluate whether CSR practices can affect the performance of the organization by ensuring it does not affect the relationship with the society in a negative manner.

Social Contract Theory provides an appropriate lens for analyzing how CSR influences Kenyan domestic airlines' profitability. The operational environment of these airlines demands public trust, customer safety, and environmental responsibility (Makau & Nyangau, 2022). By honoring the social contract through CSR initiatives such as supporting local communities, reducing carbon emissions, and investing in employee welfare, airlines can lower regulatory friction, build customer loyalty, and achieve operational efficiency all of which enhance profitability. Conversely, failure to meet these obligations may result in consumer boycotts, government penalties, or reduced market competitiveness. Thus, the theory presents an economic rationale showing that maintaining the social contract through CSR not only fulfills ethical obligations but also contributes directly to financial sustainability and long-term performance.

2.2.3 Triple bottom line theory

The Theory was formulated by John Elkington in 1994 as a framework for measuring organizational success beyond traditional financial performance. The theory asserts that real business sustainability should consider three interdependent dimensions: profit, people, and planet which together determine long-term organizational viability (Ifeanyi, Azubike & Iormbagah, 2020). This implies that organizations must aim at providing economic, social, and environmental value simultaneously. Elkington suggested that companies which ignore social and environmental issues may achieve short-term financial gains but face long-term decline. By contrast, firms integrating CSR activities that reduce waste, improve employee welfare, and support community projects not only fulfill ethical obligations but also lower operational costs, enhance productivity, and strengthen customer loyalty; key drivers of profitability. The TBL approach therefore shifts the focus of performance measurement from a purely financial lens to a holistic model that embeds sustainability into strategy and operations for long-term value creation (Srivastava, Dixit & Srivastava, 2022).

The TBL Theory emphasizes balancing economic, environmental, and social performance and has become widely adopted in sustainability and corporate governance research. For example, Sebele-Mpofu (2020) used the TBL framework to explore integrated reporting among African firms, concluding that transparency in social and environmental impact reporting increases stakeholder trust, accountability, and decision quality. Similarly, Conlon et al. (2020) applied TBL to show that companies embedding CSR into core operations such as energy efficiency and equitable employment benefit economically through cost savings, enhanced brand reputation, and investor confidence. These findings demonstrate that CSR-driven adherence to TBL principles can produce tangible financial returns through operational efficiency and customer retention.

In existing literature, the TBL framework has been applied across manufacturing, transport, retail, and hospitality sectors to assess how organizations address environmental issues, promote social welfare, and maintain financial sustainability (Ozturkoglu, Sari & Saygili, 2021). Research consistently shows that firms implementing TBL-based CSR practices experience enhanced efficiency, reduced resource wastage, and higher profitability. For instance, sustainable waste management and fair labor practices lead to lower turnover costs and improved market competitiveness. Thus, the TBL theory provides an economic justification for CSR by showing that socially and environmentally responsible actions translate into long-term cost savings and increased financial performance (Bui & Filimonau, 2021).

This study aimed to evaluate how CSR impacts the profitability of Kenyan domestic airlines, and the Triple Bottom Line Theory provides a solid conceptual foundation for this analysis. The theory asserts that CSR should not be treated as philanthropy but as a strategic investment (Kariuki & Bett, 2021). When airlines align their operations with the TBL dimensions addressing environmental conservation (planet), community and employee welfare (people), and financial performance (profit), they create synergistic benefits that enhance innovation, customer loyalty, and operational resilience. Economically, such integration reduces compliance costs, strengthens market reputation, and drives consistent revenue growth, thereby improving profitability. Therefore, the theory supports the study’s focus on CSR as a pathway to achieving sustainable profitability in Kenya’s competitive aviation sector.

The TBL Theory also provides a useful lens for examining the link between CSR and profitability among Kenyan domestic airlines. Key CSR-related factors such as carbon emission reduction, energy efficiency, community development, and employee empowerment contribute directly to cost reduction, productivity, and revenue generation (Bor & Nyadianga, 2024). By incorporating the three TBL pillars into their CSR strategies, airlines enhance sustainability, regulatory compliance, and stakeholder confidence. Hence, this integration yields measurable economic outcomes, including reduced fuel and maintenance costs, increased passenger loyalty, and improved financial stability. Thus, the TBL theory not only supports CSR from a sustainability viewpoint but also establishes a clear economic rationale for how socially and environmentally responsible practices contribute to profitability and long-term competitiveness.

2.3 Empirical Review

This part discusses the literature on how philanthropic, ethical, environmental and economic influence profitability.

2.3.1 Economic social responsibility and profitability

Murtaza and Javed (2023) undertook examined the correlation between economic social responsibility and the sustainable financial performance of SMEs in Pakistan. The study targeted owners and managers within the country's manufacturing sector. Findings indicated that economic social responsibility positively and substantially impact the financial performance of SMEs. However, the research was restricted to Pakistan a context that vary from Kenya in regard to economic environment, regulatory frameworks, and industrial dynamics therefore limiting the applicability of the results to the Kenyan context. In addition, the research centered on the manufacturing industry, whereas this research was centered on the aviation industry.

Dela and Berhe (2024) analyzed the effect of economic social responsibility in relation to financial performance of highly polluting international and national firms operating in Indonesia. The research applied a quantitative research framework, acquiring data from 238 companies utilizing both secondary and primary sources. Results indicated that economic social responsibility positively and substantially affected financial performance. However, the research was undertaken in Indonesia a more advanced economy in relation to Kenya that may limit the generalization of its outcomes to the Kenyan context. Moreover, the study specifically examined financial performance as the response variable, which differs from the profitability construct used in this study.

Ayoola, Suleiman, and Aliu (2024) explored on how economic dimensions of CSR impacts performance of Nigerian publicly listed consumer goods firms. The research adopted a non-survey framework and focused on all manufacturing firms traded on NSE. Secondary data were acquired from NSE fact books covering the period 2014–2023. The results showed that return on equity (ROE) and economic responsibility had a significant, positive association. Nonetheless, the research was carried out in Nigeria—a nation with various economic, regulatory, and industry dynamics compared to Kenya. Moreover, the focus on quoted consumer goods companies limits the generalizability of the findings to domestic airlines, which operate under distinct market structures and performance drivers.

Oyedeko, Fadare, and Samson (2023) investigated how economic social responsibility affected the profitability of Nigerian deposit money banks. The research applied a survey research framework and targeted deposit money banks that are duly registered and operational within Nigeria. Primary data were acquired via administered questionnaires. The results stated that economic responsibilities positively and substantially affect the profitability of these banks.

Nonetheless, the research focused on the banking sector, where profitability metrics differ significantly from those applicable to domestic airlines in Kenya. Additionally, while the research utilized a survey framework, this research utilized a descriptive research framework.

Kung'u (2021) examined how Kenyan commercial government-owned companies' corporate image was affected by economic social responsibility. The investigation was grounded in a positivist research paradigm and targeted three senior-level managers from each commercial and financial government-owned entity. Data were gathered utilizing a structured questionnaire. The results illustrated a strong positive connection between corporate image and economic social responsibility. However, the study focused on corporate image within government-owned businesses, which differs from this study's emphasis on organizational performance regarding domestic airlines.

Rop and Kabui (2023) investigated how economic social responsibility affected the long-term expansion of big-box stores in Kenya. The research applied a descriptive research framework focusing on and targeted semi-structured questionnaires. The results stated that economic social responsibility has a strong, positive, and statistically substantial correlation with sustainable growth. However, the study was limited to large supermarkets, making it hard to generalize the findings to domestic airlines. Additionally, while the research centered on sustainable growth as the response variable, this research examines profitability.

The reviewed studies consistently indicate that economic social responsibility enhances various aspects of firm performance suggesting that economically responsible practices can improve stakeholder trust, operational efficiency, and ultimately profitability. However, inconsistencies exist in how performance is measured, with most studies focusing on broader constructs such as financial performance, ROE, or sustainable growth rather than direct profitability. Methodologically, many prior studies employed sector-specific or non-comparative designs, limiting generalization across industries. Contextually, most were conducted outside Kenya or within unrelated sectors such as manufacturing and banking, creating a gap in understanding how economic CSR affects profitability in Kenya's aviation sector. Therefore, this study bridges both the contextual and methodological gaps by focusing on domestic airlines in Kenya and by directly examining profitability as the dependent variable.

2.3.2 Environmental social responsibility and profitability

Makhdoom et al (2023) evaluated the link between ECSR and corporate financial performance in China. The research applied a survey research framework and targeted 206 manufacturing firms. Data were gathered utilizing structured questionnaires. The research demonstrated a positive link between ECSR and firm performance. Nevertheless, the research was confined to manufacturing firms in China, which may impact the generalization of its findings to domestic airlines in Kenya. Moreover, while the research centered specifically on corporate financial performance, this research adopted profitability as its key performance indicator.

Nguyen and Vien (2023) examined the connected between ECSR and firm performance in the tourism industry in Central Vietnam. The research utilized a quantitative framework and targeted 221 managers of tourism firms. Data were acquired via structured questionnaires. The results showed that ECSR positively influences firm performance. Nonetheless, the research was confined to tourism firms in Vietnam, making it difficult to generalize the outcomes to Kenya's domestic airlines. Additionally, while the research addressed both environmental and firm performance, this study focuses exclusively on profitability. Furthermore, the research employed a quantitative research framework, while this research employed a descriptive research framework.

Ofogbe et al. (2021) explored the impact of ECSR on the Nigerian oil and gas firms' performance. The study utilized annual panel data from 55 oil companies operating in upstream, midstream, and oil servicing segments, covering the duration from 2010 to 2019. The outcomes indicated that ECSR has a substantial connection with organizational performance. Nonetheless, the research was confined to Nigeria, a nation with economic, regulatory, and industry conditions that differ from the Kenyan context, which may restrict how broadly the results can be applied.

Njau and Kimencu (2020) looked on how Geothermal Development Company Limited's performance in Kenya was affected by environmental social responsibility. The research applied a descriptive research methodology directed to 1,081 employees of the company along with 100 community representatives. The findings indicated that environmental social responsibility substantially influence organizational performance. However, the study was restricted to a state-owned geothermal energy company, which differs in structure and operational context from domestic airlines.

Mwangi and Ouma (2024) examined the effect of environmental CSR initiatives on the financial performance of Kenyan telecommunication firms. The research employed a correlational research design focusing on 6,597 staff from Telkom Kenya, Airtel Kenya and Safaricom with employee distributions of 3,859, 1,694, and 1,044 respectively. Data were collected through appropriate methods aligned with the correlational design. The findings showed a positive and substantial connection among environmental CSR programs and financial performance. However, the research was confined to the telecommunication sector, which differs in structure and performance indicators from domestic airlines. In addition, the study utilizes correlational research framework while this research uses a descriptive research framework.

Bosire (2024) explored the effect of environmental CSR on the financial performance of Kenyan KTDA managed industries. The investigation applied an explanatory research framework targeting all 67 KTDA-managed factories across seven regions as of December 2022. Data were gathered using structured questionnaires and secondary data for financial performance and firm size covering the period 2017–2021. The findings displayed that financial performance was positively and substantially impacted by environmental CSR. However, the study focused on KTDA managed industries, which differ significantly from domestic airlines in terms of operations and performance metrics. Additionally, while the research adopted an explanatory study model, the present research utilized a descriptive research framework.

Manyala and Mberia (2021) investigated the link between Environmental Corporate Social Responsibility practices and the image of the aviation industry in Kenya. To attain this, the researchers adopted a descriptive research framework. Data gathering was carried out using structured questionnaires. The outcomes revealed that all three communication strategies studied—self-centered, mediated, and dialogic communication strategies—had a positive connection with the public perception of the aviation industry in Kenya when used to communicate Environmental CSR activities. Among these, the dialogic communication strategy had the most significant influence, suggesting that aviation organizations that engage the public in two-way, responsive communication regarding their environmental initiatives, such as sustainability programs, carbon footprint reduction, and eco-friendly practices, are more likely to build stronger reputations and gain public trust. However, the response variable was reputation of the aviation industry, which is differs from profitability of airlines.

These studies consistently demonstrate that ECSR contributes positively to various indicators of firm success including financial performance, growth, and reputation which are conceptually linked to profitability. Firms that invest in environmentally responsible practices often realize operational efficiencies, lower compliance risks, and improved stakeholder trust, all of which enhance profitability in the long term. However, inconsistencies arise from differences in how performance is measured (financial performance, firm performance, reputation) and across diverse industry and country contexts. Methodologically, many prior studies relied on survey or correlational designs. Contextually, most research has focused on sectors such as manufacturing, energy, and telecommunications, with minimal evidence from Kenya's domestic airline industry. This study therefore fills both the contextual and methodological gaps by examining how environmental CSR affects the profitability of domestic airlines in Kenya.

2.3.3 Ethical social responsibility and profitability

Shareef (2023) investigated the connection between perceived ethical corporate social responsibility and organizational performance. The research targeted employees in the service industry within the Iraq's Kurdistan Region, involving those working in property organizations, real estate, banks and hotels. Data were collected using questionnaires. The findings revealed that ESCR is substantially connected with organizational performance. Nevertheless, the study was undertaken in Iraq, a nation with distinct economic, regulatory, and cultural conditions relative to Kenya, which may affect the applicability of its findings. Furthermore, the research centered exclusively on the service industry, whereas the present research targets domestic airlines.

Duo-Duo (2025) examines the association between financial success and social responsibility among publicly traded oil and gas companies in Nigeria's Niger Delta between 2018 and 2022. The research applied an ex post facto study framework and applied secondary data acquired from audited annual reports available on the firms' websites, including the Nigeria Exchange Group Fact Book dated December 30, 2023. Findings indicated that ethical social responsibility was substantially linked with ROA and EPS of the listed firms. However, since the research was undertaken in Nigeria, its outcomes may not be fully generalizable to the Kenyan context because of variations in regulatory environments, industry characteristics, and socio-economic conditions. Additionally, the use of an ex post facto framework contrasts with the descriptive research approach proposed in the current study.

Kariuki and Bett (2021) evaluated a study on the impact of ethical responsibility on the performance of firms traded on NSE in Kenya. The study used descriptive research approach and sampled 200 employees comprising section heads and top management of 64 companies that were sampled. The information was collected with the help of structured questionnaires. The findings showed that ethical responsibility was seen to have significantly affected firm performance. However, the research centered on NSE's listed companies only, which restricts the extension of the results to domestic airlines.

Tulcanaza-Prieto et al. (2020) examined the link between ethical social responsibility (CSR) activities and corporate performance in the Ecuador's banking sector. The stakeholders used by the research were in the banking industry and a self-centered web-based questionnaire was used in measuring non-financial performance and ROA and ROE as financial performance proxies. Th results revealed a substantial link between ethical responsibilities and on financial and non-financial corporate performance like, customer brand trust, loyalty, perceived quality and customer satisfaction. Nonetheless, the research was undertaken in the Ecuadorian setting, which differ with Kenya in regard to institutional setup, customer relations, and the financial sector, among other factors, and thus, the generalizability of the results is limited. Also, study has used both non-financial and financial performance metrics a part of which the current research only concentrates on profitability as the only performance measure.

Edukon, Rotich, and Odongo (2023) undertook a research to investigate the effects of ethical responsibility on Kenyan blue-chip companies' performance. The research adopted a descriptive methodology and targeted leading companies in the telecommunication, aviation, oil, banking and fast-moving consumer goods industries. Data were collected using structured questionnaires. The results revealed that ethical responsibility positively influences the performance of blue-chip companies. Nonetheless, the research focused on blue-chip firms, which vary from domestic airlines in regard to market dynamics, structure, and operational scope, thereby restricting the application of the results to this research context.

Kipchumba and Kwasira (2023) explored on the influence of ethical CSR on the performance of the textile industry in Eldoret Town. The research applied a descriptive methodology focusing 10 textile firms operating within the town. Findings indicated that ethical responsibility positively and substantially performance of the textile industry. Nevertheless, the study was limited to the textile industry, which differs from the domestic airline industry in terms of operational structure, customer expectations, and regulatory environment, thereby restricting the application of the results to this study context.

These studies consistently demonstrate that ethical CSR positively influences firm performance, primarily through mechanisms that enhance stakeholder trust, corporate reputation, and customer loyalty, all of which indirectly boost profitability. Metrics such as ROA, ROE, and EPS used in these studies represent profitability indicators that capture a firm's efficiency in generating profit relative to assets and equity, making them conceptually aligned with the dependent variable in this study. However, variations in study contexts (banking, manufacturing, and service sectors) and methodologies (survey, ex post facto, and descriptive designs) highlight inconsistencies and contextual gaps in understanding how ethical CSR specifically influences profitability within Kenya's domestic airline sector. This study therefore bridges these methodological and contextual gaps by directly examining the influence of ethical CSR on profitability among domestic airlines in Kenya, providing sector-specific empirical insights into the economic implications of ethical responsibility.

2.3.4 Philanthropic social responsibility and profitability

Jarwan et al (2022) analyzed the impact of philanthropic CSR on dimensions of customer loyalty, including knowledge loyalty, behavioral and attitudinal among customers of Jordanian food product organizations. The study targeted a sample of customers within this sector and employed an analytical descriptive methodology. Data were gathered via a structured questionnaire as the primary instrument for testing hypotheses and addressing the research questions. Findings indicated a partial positive effect of philanthropic responsibility on customer loyalty. However, the research was performed in Jordan a context that differs from Kenya in regard to consumer behavior, market dynamics, and cultural expectations therefore limiting the applicability to the Kenyan context. In addition, the research centered specifically on customer loyalty, while the current research centered on profitability.

Mekonnen (2024) examined the effect of philanthropic responsibility on profitability within the context of Abay Bank S.C. The research utilized both descriptive and explanatory research designs and gathered data via questionnaires. Results indicated that the bank's philanthropic CSR practices positively and significantly impacted profitability. However, research was performed in the banking sector, which differs significantly from the aviation sector in structure, operations, and performance metrics. In addition, while the research utilized both descriptive and explanatory designs, the current study employs a descriptive design exclusively. Similarly, Kahuthu (2023) undertook research to assess the relationship between CSR philanthropy and the financial performance of Kenyan regulated forex brokers using both correlational and descriptive study designs. Findings showed that there was a statistically significant linear relationship between CSR philanthropy and financial performance. Nevertheless, although the study incorporated both descriptive and correlational designs, the present study involved a descriptive approach only and focuses on profitability rather than general financial performance.

Inegbedion et al. (2022) explored on the effect of corporate philanthropy on firm performance using Dangote Nigeria as a case example. A case study approach was adopted, and qualitative methods were employed for data collection. The outcomes displayed that business performance was substantially improved by corporate philanthropy initiatives like COVID-19 interventions, infrastructure development, and entrepreneurial training. Nonetheless, the study centered solely on a single multinational company, that may limit the applicability of the results. In addition, while the research applied a qualitative case study approach, this research employed a descriptive research framework.

Ciroma (2025) investigated the connection between academic staff development and PCSR. A cross-sectional framework was adopted, and data were acquired using a 5-point Likert scale. The study targeted academic staff members. The results showed that PCSR positively and substantially impacted key areas of academic staff development, including teaching administration and research. However, the study was bound to the Nigeria context, that may restict its applicability to corporate environments such as domestic airlines. Moreover, while the research centered on academic development, the present research examined profitability.

Madzengo and Kising'u (2025) examined the influence of philanthropic social responsibility on the performance of Kenyan telecommunication industries. The study utilized a correlational cross-sectional survey research framework targeting on managers from 37 telecommunication firms. Primary data were acquired via self-administered, structured questionnaires. The results displayed that philanthropic responsibility had a positive and substantial connection with firm performance. However, while their study employed a cross-sectional framework, this research adopted a descriptive research framework.

Mumo (2021) investigated the connection between philanthropic Corporate Social Responsibility and the performance of Kenyan operating airlines. A descriptive research framework was used. Self-administered questionnaires were applied to acquire data. The research revealed that philanthropic CSR is an essential area of focus for airlines operating in Kenya. Respondents strongly agreed that their respective airlines are actively involved in philanthropic initiatives intended for contributing to the well-being of the communities they serve. These activities include supporting education programs, sponsoring health-related campaigns, participating in environmental conservation efforts, and funding sports and youth development programs. However, the research assessed performance regarding markets share and customer satisfaction, for this research, the response variable was profitability.

These studies consistently show that philanthropic CSR positively contributes to firm success by enhancing corporate reputation, customer loyalty, and stakeholder trust, which in turn promote profitability. However, methodological differences exist, the studies used varied designs such as qualitative, case study approach, descriptive, correlational, and explanatory approaches, which limit comparability across industries. Contextually, most research was undertaken outside Kenya or in unrelated sectors, thereby restricting their applicability to domestic airlines. Nonetheless, few studies have directly assessed philanthropic CSR's impact on profitability as a specific construct. This study fills that gap by examining the influence of philanthropic CSR on profitability within Kenyan domestic airlines, thereby offering contextual and methodological advancement in understanding how CSR-driven goodwill can enhance financial outcomes.

Table 2. 1: Research Gaps

Authors	Study	Methodology	Main Findings	Gaps
Murtaza and Javed (2023)	Link between economic social responsibility and sustainable financial performance of SMEs in Pakistan.	Survey of owners/managers in manufacturing SMEs.	Economic CSR positively impacts SME financial performance.	Conducted in Pakistan, which has different economic and regulatory conditions. Focused on manufacturing sector, not airlines.
Oyedeko, Fadare, and Samson (2023)	Effect of economic CSR on profitability of Nigerian banks.	Survey research; primary data from banks.	Economic responsibilities significantly and positively affect profitability.	Focused on the banking sector with different profitability metrics than aviation. Study context differs from Kenyan aviation industry.
Kung'u (2021)	Economic CSR's impact on Kenyan government-owned companies' corporate image.	Positivist paradigm; survey of senior managers.	Strong positive connection between economic CSR and corporate image.	Focused on government-owned entities and corporate image, not profitability or airlines.
Rop and Kabui (2023)	Impact of economic CSR on sustainable growth of supermarkets in Kenya.	Descriptive methodology with semi-structured questionnaires.	Economic CSR is strongly and significantly correlated with sustainable growth.	Focused on large supermarkets, not airlines. Studied sustainable growth rather than profitability.

Nguyen and Vien (2023)	Assessed ECSR and performance in Vietnam's tourism sector.	Quantitative design using structured questionnaires from 221 tourism firm managers.	Found ECSR positively influences firm performance.	Confined to Vietnam's tourism industry; dependent variable was general performance, not profitability; design differs from current study.
Mwangi and Ouma (2024)	Examined ECSR and financial performance of Kenyan telecoms.	Correlational design with 6,597 employees from telecom firms.	Positive relationship between ECSR and financial performance.	Telecom sector differs from aviation industry in operations and KPIs; different research design.
Bosire (2024)	Studied impact of environmental CSR on KTDA-managed factories.	Explanatory design with data from 67 factories.	Environmental CSR positively impacts financial performance.	Focused on tea industry; operational context and metrics differ from aviation; design mismatch.
Manyala and Mberia (2021)	Relationship between ECSR communication and reputation of Kenyan aviation firms.	Descriptive design using structured questionnaires.	Dialogic communication of ECSR boosts industry reputation.	Dependent variable was reputation, not profitability; did not directly assess ECSR's financial impact.
Shareef (2023)	Investigated the link between perceived ethical CSR and organizational undertaken in Iraq's service industry.	Questionnaire survey targeting employees in service firms in Kurdistan Region of Iraq.	Ethical CSR is positively and substantially connected with organizational performance.	The investigation was carried out in Iraq, with different cultural and economic contexts from Kenya. It also focused on general service firms, not airlines.

Duo-Duo (2025)	Examined the link between ethical CSR and financial performance (ROA, EPS) in Nigeria's oil and gas sector.	Ex post facto framework via secondary data from annual reports (2018–2022).	Ethical CSR significantly influenced ROA and EPS of listed firms.	The study centered on Nigerian oil and gas companies; findings may not generalize to the aviation industry in Kenya.
Kariuki and Bett (2021)	Studied how ethical responsibility affected the performance of Kenyan companies listed on the NSE.	Descriptive design using structured questionnaires from 200 employees across 64 companies.	Ethical responsibility had a substantial effect on firm performance.	The research only covered listed companies, not domestic airlines.
Kipchumba and Kwasira (2023)	Investigated ethical CSR and performance in the textile sector in Eldoret, Kenya.	Descriptive survey targeting 10 textile firms.	Ethical responsibility had a substantial positive effect on performance.	Focused on the textile sector in a single town; not applicable to Kenya's national airline industry.
Jarwan et al. (2022)	Impact of philanthropic CSR on customer loyalty in Jordanian food product organizations.	Analytical descriptive methodology using structured questionnaires.	Philanthropic CSR had a partial positive effect on customer loyalty dimensions (knowledge, behavioral, and attitudinal).	Conducted in Jordan; findings may not generalize to Kenya. Focused on customer loyalty, not profitability.

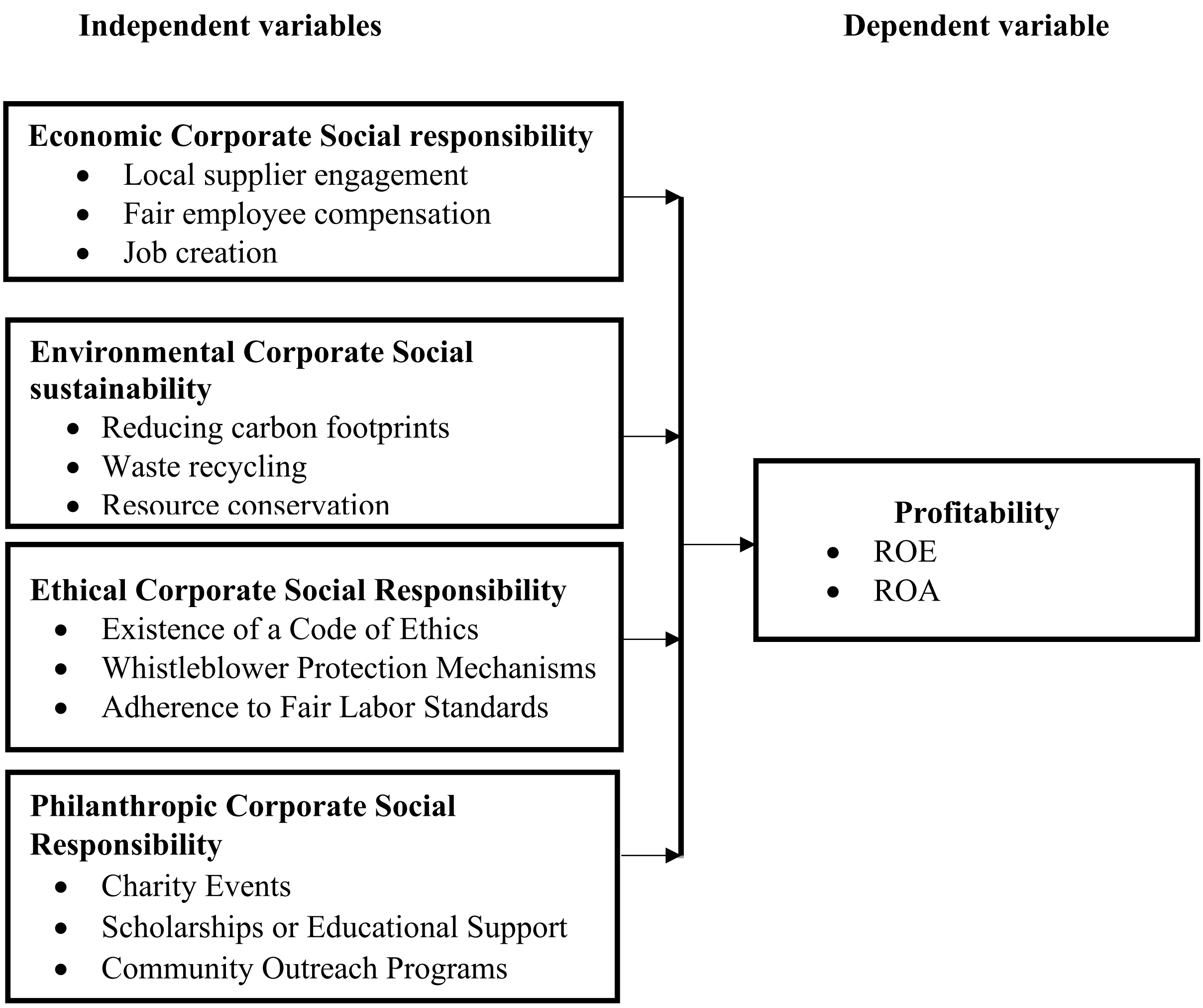
Mekonnen (2024)	Effect of philanthropic responsibility on profitability of Abay Bank S.C.	Descriptive and explanatory research designs using questionnaires.	Philanthropic CSR positively and significantly impacted bank profitability.	Focused on the banking sector in Ethiopia, not the aviation sector; used a mixed design while this study uses a descriptive framework.
Kahuthu (2023)	Financial performance and philanthropy of Kenyan forex brokers under regulation	Descriptive and correlational research designs; used standardized questionnaires.	Found a statistically substantial linear link between CSR philanthropy and financial performance.	Focused on forex brokers; used mixed research designs while current research is purely descriptive.
Mumo (2021)	Philanthropic CSR and Kenya's airlines performance.	Descriptive study framework; data via self-administered questionnaires.	Airlines were actively engaged in philanthropic initiatives like education, health, conservation, and youth programs; performance measured via market share.	Used customer satisfaction and market share to measure performance, while this study centered on profitability as the dependent variable.

2.4 Conceptual Framework

This represents to a written or visual structure that shows the key variables in a research and the presumed associations among them (Bryman, 2022). It serves as a guide for the research by clarifying how the dependent, independent, and other variables interact, thus helping to focus the study and align it with its objectives. Figure 1 displays the link between the dependent and the independent variable.

FIGURE 1

Conceptual Framework



Source: Author (2025)

2.5 Operationalization of Study Variables

The steps involved in operationalizing the research variables are as follows: defining the goals, classifying the variables, choosing measurement techniques identifying indicators and determining appropriate data analysis methods. These steps are provided in Table 1.

TABLE 1

Operationalization of Variables

Objective	Variable Type	Indicators	Measures	Type of data analysis
To examine the influence of economic social responsibility on the profitability of domestic airlines in Kenya	**Independent** • Economic corporate social responsibility	• Local supplier engagement • Fair employee compensation • Job creation	• Likert	• Descriptive statistics • Regression analysis • Correlation analysis
To investigate the influence of environmental social responsibility on the profitability of domestic airlines in Kenya	**Independent** • Environmental corporate social responsibility	• Reducing carbon footprints • Waste recycling • Resource conservation	• Likert	• Descriptive statistics • Regression analysis • Correlation analysis
To evaluate the influence of ethical social responsibility on the profitability of domestic airlines in Kenya	**Independent** • Ethical corporate social responsibility	• Existence of a Code of Ethics • Whistleblower Protection Mechanisms • Adherence to Fair Labor Standards	• Likert	• Descriptive statistics • Regression analysis • Correlation analysis
To explore the influence of philanthropic social responsibility on the profitability of domestic airlines in Kenya	**Independent** • Philanthropic corporate social responsibility	• Charity Events • Scholarships or Educational Support • Community Outreach Programs	• Likert	• Descriptive statistics • Regression analysis • Correlation analysis
	Dependent variable • Profitability	• ROE • ROA	• Ratio	• Descriptive statistics • Regression analysis • Correlation analysis

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology utilized for the research. It covers the research framework sampling methods, target population and sample size. This chapter also outlines the research instruments and data gathering methods, and the methods used for data processing and analysis. Additionally, it explains the diagnostic tests to be conducted and highlights the ethical considerations observed throughout the research to guarantee protection, confidentiality and the anonymity of participants' rights throughout the research process.

3.2 Research Design

A research design represents the overall strategy, plan and structure that direct the gathering and analysis of data to effectively address a study problem or question (Hair, Page & Brunsveld, 2020). This research adopted a descriptive research framework, that is suitable for studies that aim to provide a detailed and accurate portrayal of characteristics, behaviors, or relationships within a given population or phenomenon. The descriptive research fits best in the study since it seeks to investigate and record the relationship between Corporate Social Responsibility and profitability in domestic airlines in Kenya without controlling any of the variables. This research design is reasonable since the main aim of the study is not to draw a causal relationship but to describe the magnitude and character of CSR practices and their relationship with financial performance in the aviation industry in a systematic manner. The descriptive approach used enabled the researcher to record and measure the CSR activities and profitability indicators using well designed instruments including questionnaires and document analysis. This offers a comprehensive snapshot of current practices and financial performance, allowing for the recognition of observable trends, correlations, and patterns. Given that the study involves understanding “what is happening” within the airlines concerning CSR and profitability, a descriptive design offers the most logical and practical approach for gathering factual, non-experimental data in a real-world context (Hall, 2020).

3.3 Target Population

Target population describes the entire set of people, groups, or subjects that possess specific traits and from whom the researcher hopes to derive study findings (Schindler, 2021). The unit of analysis in this research was all Kenyan domestic airlines. The Kenya Civil Aviation Authority (KCAA, 2024) reports that Kenya has 18 domestic airlines. The units of observation were the Heads of Departments in corporate affairs/ CSR, finance, information and communication technology, marketing and communication, strategy/business development, operations, human resources, procurement, and customer service. The Heads of Departments are in the best position to give informed details on activities of CSR and the financial or operation results because they are the ones who are close to planning, implementation, and monitoring of the appropriate strategies. Their views will be critical in determining how the CSR programs are incorporated in the business operations and how the programs will affect profitability in domestic airlines. As a result, the target population consisted of 162 heads of corporate affairs/ CSR, finance, information and communication technology, marketing and communication, strategy/business development, operations, human resources, procurement, and customer service in the 18 domestic airlines in Kenya.

TABLE 2

Target Population

Departments	Target Population
Corporate Affairs/Corporate Social Responsibility (CSR)	18
Finance	18
Information and Communication Technology	18
Marketing and communication	18
Strategy/business development	18
Operations	18
Human Resource	18
Procurement	18
Customer Service	18
Total	**162**

3.4 Sample Size and Sampling Technique

A sample size is described as the number of the participants or observations that are chosen to be included in the study (Saunders, Lewis and Thornhill, 2023). In deriving the sample size, Yamane's formula was applied since it gives a simplified approach of determining an adequate sample given that the population size is known but the population variance is unknown (Krishna, 2020). The formula is also very effective in producing a representative sample with a given margin of error, thus it was applied in the surveys when time and resources are scarce.

$$n = \frac{N}{1 + N(e^2)}$$

Where: n = sample size; N = total population size; e = margin of error (0.05 for 5%)

$$n = \frac{162}{1 + (162 * (0.05^2))}$$

$$n = 115$$

Although the formula by Yamane will provide a sample of 115, the sample size was adjusted to 117. This modification explains the fact that Yamane equation can generate the values of decimals when allocating the sample proportionally to each department (stratum). When using the proportional allocation formula, these decimals would be rounded to the floor, thus, there would be under-representation of a few departments. The fact that we have taken the sample to 117, means that each department has the exact representation that it has in the overall population, which leaves the stratified sampling intact and do not shun off some people because of rounding.

This study used stratified random sampling method to ensure that, all the departments of interest in each domestic airline are adequately represented. In stratified random sampling, which is a type of probability sampling method, the population is classified into unique strata in line with certain attributes and random samples are selected at each stratum (Krishna, 2020). The strata used in this research were nine major departments namely, Corporate Affairs/CSR, Finance, Information and Communication Technology, Marketing and Communication, Strategy/ Business Development, Operations, Human Resources, Procurement, and Customer Service. This approach is reasonable as it will make the study more accurate through a decrease in sampling bias and a guarantee of adequately representing the opinions of each department on the topic of CSR and profitability. It further enables useful comparisons across departments, which increase the levels of analysis (Creswell & Creswell, 2022). It also made sure that smaller yet important departments are not left out thus making the research results highly representative and credible.

TABLE 3

Sample Size

Departments	Target Population	Sample Size
Corporate Affairs/Corporate Social Responsibility (CSR)	18	13
Finance	18	13
Information and Communication Technology	18	13
Marketing and communication	18	13
Strategy/business development	18	13
Operations	18	13
Human Resource	18	13
Procurement	18	13
Customer Service	18	13
Total	**162**	**117**

3.5 Research Instruments

The research utilized primary data. Primary data were used instead of secondary financial data to capture perceptions, strategies, and internal practices related to CSR that are not reflected in financial statements, allowing a deeper understanding of how CSR initiatives influence profitability beyond numerical performance indicators. It was gathered via structured questionnaires, as presented in Appendix I. Structured questionnaires were data collection tools consisting of a group of pre-determined, standardized questions that were presented in a fixed order to all respondents (Mukherjee, 2020). These questionnaires were typically used in quantitative research to ensure consistency, comparability, and ease of analysis across large samples.

In this research, the structured questionnaire primarily consisted of closed-ended questions utilizing a nominal and a Likert scale. The nominal scale questions were used to collect demographic information such as age, work experience, and department. On the other hand, the Likert scale questions were used to capture perceptions and opinions relating to the independent variables, corporate social responsibility dimensions. Questionnaires were used because they were highly effective for gathering data from many respondents in a cost-effective manner. Self-administered questionnaires offered significant advantages due to their ability to collect extensive amounts of information quickly and economically (Kothari, 2023). In addition, questionnaires ensured respondent anonymity, crucial for handling sensitive or strategic information that could have impacted organizational privacy.

The questionnaire comprised six main sections. The participants' background information was gathered in the first section. The second, third, fourth, and fifth sections addressed the predictor variables (philanthropic, ethical, environmental and economic social responsibility). Since most domestic airlines in Kenya had not made their financial statements publicly available, obtaining reliable profitability data from secondary sources was limited. As such, the last section of the questionnaire included a question specifically designed to collect self-reported financial data from respondents. This question sought information on key indicators such as total income, total assets (to calculate ROA), and shareholders' equity (to calculate ROE) for a period of five years, from 2020 to 2024.

3.6 Validity and Reliability of Research Instrument

Pilot study is a small-scale trial of a larger study project intended to test and refine the research procedures, instruments, and logistics before conducting the main study. To confirm the validity and reliability of the study instrument, pilot research was conducted in Kenya Airways, because it is the airline in Kenya. In line with Latwal (2020) recommendations, The pilot study sample size was determined as 10% of the total projected sample for the main study. As such, the pilot group consisted of 17 participants, a number deemed sufficient to effectively test and refine the research instruments. The participants of the pilot study did not take part in the main research.

3.6.1 Validity of the instruments

Validity refers to the extent to which a research instrument accurately measures what it is intended to measure (Hair et al., 2020). This study assessed three forms of validity: face validity, content validity, and construct validity. Face validity was established through a pilot test involving respondents drawn from the target population, whose feedback was used to identify and revise ambiguous or unclear questions to ensure clarity and relevance (Schindler, 2021). Content validity was determined through expert review, where two university supervisors and three specialists in finance and corporate social responsibility independently evaluated the questionnaire to confirm that all items adequately captured the key dimensions of the study variables. Their feedback guided the refinement and rephrasing of several items to ensure full conceptual coverage (Creswell & Creswell, 2022).

Construct validity was assessed during data analysis using factor analysis to examine whether the questionnaire items appropriately loaded on their respective constructs, thereby confirming that the instrument measured the theoretical dimensions of the study accurately. The Average Variance Extracted (AVE) is a measure used to assess construct validity, indicating the amount of variance captured by the construct relative to the variance due to measurement error. A commonly recommended threshold for AVE is 0.50 or higher, which implies that the construct explains at least 50% of the variance in its indicators.

TABLE 4

Average Variance Explained

Variable (Construct)	AVE	Interpretation
Economic CSR	0.54	Acceptable
Environmental CSR	0.52	Acceptable
Ethical CSR	0.57	Acceptable
Philanthropic CSR	0.51	Acceptable
Profitability	0.60	Acceptable

Table 3.3 shows that all variables, economic CSR, environmental CSR, ethical CSR,

philanthropic CSR, and profitability, have AVE values above the recommended threshold of 0.50, ranging from 0.51 to 0.60. This indicates that each construct explains more than 50% of the variance in its respective indicators, demonstrating acceptable convergent validity. Therefore, the measurement items reliably represent their intended constructs, supporting the validity of the study's instruments.

3.6.2 Reliability of the instruments

Reliability of the instruments states that the tools used to collect data were consistent and stable in the research, which ensured that the results they gave were comparable and stable in the event of repeated use or application to different groups and contexts (Punch, 2020). The alpha coefficient of Cronbach was used to evaluate the reliability of the data used in the study. Cronbach alpha is a value that lies within the range of 0 to 1 that indicates internal consistency of a set of items or the degree to which the items are connected (Schindler, 2021). As a rule, the alpha coefficient of more than 0.7 is acceptable in research works. A score of less than 0.7, however, indicates that the instrument might not be reliable enough and might need to be revised to become more stable and measure the recommended variables more properly (Krishna, 2020). A Cronbachs alpha of 0.7 or better was taken as acceptable in the research.

TABLE 5

Reliability Results

Variable (Scale)	Number of Items	Cronbach's α	Interpretation
Economic CSR	9	0.83	Acceptable reliability
Environmental CSR	9	0.81	Acceptable reliability
Ethical CSR	9	0.86	Acceptable reliability
Philanthropic CSR	9	0.79	Acceptable reliability
Profitability	9	0.88	Acceptable reliability

Table 3.4 presents the reliability results for the study variables, each measured using nine items. The Cronbach's alpha coefficients range from 0.79 to 0.88, all exceeding the recommended threshold of 0.70. This indicates that all the measurement scales, Economic CSR, Environmental CSR, Ethical CSR, Philanthropic CSR, and Profitability, exhibited acceptable reliability. Therefore, the instruments used in the study were internally consistent and dependable for measuring the respective constructs.

3.7 Data Collection Procedure

Data gathering procedure is characterized as a pseudo-methodical process of gathering, quantifying, and documenting data of domains of interest to answer questions posed in a study and achieve study goals (Latwal, 2020). Prior to the data collection process, a study permit and the approval letter of the KCA university will be secured with NACOSTI. The researcher then contacted the sampled domestic airlines and give a formal introduction of the research to the management. Since airline employees are highly busy and tend to minimize any disturbance to their normal operations, the drop and pick-up later approach will be applied.

In this approach, the survey questionnaires were physically delivered to the respondents and a date at which the questionnaires were collected later reached. This was the approach that was preferred because it gave the participants time to take time and complete the questionnaires at their own pace thus avoiding any form of pressure, which would enhance the quality of the responses. Also, progress was followed up each day either by calling or physically visiting the respondents to take follow-ups on the progress and also to remind them to take the questionnaires. It is estimated that the overall data collection process will require about one month to allow time to respond to all questionnaires and retrieve them (Punch, 2020). The investigator was also free to explain any issue or query to the participants during the process in order to make the data collection complete and precise.

3.8 Data Processing and Analysis

Data processing and data analysis are the ordered systematization, coding, and analysis of the collected data used to summarize, interpret, and make significant conclusions in response to the research goals (Waddell, 2020). The research tool resulted in the collection of quantitative data that were evaluated by applying descriptive and inferential statistics with the help of SPSS version 28 software. Descriptive statistics refer to statistical approaches used to arrange present and summarize data in a meaningful way through measures like standard deviations, means, percentages and frequencies (Kothari, 2023). Descriptive statistics in this study involved standard deviation, percentages, mean and frequency distribution.

Inferential data analysis refers to statistical methods used to make predictions, answer research questions, and infer about a populace regarding data gathered from a sample (Saunders, Lewis & Thornhill, 2023). The study applied the Pearson correlation coefficient and linear regression analysis as inferential statistical methods. Correlation analysis was utilized to test the strength and direction of the connection between corporate social responsibility and profitability. Regression analysis was employed to examine the weight of the link or the degree to which corporate social responsibility predicts changes in profitability among Kenya's domestic airlines. The independent variables were economic social responsibility, environmental social responsibility, ethical social responsibility and philanthropic social responsibility. The dependent variable was profitability of Domestic Airlines. The multivariate regression model was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Profitability of Domestic Airlines

β_0 = Constant

$\beta_1 - \beta_4$ = Coefficients of determination

X_1= Economic Social Responsibility

X_2= Environmental Social Responsibility

X_3= Ethical Social Responsibility

X_4= Philanthropic Social Responsibility

ε Error term

3.9 Diagnostic Tests

Diagnostic tests refer to methodical procedures utilized to assess the validity, reliability, and suitability of data and models before conducting further analysis (Saunders, Lewis & Thornhill, 2023). They are crucial because they ensure the accuracy and credibility of the analysis by detecting violations of statistical assumptions, thus improving the trustworthiness and quality of the results and conclusions. Diagnostic tests were undertaken to test the five key assumptions, which include multicollinearity, normality, linear association and homoscedasticity.

3.9.1 Normality test

The normality test is essential to check the normality assumption, which requires that the residuals, or variations between predicted and observed values, are normally distributed (Bryman, 2022). The assumption plays a fundamental role in most statistical tests especially in regression analysis since it ensures the validity and confidence intervals of the significance tests. In order to test this assumption, the Shapiro-Wilk test was applied to this study. The null hypothesis of the Shapiro-Wilk test states that there is a normal distribution of the data. According to the decision rule, the null hypothesis is not rejected provided that the p-value is greater than 0.05 (95% confidence level), which means that the distribution of the residues is normal (Babbie, 2021).

3.9.2 Linearity test

The other significant assumption of regression analysis is the linearity assumption that assumes that there is a straight-line relationship between the predictor variables and the response variable (Bell, 2022). This assumption implies that the variations of the independent variables ought to lead to similar and steady changes of the dependent variable through the entire scope of data. In this paper, scatterplots were applied to test this assumption. Regarding the interpretation of the scatterplots, the linearity assumption appears to hold because there is an approximate straight-line trend in the scatterplots. In case the points are concentrated around a straight line, the relationship is said to be linear. But, in case the points curve or demonstrate random dispersion, this is indicative of the fact that the assumption of linearity is violated.

3.9.3 Homoscedasticity test

The homoscedasticity assumption underlies the regression analysis and states that the variance of the residues (the differences between the predicted and the actual) should be constant across the levels of all predictor variables (Schindler, 2021). In order to test this assumption, Breusch-Pagan test, or the Breusch-Pagan-Godfrey test, was used. This statistical test assesses whether the residual variance is constant by analyzing the association between the predictor variables and squared residuals. The null hypothesis of the Breusch-Pagan test states that the variance of the residuals is the same (homoscedasticity) (Greene and Dreyer, 2021). At the 95% confidence interval, when born p-value exceeds 0.05, the null hypothesis is not rejected which demonstrates that the assumption of homoscedasticity is true.

3.9.4 Multicollinearity test

This assumption solves the possible problem of high intercorrelations between predictor variables in regression model which may misrepresent estimation and interpretation of regression coefficients (Kothari, 2023). The VIF will be used to measure the multicollinearity in this study. The rule of thumb is a VIF above 10 indicates the presence of multicollinearity, and the rule is 100 and above indicates terrible multicollinearity that may severely affect the reliability of the regression estimates (Greene and Dreyer, 2021).

3.10 Ethical Considerations

Ethical considerations in study mean that moral codes and principles that direct the behavior of the research are put in place to ensure the rights, safety, and well-being of the participants and the integrity of the research process (Bell, 2022). Before the researcher started data collection, he or she obtained ethical consent with the KCA University Scientific and Ethics Review Committee (SERU). This assurance was established that the study was conducted following the ethical standards of informed consent, and confidentiality as well as responsible handling of data. After this, the researcher obtained a research permit with the NACOSTI by using the SERU approval letter. Such permit will be critical in ensuring that this study complies with the regulations as well as in showing that the study meets national research ethics and standards. All of these measures strengthen transparency, accountability, and trust of the population towards the findings of the research.

Each participant gave an informed consent as s/he was well aware of the purpose of the research, the procedures to be followed as well as any risks or benefits that this research might expose them to. The involvement was purely voluntary and one could pull out or decline to be involved as they wished without any adverse effects. In order to ensure confidentiality, personal identifiers were eliminated, all the answers were anonymized, coded, and stored in a secure place to prevent unauthorized access. The information was retained in encrypted electronic documents or in safe physical places where only authorized people could access it and was destroyed at the end of the research according to the ethics requirements. These measures guaranteed that participants' dignity, privacy, and autonomy were upheld throughout the study process.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The results of the data analysis are presented in this chapter and a summary of the results of the study is given. The general objective was to investigate the influence of corporate social responsibility on the profitability of Kenya's domestic airlines. Particularly, the research sought to the influence of economic corporate social responsibility, environmental corporate social responsibility, ethical corporate social responsibility, and philanthropic corporate social responsibility on the profitability of domestic airlines in Kenya. Tables and figures were used to present the results in a systematic way.

4.2 Questionnaires' Response Rate

The target population included the Heads of Departments in corporate affairs/CSR, finance, information and communication technology, marketing and communication, strategy/ business development, operations, human resources, procurement and customers service among 15 Kenyan domestic airlines. Questionnaires were distributed to the Heads of Departments. The results are displayed in Table 6.

TABLE 6

Questionnaires' Response Rate

Departments	Sample Size	Response	Response Rate
Corporate Affairs/Corporate Social Responsibility (CSR)	13	12	92.31
Finance	13	11	84.62
Information and Communication Technology	13	12	92.31
Marketing and communication	13	11	84.62
Strategy/business development	13	12	92.31
Operations	13	11	84.62
Human Resource	13	11	84.62
Procurement	13	11	84.62
Customer Service	13	11	84.62
Total	**117**	**102**	**87.18**

Out of the 117 questionnaires administered, 102 were fully completed and returned, corresponding to a response rate of 87.18%. According to Mukherjee (2020), a response rate of 50% is generally acceptable for analysis, inference, and reporting, whereas a 70% rate is considered excellent. Consequently, the achieved response rate of 87.18% is deemed more than sufficient for conducting analysis, deriving conclusions, and presenting findings.

4.3 General Information

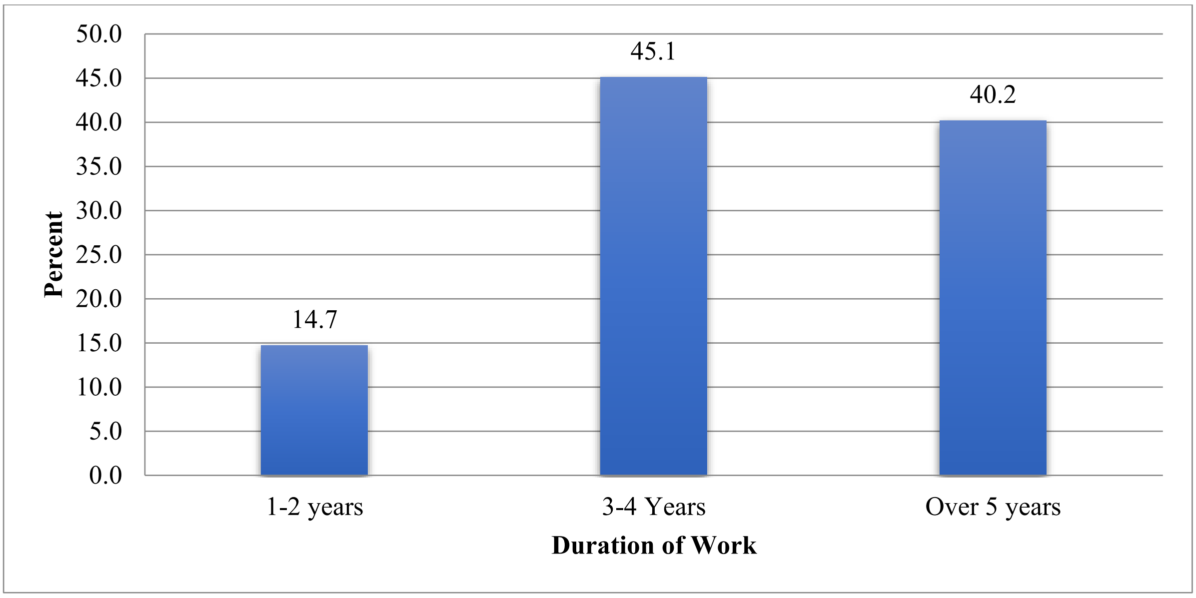
The respondents' general information included duration of working in the organization, and department of employment.

4.3.1 Duration of working

Respondents were requested to specify the duration of their employment within the organization. Results were as shown in Figure 2.

FIGURE 2

Duration of Working



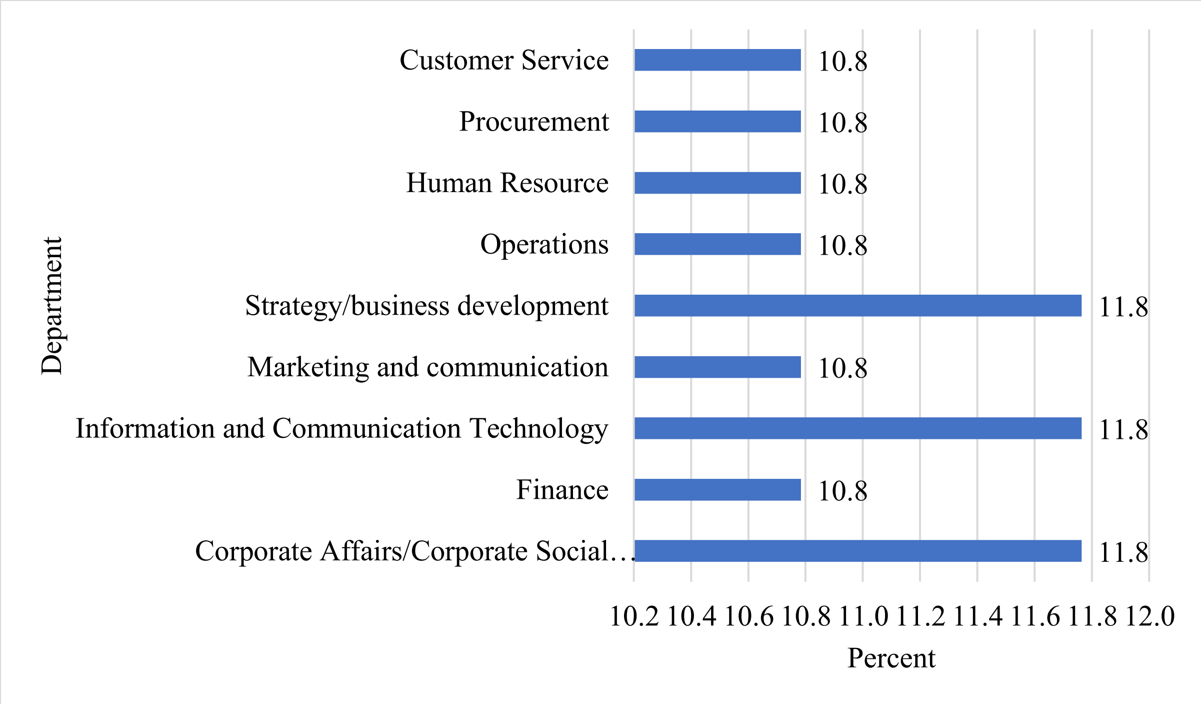
From the results as presented in Figure 2, 45.1% of the respondents reported having worked in the organization for 3 to 4 years, 40.2% revealed that they had been employed for over 5 years, whereas 14.7% indicated that they had worked for between 1 and 2 years. This implies that the majority of employees in domestic airlines in Kenya had worked for between 3 and 4 years. Such a level of experience suggests that most respondents possess a solid understanding of their institutions' operational practices and corporate policies. Consequently, their familiarity with organizational processes enhances the reliability of the data collected, as they can provide informed and credible responses. Moreover, longer tenure likely increases familiarity with Corporate Social Responsibility (CSR) initiatives within their organizations, thereby strengthening the validity of their insights regarding CSR-related performance and practices.

4.3.2 Respondents' departments

Respondents were asked to state the departments in which they work, and the results are presented in Figure 3

FIGURE 3

Respondents' Departments



Based on the findings, 11.8% of the respondents stated that they worked in Corporate Affairs, Strategy/Business Development, and Information and Communication Technology departments, while 10.8% indicated that they worked in Finance, Marketing and Communication, Operations, Customer Service, Human Resource, and Procurement departments. This implies that most of the respondents have been obtained in equal proportion across most of the departments with a slight overspending on Corporate Affairs, Strategy, and ICT. This fact means that the study had a balanced representation of the department so that the views of all the key functional areas were sufficiently represented to be analyzed accordingly.

4.4 Descriptive Statistics

This part presents a summary of the descriptive statistics of economic corporate social responsibility, environmental corporate social responsibility, ethical corporate social responsibility, philanthropic corporate social responsibility and profitability of domestic airlines in Kenya. The items were measured in terms of five-point Likert scale, with 1 meaning strongly disagree, 2 meaning disagree, 3 meaning neutral, 4 meaning agree, and 5 meaning strongly agree. The descriptive results are based on aggregated means of the Likert-scale responses for each construct, providing a summary measure of respondents' perceptions across the different dimensions of corporate social responsibility and profitability. To facilitate interpretation, mean values below 1.5 were considered as indicating strong disagreement, 1.50–2.49 disagreement, 2.50–3.49 neutrality, 3.50–4.49 agreement, and 4.50–5.00 strong agreement.

4.4.1 Economic corporate social responsibility and profitability

The first objective of the study was to establish the influence of economic corporate social responsibility on the profitability of domestic airlines in Kenya. Respondents were requested to indicate their level of agreement or disagreement on various statements concerning economic corporate social responsibility I heir organization. The results were as illustrated in Table 7.

TABLE 7

Economic Corporate Social responsibility and Profitability

	N	Mean	Std. Deviation
Our airline actively collaborates with local suppliers for goods and services.	102	3.971	.990
Our procurement processes prioritize local businesses whenever possible.	102	3.735	1.071
Engaging local suppliers is an important part of our corporate responsibility strategy.	102	3.941	1.115
Our employees are fairly compensated based on their roles and performance.	102	3.882	1.056
Our airline maintains transparent and equitable pay structures.	102	3.941	1.142
I believe my compensation reflects my contribution to our airline's success.	102	3.765	1.244
Our airline contributes meaningfully to job creation within the aviation sector.	102	4.116	.904
Our operations support employment opportunities in the local community.	102	4.088	1.252
The expansion of our airline has led to more jobs in related industries	102	3.765	1.196

From the results in Table 7, the respondents expressed agreement with a mean of 4.116 (SD = 0.904) with the statement indicating that their airline contributes meaningfully to job creation within the aviation sector. These findings align with Murtaza and Javed (2023), who argue that organizational operations support employment opportunities in the local community. The respondents also agreed with a mean of 4.088 (SD = 1.252) that their operations support employment opportunities in the local community. Also, they agreed with a mean of 3.971 (SD = 0.990) with the statement their airline actively collaborates with local suppliers for goods and services.

The respondents further agreed with a mean of 3.941 (SD = 1.115) that engaging local suppliers is an important part of their corporate responsibility strategy. This resonates with Dela and Berhe (2024) findings that collaboration with local suppliers enhances corporate social responsibility outcomes. With a mean of 3.941 (SD = 1.142), they also agreed that their airline maintains transparent and equitable pay structures. And, the mean of 3.882 (SD = 1.056) indicated that the respondents agreed that their employees are fairly compensated based on their roles and performance. The findings are in line with Murtaza and Javed (2023) observation that fair employee compensation has a considerable effect on performance of an organization.

Likewise, a mean of 3.765 (SD = 1.244) the respondents stated that they believe their compensation reflects their contribution to the airline's success. The findings agree with Ayoola et al. (2024) argument that compensation has an effect on organizational success. Also, the respondents agreed with a mean of 3.765 (SD = 1.196) that the expansion of their airline has led to more jobs in related industries. Moreover, the respondents agreed with a mean of 3.735 (SD = 1.071) that their procurement processes prioritize local businesses whenever possible. These findings are consistent with Ayoola, Suleiman, and Aliu's (2024) assertion that procurement processes are designed to prioritize local businesses whenever feasible. The findings suggest that domestic airlines in Kenya demonstrate strong commitment to economic dimensions of corporate social responsibility through local supplier engagement, fair compensation, and job creation. This integrated pattern of responses indicates that airlines' CSR strategies not only promote equitable economic practices but also contribute to broader community development.

4.4.2 Environmental corporate social responsibility and profitability

The second objective of the study was to examine the influence of environmental corporate social responsibility on the profitability of domestic airlines in Kenya. The respondents were requested to indicate their agreement level on various statements relating to environmental corporate social responsibility in their organization. The results were as demonstrated in Table 8.

TABLE 8

Environmental Corporate Social Responsibility and Profitability

	N	Mean	Std. Deviation
Our airline takes active steps to reduce carbon emissions from its flight operations.	102	3.824	1.075
We regularly monitor and report our carbon footprint to improve environmental impact.	102	3.971	.861
I am aware of initiatives by our airline to use more fuel-efficient aircraft.	102	3.941	1.142
Our airline promotes proper waste segregation and recycling at offices and airports.	102	4.000	.879
Recycling programs are clearly implemented across our airline's facilities.	102	4.117	1.027
I actively participate in waste reduction and recycling efforts at work.	102	4.000	1.005
Our airline encourages responsible use of water, electricity, and paper in daily operations.	102	4.059	1.088
We have clear policies aimed at conserving natural resources.	102	3.941	1.115
I believe resource conservation should be a priority in the operations of domestic airlines	102	4.177	.895

With a mean of 4.177 (SD = 0.895), the respondents agreed that they believe resource conservation should be a priority in the operations of domestic airlines. Also, with a mean of 4.117 (SD = 1.027), the respondents agreed that recycling programs are clearly implemented across their airline's facilities. These results align with Makhdoom et al. (2023), who noted that recycling programs enhance corporate environmental responsibility. With a mean of 4.059 (SD = 1.088), the respondents agreed that their airline encourages responsible use of water, electricity, and paper in daily operations. The findings agree with Ofogbe et al. (2021) findings that responsible use of resources considerably improve organizational performance.

The respondents agreed with a mean of 4.000 (SD = 0.879) that their airline promotes proper waste segregation and recycling at offices and airports. In addition, with a mean of 4.000 (SD = 1.005), the respondents agreed that they actively participate in waste reduction and recycling efforts at work. These results concur with Nguyen and Vien (2023), who emphasized that employee participation is critical in embedding sustainability practices into daily operations. Moreover, with a mean of 3.971 (SD = 0.861), the respondents agreed that they regularly monitor and report their carbon footprint to improve environmental impact. The findings are in line with Njau and Kimencu (2020) findings that monitoring and reporting of carbon footprints considerably improves environmental impact.

Moreover, with a mean of 3.941 (SD = 1.142), they agreed that they are aware of initiatives by their airline to use more fuel-efficient aircraft. The findings are consistent with Mwangi and Ouma (2024) findings that fuel efficiency leads to an improvement in organizational performance. The respondents also agreed with a mean of 3.941 (SD = 1.115) that they have clear policies aimed at conserving natural resources. The respondents agreed with a mean of 3.824 (SD = 1.075) with the statement indicating that their airline takes active steps to reduce carbon emissions from its flight operations. Such findings align with those of Ofogbe et al. (2021) who noted that organizations are expected to actively engage in mitigating the carbon emissions of their operations.

The findings indicate strong environmental consciousness among domestic airlines, with the highest-rated item being “resource conservation should be a priority” (M = 4.177, SD = 0.895) and the lowest-rated being “taking active steps to reduce carbon emissions” (M = 3.824, SD = 1.075). The relatively low standard deviations suggest moderate consensus among respondents. These implies that while policy-level commitments to sustainability are well established, operational actions such as emission reduction require further enhancement.

These findings are consistent with the Triple Bottom Line (TBL) theory, which emphasizes that long-term profitability (economic dimension) is interconnected with environmental responsibility (planet dimension). By adopting practices such as waste reduction, resource conservation, and carbon management, airlines contribute not only to environmental sustainability but also to improved efficiency and financial performance. The synthesis of results thus underscores that environmental CSR is both a strategic and ethical driver of profitability in Kenya’s airline industry.

4.4.3 Ethical corporate social responsibility and profitability

The third objective of the study was to determine the influence of ethical corporate social responsibility on the profitability of domestic airlines in Kenya. The respondents were requested to indicate their level of agreement or disagreement with various statements regarding ethical corporate social responsibility. The results were as depicted in Table 9.

TABLE 9

Ethical Corporate Social Responsibility and Profitability

	N	Mean	Std. Deviation
Our airline has a clearly communicated code of ethics that guides employee conduct.	102	4.265	.820
I have received training or orientation on our airline's ethical guidelines.	102	4.177	1.019
Ethical standards are consistently enforced within our organization.	102	3.765	1.145
Our airline has a safe and confidential system for reporting unethical behavior.	102	4.059	.842
I trust that whistleblowers in our airline are protected from retaliation.	102	4.118	1.027
Employees are encouraged to report misconduct without fear of consequences.	102	3.941	1.032
Our airline complies with fair labor practices, including working hours and pay.	102	4.059	.973
Employee rights and benefits are respected and protected at all levels.	102	3.853	1.038
I believe our airline is committed to upholding fair and ethical treatment of staff.	102	3.971	.959

The respondents agreed with a mean of 4.265 (SD = 0.820) that their airline has a clearly communicated code of ethics that guides employee conduct. The findings concur with Kariuki and Bett (2021) observation that communication of code of ethics leads to an improvement in employee conduct and hence organizational performance. Also, with a mean of 4.177 (SD = 1.019), the respondents agreed that they have received training or orientation on their airline's ethical guidelines. Further, with a mean of 4.118 (SD = 1.027), the respondents agreed that they trust whistleblowers in their airline are protected from retaliation. These findings are in line with Shareef (2023) observations that organizations which guarantee whistleblower protection foster transparency, strengthen accountability mechanisms, and build employee confidence.

With a mean of 4.059 (SD = 0.842), the respondents agreed that their airline has a safe and confidential system for reporting unethical behavior. The findings are in line with Tulcanaza-Prieto et al. (2020) findings that reporting of unethical behavior plays a key role in enhance a firm's brand reputation. The same mean of 4.059 (SD = 0.973) was recorded for the statement indicating that the airline complies with fair labor practices, including working hours and pay. In addition, with a mean of 3.971 (SD = 0.959), the respondents agreed that they believe their airline is committed to upholding fair and ethical treatment of staff. These results support Duo-Duo (2025), who observed that organizations that demonstrate a strong commitment to fairness and ethical staff treatment enhance employee satisfaction.

The respondents agreed with a mean of 3.941 (SD = 1.032) that employees are encouraged to report misconduct without fear of consequences. Also, with a mean of 3.853 (SD = 1.038), the respondents agreed that employee rights and benefits are respected and protected at all levels. Lastly, with a mean of 3.765 (SD = 1.145), the respondents agreed that ethical standards are consistently enforced within their organization. These findings align with Kariuki and Bett (2021), who noted that consistent enforcement of ethical standards in an organization strengthens organizational performance.

4.4.4 Philanthropic corporate social responsibility and profitability

The fourth objective of the study was to establish the influence of philanthropic corporate social responsibility on the profitability of domestic airlines in Kenya. The respondents were requested to indicate the extent on which they agree with numerous statements regarding philanthropic corporate social responsibility. The findings were as shown in Table 10.

TABLE 10

Philanthropic Corporate Social Responsibility and Profitability

	N	Mean	Std. Deviation
Our airline actively participates in or organizes charity events.	102	3.941	1.088
Employees are encouraged to volunteer in our airline's charitable initiatives.	102	3.735	1.177
The airline's involvement in charity reflects its commitment to social impact.	102	3.824	1.129
Our airline offers scholarships or supports educational programs in our communities.	102	4.000	1.005
I am aware of our airline's efforts to promote education through financial support.	102	3.824	1.206
Educational sponsorships are an important part of our airline's social commitment.	102	3.794	1.189
Our airline regularly engages in programs that support local communities.	102	4.000	.975
I believe our airline makes a meaningful difference through community outreach.	102	4.118	1.111
Community engagement is a visible and valued part of our airline's operations.	102	3.824	1.181

The respondents agreed with a mean of 4.118 (SD = 1.111) that they believe their airline makes a meaningful difference through community outreach. These findings are in line with Inegbedion et al. (2022) findings that community outreach improves the brand reputation of a firm, which in turns improves performance. Also, the respondents agreed with a mean of 4.000 (SD = 1.005) that their airline offers scholarships or supports educational programs in their communities. Further, the respondents agreed with a mean of 4.000 (SD = 0.975) that their airline regularly engages in programs that support local communities. These findings agree with Jarwan et al. (2022) observations that active participation in community-focused programs fosters a culture of empathy and shared purpose among employees.

With a mean of 3.941 (SD = 1.088), the respondents agreed with the statement indicating that their airline actively participates in or organizes charity events. Further, the respondents agreed with a mean of 3.824 (SD = 1.129) that the airline's involvement in charity reflects its commitment to social impact. The respondents also agreed with a mean of 3.824 (SD = 1.181) that community engagement is a visible and valued part of their airline's operations. These findings are in line with Mekonnen (2024), who observed that maintaining visible community engagement enhances organizational reputation.

The respondents agreed with a mean of 3.824 (SD = 1.206) with the statement indicating that they are aware of their airline's efforts to promote education through financial support. With a mean of 3.794 (SD = 1.189), the respondents agreed that educational sponsorships are an important part of their airline's social commitment. Moreover, with a mean of 3.735 (SD = 1.177), the respondents agreed that employees are encouraged to volunteer in their airline's charitable initiatives. These findings concur with Inegbedion et al. (2022) observations that educational sponsorships and volunteer initiatives improve social welfare and foster long-term community development.

4.4.5 Profitability of domestic airlines

The dependent variable in this study was the profitability of domestic airlines in Kenya assessed in terms of return on assets and return on equity. Respondents were asked to specify their level of agreement with several statements regarding profitability. The findings are summarized in Table 11.

TABLE 11

Profitability of Domestic Airlines

	N	Mean	Std. Deviation
Our airline's return on assets (ROA) is higher than the industry average for domestic airlines in Kenya.	102	3.882	.998
The airline has recorded consistent growth in ROA over the past three financial years.	102	4.147	.813
The company effectively utilizes its total assets to generate income.	102	3.735	1.320
Asset utilization efficiency has positively contributed to improved ROA in our airline.	102	4.059	.842
Our airline's return on equity (ROE) exceeds that of most domestic competitors.	102	4.147	1.009
ROE performance has improved steadily in recent years.	102	4.235	1.064
Shareholders' equity is effectively managed to maximize profitability.	102	3.941	1.003
The airline's ROE reflects strong shareholder value creation.	102	4.412	.948
Trends in both ROA and ROE indicate strong overall profitability and long-term financial sustainability for our airline.	102	4.284	1.075

From the study findings as illustrated in Table 11, the respondents agreed with a mean of 4.412 (SD = 0.948) that the airline's ROE reflects strong shareholder value creation. Moreover, the respondents agreed with a mean of 4.284 (SD = 1.075) that trends in both ROA and ROE indicate strong overall profitability and long-term financial sustainability for their airline. The respondents also agreed with a mean of 4.235 (SD = 1.064) that ROE performance has improved steadily in recent years.

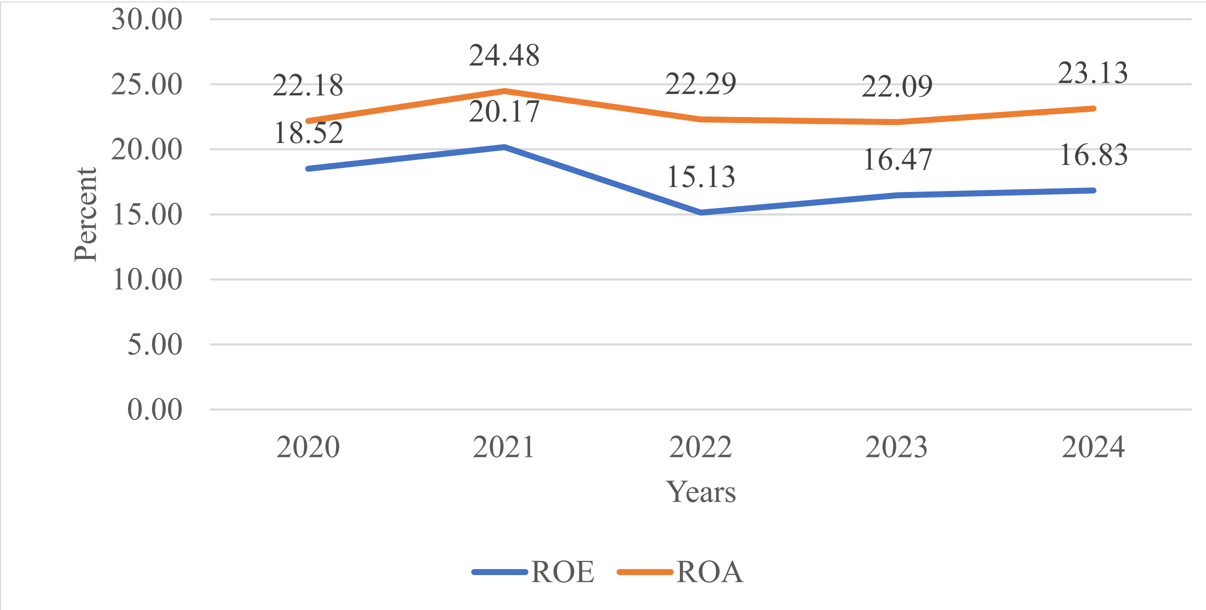
In addition, the respondents agreed with a mean of 4.147 (SD = 0.813) that the airline has recorded consistent growth in ROA over the past three financial years. Similarly, with a mean of 4.147 (SD = 1.009) the respondents agreed with the statement indicating that their airline's ROE exceeds that of most domestic competitors. Further, the respondents agreed with a mean of 4.059 (SD = 0.842) that asset utilization efficiency has positively contributed to improved ROA in their airline.

The respondents also agreed with a mean of 3.941 (SD = 1.003) that shareholders' equity is effectively managed to maximize profitability. Moreover, the respondents agreed with a mean of 3.882 (SD = 0.998) that their airline's return on assets (ROA) is higher than the industry average for domestic airlines in Kenya. They further agreed with a mean of 3.735 (SD = 1.320) that the company effectively utilizes its total assets to generate income.

The respondents were requested to indicate the profitability measures within their organization over the last five years from 2020 to 2024. The results were as shown in Figure 4.

FIGURE 4

Return on Assets and Return on Equity



From the results, as illustrated in Figure 4, return on equity (ROE) for domestic airlines in Kenya in 2020 was 18.52, indicating strong profitability and effective use of shareholders' equity to generate returns. In 2021, ROE increased to 20.17, reflecting improved equity performance and enhanced shareholder value creation. However, in 2022, ROE declined to 15.13, suggesting reduced efficiency in generating profits from equity. In 2023, ROE rose to 16.47 and further increased to 16.83 in 2024, showing a gradual recovery from the decline experienced in 2022. The findings imply that while the sector experienced strong equity returns in the first two years, performance dipped in 2022 before stabilizing in the last two years. To sustain and improve equity returns, airlines should focus on operational efficiency, strategic cost management, and diversifying revenue streams. Additionally, targeted investments and continuous monitoring of financial performance will be crucial in minimizing future volatility in ROE.

According to the results, return on assets (ROA) for domestic airlines in Kenya in 2020 was 22.18, indicating efficient utilization of assets and a healthy return on investment. In 2021, ROA increased to 24.48, suggesting further improvement in asset productivity. In 2022, ROA slightly decreased to 22.29, indicating a marginal drop in efficiency. In 2023, ROA declined slightly again to 22.09 before rising to 23.13 in 2024, showing signs of recovery. The findings suggest that asset performance has remained relatively strong and stable over the five years, with only minor fluctuations. To further enhance ROA, airlines should prioritize optimal fleet utilization, invest in fuel-efficient technologies, and maintain robust operational practices to sustain profitability and competitiveness.

4.5 Diagnostic Tests

Diagnostic tests refer to methodical procedures utilized to assess the validity, reliability, and suitability of data and models before conducting further analysis. The diagnostic tests utilized in this study include; normality, linear relationship, multicollinearity, and homoscedasticity.

4.5.1 Normality test

The normality test is essential to check the normality assumption, which requires that the residuals, or variations between predicted and observed values, are normally distributed. To assess this assumption, the Shapiro-Wilk test will be utilized in this study. The null hypothesis for the Shapiro-Wilk test states that the data is distributed normally. The decision rule is that if the p-value is above 0.05 (at the 95% confidence level), the null hypothesis is not rejected, implying that the residuals have a normal distribution.

FIGURE 5

Shapiro-Wilk Test

	Statistic	df	Sig.
Profitability	.871	102	.000
Economic Corporate Social Responsibility	.966	102	.010
Environmental Corporate Social Responsibility	.982	102	.193
Ethical Corporate Social Responsibility	.923	102	.000
Philanthropic Corporate Social Responsibility	.877	102	.000

a. Lilliefors Significance Correction

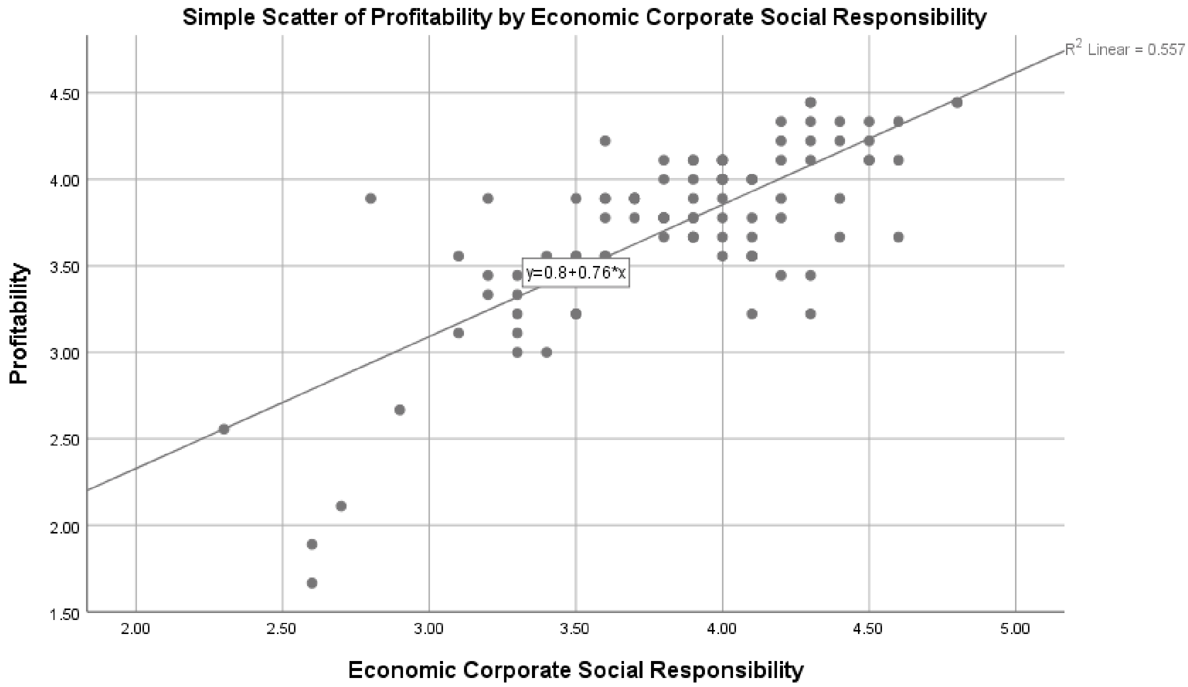
As shown in Table 4.7, the Shapiro-Wilk Test results indicate that the p-values for Profitability (0.000), Economic Corporate Social Responsibility (0.010), Ethical Corporate Social Responsibility (0.000), and Philanthropic Corporate Social Responsibility (0.000) are all less than the significance level of 0.05, while Environmental Corporate Social Responsibility (0.193) is greater than 0.05. This implies that the null hypothesis, which states that the data follows a normal distribution, is rejected for profitability, economic CSR, ethical CSR, and philanthropic CSR, but cannot be rejected for environmental CSR. Therefore, we conclude that the data for profitability, economic CSR, ethical CSR, and philanthropic CSR are not normally distributed, whereas the data for environmental CSR is normally distributed in this study.

4.5.3 Linearity Test

Another critical assumption in regression analysis is the linearity assumption, which requires that there is a straight-line link between the predictor variables and the response variable (Bell, 2022). To test this assumption, scatterplots will be utilized in this study. In interpreting the scatterplots, a roughly straight-line pattern suggests that the linearity assumption holds. If the points cluster around a straight line, the relationship is considered linear. However, if the points curve or show random dispersion, it suggests that the linearity assumption has been broken.

FIGURE 6

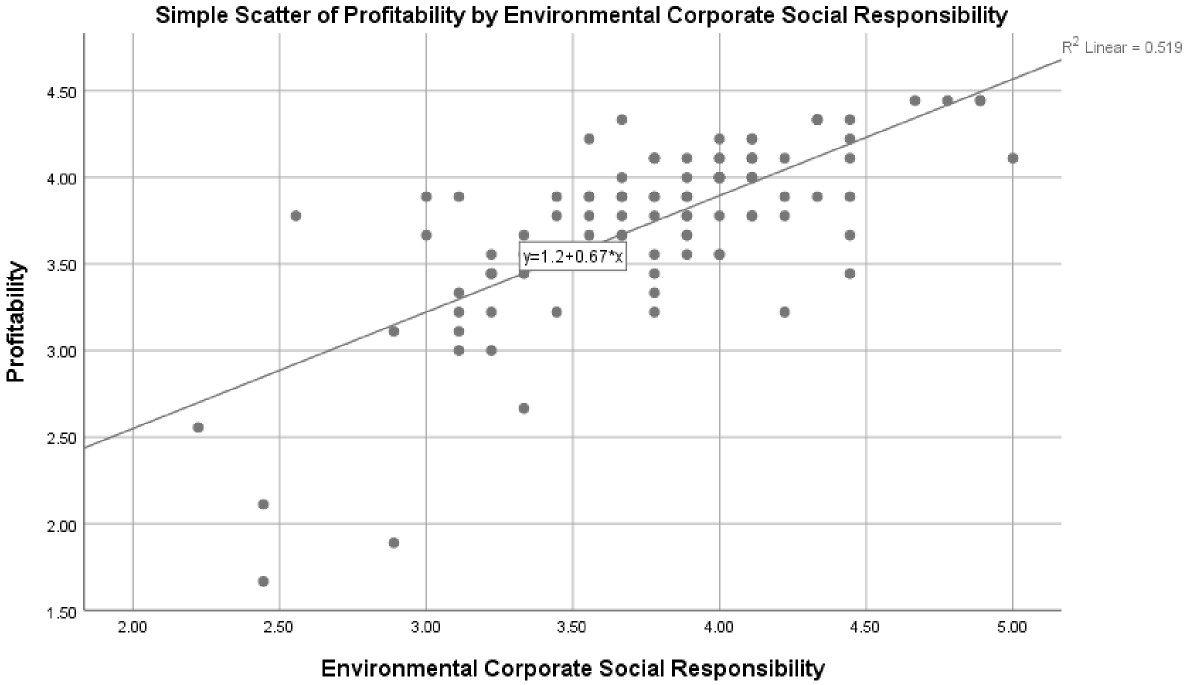
Scatter plot for the Economic Corporate Social Responsibility and Profitability



As shown in Figure 6, economic corporate social responsibility exhibits a positive linear link with the profitability of domestic airlines in Kenya. This suggests that enhancing economic corporate social responsibility is likely to result in improved profitability of Kenyan domestic airlines. Furthermore, the findings reveal that economic corporate social responsibility accounts for 55.7% of the variation in profitability, indicating that it is a substantial and positive contributor to the profitability of Kenyan domestic airlines.

FIGURE 7

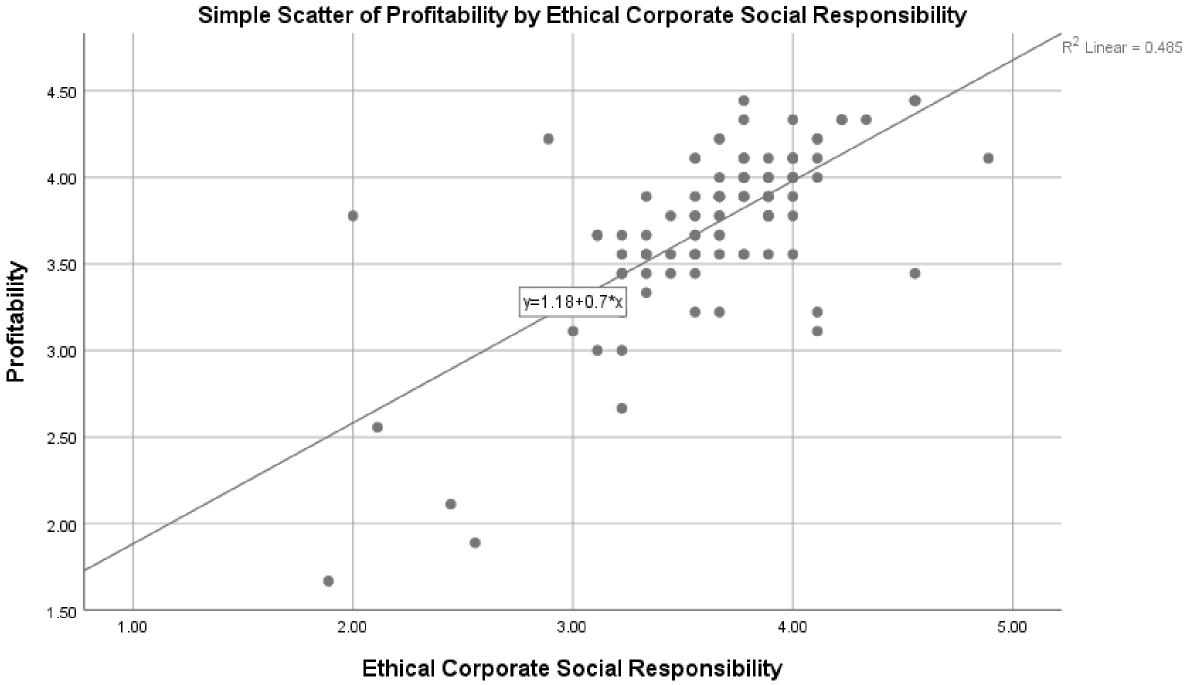
Scatter plot for the Environmental Corporate Social Responsibility and Profitability



From the results, environmental corporate social responsibility demonstrates a positive linear association with the profitability of domestic airlines in Kenya. This implies that improving environmental corporate social responsibility practices is likely to enhance the profitability of these airlines. Moreover, the results indicate that environmental corporate social responsibility explains 51.9% of the variation in profitability, highlighting its substantial and positive influence on the profitability of domestic airlines in Kenya.

FIGURE 8

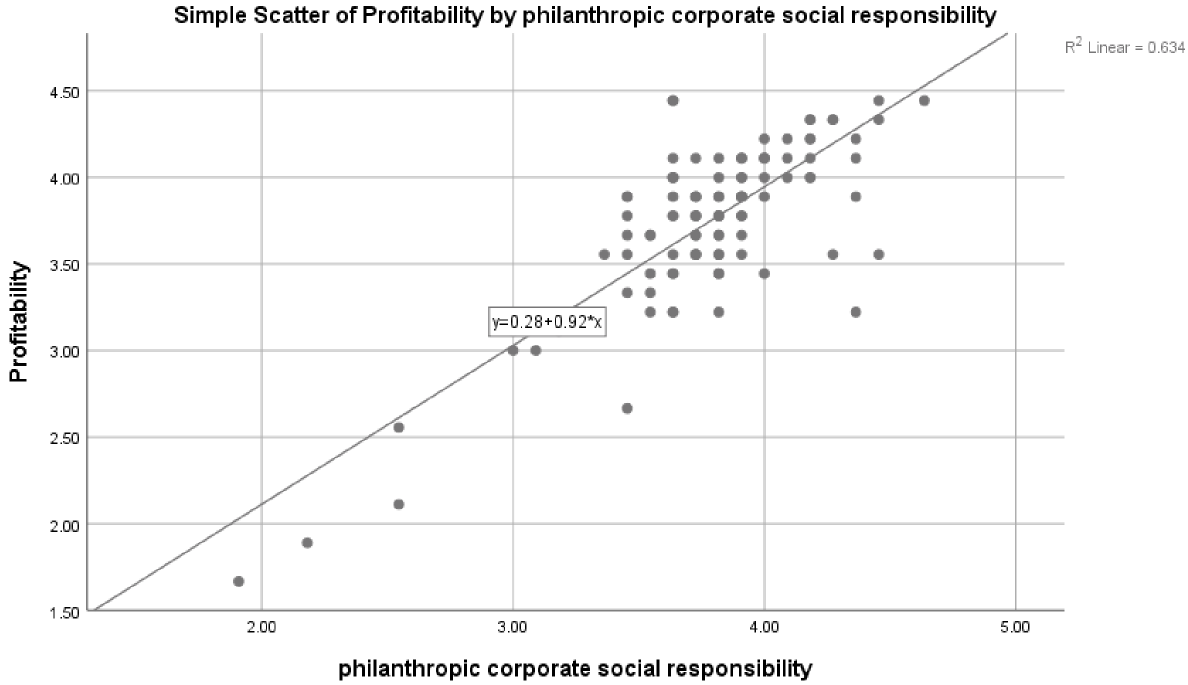
Scatter plot for the Ethical Corporate Social Responsibility and Profitability



The results reveal that ethical corporate social responsibility has a positive linear link with the profitability of domestic airlines in Kenya. The results imply that an enhancement in ethical corporate social responsibility practices is likely to enhance the profitability of these airlines. Additionally, the results displays that ethical corporate social responsibility accounts for 48.5% of the variation in profitability, emphasizing its significant and positive impact on the profitability of Kenyan domestic airlines.

FIGURE 9

Scatter plot for the Philanthropic Corporate Social Responsibility and Profitability



From the findings as illustrated in Figure 9, philanthropic corporate social responsibility exhibits a positive linear link with the profitability of domestic airlines in Kenya. This suggests that enhancing philanthropic corporate social responsibility practices is likely to boost the profitability of these airlines. Moreover, the results revealed that philanthropic corporate social responsibility explains 63.4% of the variation in profitability. This means that philanthropic corporate social responsibility has a significant and positive influence on the profitability of domestic airlines in Kenya.

4.5.3 Homoscedasticity test

The homoscedasticity assumption is fundamental in regression analysis, requiring that the variance of the residuals (variances between predicted and observed values) remains constant over all predictor variables' levels. To evaluate this assumption, the Breusch-Pagan test, also Breusch-Pagan-Godfrey test, was applied. This statistical test assesses whether the residual variance is constant by analyzing the association between the predictor variables and squared residuals. The findings were as illustrated in Table 12.

TABLE 12

Breusch-Pagan Test for Heteroskedasticity

Ho: Constant variance	
Variables: fitted values of Profitability of domestic Airlines in Kenya	
Chi2(1)	0.54213
Prob>chi2	0.4621

As shown in Table 12, the p-value was 0.4621, which is greater than the conventional significance level of 0.05. This result indicates that the null hypothesis of constant variance could not be rejected, implying that the regression model satisfied the assumption of homoscedasticity. Therefore, the residuals in the model are evenly distributed, enhancing the reliability and validity of the regression estimates.

4.5.4 Multicollinearity test

To assess multicollinearity in this study, the VIF will be applied. The general rule of thumb is that a VIF value above 10 suggests multicollinearity presence, while a VIF exceeding 100 indicates severe multicollinearity that could seriously compromise the reliability of the regression estimates.

TABLE 13

Collinearity Results

	Tolerance	**VIF**
Economic Corporate Social Responsibility	.347	2.885
Environmental Corporate Social Responsibility	.337	2.966
Ethical Corporate Social Responsibility	.434	2.305
Philanthropic Corporate Social Responsibility	.443	2.257

a. Dependent Variable: Profitability of domestic airlines in Kenya

From the results as shown in Table 13, the Variance Inflation Factor (VIF) results for the variables in the study are as follows: economic corporate social responsibility has a VIF of 2.885, environmental corporate social responsibility has a VIF of 2.966, ethical corporate social responsibility has a VIF of 2.305, and philanthropic corporate social responsibility has a VIF of 2.257. Since all VIF values are well below the common threshold of 10, this indicates that multicollinearity is not a concern among these variables.

4.6 Inferential Statistics

Inferential data analysis refers to statistical methods used to make predictions, answer research questions, and make inferences about a populace regarding data collected from a sample. The Pearson correlation coefficient and linear regression analysis were used as inferential statistics.

4.6.1 Correlation analysis

Correlation analysis was utilized to test the strength and direction of the connection between independent variables (economic, environmental, ethical and philanthropic corporate social responsibility) and the dependent variable (profitability). The findings were as shown in Table 14.

TABLE 14

Correlation Results

		Profitability	Economic Corporate Social Responsibility	Environmental Corporate Social Responsibility	Ethical Corporate Social Responsibility	philanthropic corporate social responsibility
Profitability	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	102				
Economic Corporate Social Responsibility	Pearson Correlation	.746**	1			
	Sig. (2-tailed)	.000				
	N	102	102			
Environmental Corporate Social Responsibility	Pearson Correlation	.720**	.530**	1		
	Sig. (2-tailed)	.000	.000			
	N	102	102	102		
Ethical Corporate Social Responsibility	Pearson Correlation	.697**	.479**	.416**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	102	102	102	102	
philanthropic corporate social responsibility	Pearson Correlation	.796**	.306**	.484**	.404**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	102	102	102	102	102

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

The findings indicated that there exists a positive and significant correlation between economic corporate social responsibility and profitability of domestic airlines in Kenya (r=0.746, p-value=0.000). The association was significant since the p-value=0.000 was less than 0.05. These findings conform to Rop and Kabui (2023) observations that economic corporate social responsibility and profitability are significantly associated.

The study also found that there exists a positive and significant correlation between environmental corporate social responsibility and profitability of domestic airlines in Kenya (r=0.720, p-value=0.000). The association was significant since the p-value=0.000 was less than the 0.05 significance level. These findings concur with Manyala and Mberia (2021) observations that environmental corporate social responsibility is significantly associated with profitability.

In addition, the study established that there exists a positive and significant correlation between ethical corporate social responsibility and profitability of domestic airlines in Kenya (r=0.697, p-value=0.000). The p-value (0.000) was less than 0.05 and thus the association was deemed significant. These findings are in agreement with Kipchumba and Kwasira (2023) observations that ethical corporate social responsibility and profitability are significantly linked.

Furthermore, the study found that there exists a positive and significant correlation between philanthropic corporate social responsibility and profitability of domestic airlines in Kenya (r=0.796, p-value=0.000). The p-value (0.000) was less than 0.05 and hence the association was deemed significant. These findings are in line with Madzengo and Kising'u (2025) observations that philanthropic corporate social responsibility and profitability are significantly correlated.

4.6.2 Regression analysis

Regression analysis was employed to examine the weight of the relationship or the extent to which corporate social responsibility predicts changes in profitability among domestic airlines in Kenya.

Table 15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871[a]	.758	.748	.24976

a. Predictors: (Constant), philanthropic corporate social responsibility , Environmental Corporate Social Responsibility , Ethical Corporate Social Responsibility , Economic Corporate Social Responsibility
b. Dependent Variable: Profitability

As shown in Table 15, the R-Squared for the link between corporate social responsibility and profitability of domestic airlines in Kenya was 0.758, which means that 75.8% of the variation of the dependent variable (profitability of domestic airlines) could be explained by the independent variables (economic corporate social responsibility, environmental corporate social responsibility, ethical corporate social responsibility, and philanthropic corporate social responsibility).

Table 16: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.941	4	4.735	75.909	.000[b]
	Residual	6.051	97	.062		
	Total	24.992	101			

a. Dependent Variable: Profitability
b. Predictors: (Constant), philanthropic corporate social responsibility , Environmental Corporate Social Responsibility , Ethical Corporate Social Responsibility , Economic Corporate Social Responsibility

ANOVA (Analysis of Variance) was used in the study to determine if the model was a good fit for the data. As shown in Table 16, the F calculated was 75.909 and the F critical was 2.37. The model was considered a good fit for the data because the calculated F-value was greater than the critical F-value, and the p-value (0.000) was below the significance level of 0.05.

Table 17: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.265	.232		-1.142	.256
	Economic Corporate Social Responsibility	.190	.087	.186	2.187	.031
	Environmental Corporate Social Responsibility	.185	.080	.198	2.297	.024
	Ethical Corporate Social Responsibility	.183	.076	.182	2.400	.018
	philanthropic corporate social responsibility	.507	.086	.440	5.860	.000

a. Dependent Variable: Profitability

Regression equation was:

$Y = -0.265 + 0.190X_1 + 0.185X_2 + 0.183X_3 + 0.507X_4 + \varepsilon$

The study found that economic corporate social responsibility had a positive and significant influence on the profitability of domestic airlines in Kenya ($\beta_1=0.190$, $p<0.031$). The relationship was considered significant since the p-value (0.031) was less than 0.05 (significance level). This implies that a unit increase in economic corporate social responsibility will lead to a 0.190 increase in the profitability of domestic airlines in Kenya. The findings conform to Kung'u (2021) observations that economic corporate social responsibility significantly affects profitability. The finding supports the Theory of Social Costs by demonstrating that engaging in economically responsible practices reduces social externalities and enhances long-term profitability, aligning with Kapp's view that social responsibility contributes to sustainable business success.

The study also found that environmental corporate social responsibility had a positive and significant influence on the profitability of domestic airlines in Kenya ($\beta_2=0.185$, p-value<0.024). The relationship was considered significant since the p-value (0.024) was less than 0.05 (significance level). This means that a unit increase in environmental corporate social responsibility results in a 0.185 increase in the profitability of domestic airlines in Kenya. The findings agree with Mwangi and Ouma (2024) observations that environmental corporate social responsibility significantly influences profitability. The finding aligns with Social Contract Theory by showing that when domestic airlines fulfill their environmental responsibilities, they honor their implicit agreement with society, gaining legitimacy and stakeholder trust that enhance profitability.

The study established that ethical corporate social responsibility had a positive and significant influence on the profitability of domestic airlines in Kenya ($\beta_3=0.183$, p-value<0.018). The relationship was considered significant since the p-value (0.018) was less than 0.05 (significance level). This implies that a unit increase in ethical corporate social responsibility will lead to a 0.183 increase in the profitability of domestic airlines in Kenya. The findings conform to Edukon, Rotich, and Odongo (2023) observations that ethical corporate social responsibility significantly affects profitability. The finding supports the Triple Bottom Line Theory by demonstrating that ethical corporate social responsibility enhances profitability by promoting good governance, trust, and accountability, which contribute to long-term economic, social, and environmental sustainability.

The study further found that philanthropic corporate social responsibility had a positive and significant influence on the profitability of domestic airlines in Kenya (β_4=0.507, p-value<0.000). The relationship was considered significant since the p-value (0.000) was less than 0.05 (significance level). This indicates that a unit increase in philanthropic corporate social responsibility will lead to a 0.507 increase in the profitability of domestic airlines in Kenya. The findings align with Tulcanaza-Prieto et al (2020) observations that philanthropic corporate social responsibility significantly affects profitability. The finding aligns with both the Social Contract Theory and the Theory of Social Costs by showing that philanthropic corporate social responsibility enhances profitability as airlines meet societal expectations, strengthen community relations, and mitigate social costs associated with their operations, thereby fostering goodwill and long-term business sustainability.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a discussion of the study's key findings, conclusions, and recommendations. The primary objective of the study was to investigate the influence of corporate social responsibility on the profitability of domestic airlines in Kenya. Specifically, the study sought to examine the influence of economic, environmental, ethical, and philanthropic corporate social responsibility on the profitability of domestic airlines in Kenya.

5.2 Summary of the Findings

This section outlines a summary of the research's findings concerning the link between economic, environmental, ethical, and philanthropic corporate social responsibility and the profitability of domestic airlines in Kenya.

5.2.1 Economic corporate social responsibility and profitability

The study found that economic corporate social responsibility had a positive and substantial influence on the profitability of domestic airlines in Kenya. The study established that the airline's operations support employment opportunities in the local community. The study also found that the airline contributes meaningfully to job creation within the aviation sector. The study revealed that the airline ensures that employees' compensation reflects their contribution to the airline's success.

Furthermore, the study found that engaging local suppliers is an important part of the airline's corporate responsibility strategy. The study found that procurement processes prioritize local businesses whenever possible. In addition, the findings of the research revealed that the expansion of the airline has led to more jobs in related industries. The study further found that employees are fairly compensated based on their roles and performance. Moreover, the study found that the airline actively collaborates with local suppliers for goods and services. The study also revealed that the airline maintains transparent and equitable pay structures.

5.2.2 Environmental corporate social responsibility and profitability

The study found that environmental corporate social responsibility had a positive and significant influence on the profitability of domestic airlines in Kenya. The study revealed that employees strongly agree that their airline promotes proper waste segregation and recycling at offices and airports. Also, the study found that the airline encourages responsible use of water, electricity, and paper in daily operations. The study established that employees have clear policies aimed at conserving natural resources. The study found that employees actively participate in waste reduction and recycling efforts at work.

Further, the study established that employees believe in resource conservation and are aware of initiatives by their airline to use more fuel-efficient aircraft. The study also revealed that employees regularly monitor and report their carbon footprint to improve environmental impact. Moreover, the study found that the airline takes active steps to reduce carbon emissions from its flight operations. In addition, the study established that recycling programs are clearly implemented across the airline’s facilities.

5.2.3 Ethical corporate social responsibility and profitability

The study found that ethical corporate social responsibility had a positive and substantial influence on the profitability of domestic airlines in Kenya. The study established that employees believe their airline is committed to upholding fair and ethical treatment of staff. The study also established that employees are encouraged to report misconduct without fear of consequences. The study found that employee rights and benefits are respected and protected at all levels.

Nevertheless, the research revealed that the airline has a safe and confidential system for reporting unethical behavior. The study findings indicated that the airline complies with fair labor practices, including working hours and pay. Moreover, the study established that whistleblowers are protected from retaliation. The study further found that the airline has a clearly communicated code of ethics that guides employee conduct. Additionally, the research revealed that ethical standards are consistently enforced within the airline. The research results also indicated that employees have received training or orientation on the airline's ethical guidelines.

5.2.4 Philanthropic corporate social responsibility and profitability

The research found that philanthropic corporate social responsibility had a positive and substantial influence on the profitability of domestic airlines in Kenya. The study established that employees are encouraged to volunteer in their airline's charitable initiatives. The study also established that the airline actively participates in or organizes charity events. The study revealed that charitable initiatives foster a culture of empathy and shared purpose among employees.

The study revealed that the airline's involvement in charity effectively demonstrates its commitment to social impact. Further, the study revealed that community engagement is a visible and valued part of the airline's operations. Moreover, the study found that the airline promotes education through financial support, including scholarships and educational programs in the community. The research also found that these educational sponsorships are considered an important part of the airline's social commitment.

5.3 Conclusions

The research concludes that there exists a positive and substantial link between economic corporate social responsibility and profitability of domestic airlines in Kenya. This implies that enhancing economic corporate social responsibility (local supplier engagement, fair employee compensation) enhances profitability of Kenyan domestic airlines.

The study also concludes that there exists a positive and significant link between environmental corporate social responsibility and profitability of Kenyan domestic airlines. This implies that improving environmental corporate social responsibility (reducing carbon footprints, waste recycling and resource conservation) improves profitability of domestic airlines in Kenya

In addition, the study concludes that there exists a positive and substantial link between ethical corporate social responsibility and profitability of domestic airlines in Kenya. This implies that an enhancement in ethical corporate social responsibility (existence of a code of ethics, whistleblower protection mechanisms and adherence to fair labor standards) enhances profitability of Kenyan domestic airlines.

The study further concludes that there exists a positive and substantial link between philanthropic corporate social responsibility and profitability of domestic airlines in Kenya. This implies that an increase in philanthropic corporate social responsibility (charity events, scholarships or educational support and community outreach programs) increases profitability of domestic airlines in Kenya.

5.4 Recommendations

5.4.1 Managerial recommendations

The study found a positive and significant link between economic corporate social responsibility and the profitability of domestic airlines in Kenya. The study therefore recommended that airline management continue to strengthen engagement with local suppliers and prioritize local businesses in procurement processes. Airlines should also maintain fair and transparent compensation structures that reflect employee contributions to enhance motivation and organizational performance. Expansion strategies that create additional employment opportunities in the aviation sector and related industries should be pursued to maximize both social and financial benefits.

The study also found a positive and substantial link between environmental corporate social responsibility and profitability. Airlines should enhance initiatives promoting waste segregation, recycling, and responsible use of resources such as water, electricity, and paper. Clear internal policies on resource conservation should be reinforced, and employees should be actively involved in sustainability efforts. Investments in fuel-efficient aircraft and regular monitoring of carbon emissions should be prioritized to minimize environmental impact and improve operational efficiency.

In addition, the study established that ethical corporate social responsibility positively and significantly influenced profitability. Airlines should maintain and strengthen systems that ensure fair and ethical treatment of employees, including safe and confidential reporting mechanisms for misconduct. Consistent enforcement of ethical standards, protection of whistleblowers, and ongoing training on codes of ethics are advised to promote accountability, trust, and a strong ethical culture within organizations.

The study further revealed that philanthropic corporate social responsibility has a significant positive influence on profitability. Airlines should continue encouraging employee participation in charitable initiatives and community development programs. Expansion of financial support for education, scholarships, and other social welfare programs is recommended to strengthen social impact. Sustained and visible community engagement will enhance corporate reputation and foster a culture of empathy and shared purpose among employees.

5.4.3 Recommendations for policy

The study recommends that regulatory bodies such as the Kenya Civil Aviation Authority (KCAA) and the Ministry of Transport develop policies that promote sustainable and socially responsible business practices among domestic airlines. Incentive frameworks, such as tax benefits or public recognition, could be introduced to reward airlines demonstrating outstanding commitment to corporate social responsibility. Policymakers should also encourage collaboration between airlines and local communities to ensure CSR initiatives contribute meaningfully to national development priorities such as job creation and environmental protection.

5.4.3 Scholarly recommendations

For scholars, the study suggests further research focusing on the long-term effects of corporate social responsibility practices on non-financial performance indicators such as customer loyalty, employee retention, and corporate reputation. Comparative studies across sectors and regions would provide deeper insights into the contextual dynamics of CSR and firm performance. Additionally, future studies could examine moderating factors such as leadership style, firm size, or corporate governance to enrich understanding of how internal and external contexts shape CSR outcomes.

This study contributes to existing literature by providing empirical evidence on how corporate social responsibility influences the profitability of domestic airlines in Kenya, an area that has received limited attention. It reinforces the Social Contract Theory and the Theory of Social Costs by demonstrating that socially responsible business practices can enhance both corporate and societal welfare. However, the study was limited to domestic airlines, which may constrain generalization to other sectors or international settings. Moreover, the reliance on self-reported data may introduce response bias. Future research should therefore consider longitudinal designs and a broader range of firms to validate and extend these findings.

5.5 Recommendations for Further Research

The main aim of the research was to investigate the influence of corporate social responsibility on the profitability of domestic airlines in Kenya. Nonetheless, the study was limited to domestic airlines in Kenya, and therefore the results can't be generalized to other airlines or sectors in the aviation industry. As a result, the research recommends that more research should be performed to examine the influence of corporate social responsibility on profitability in other airlines and aviation sectors in Kenya. In addition, the study established that economic, environmental, ethical, and philanthropic corporate social responsibility explained 63.5% of the variation in profitability of domestic airlines. As such, further studies ought to be performed to identify other factors that influence profitability and to explore additional links between corporate social responsibility practices and organizational performance in the airline industry.

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APPENDICES

Appendix I: Questionnaire

I am a student at KCA University conducting a study on "**The Influence of Corporate Social Responsibility on the Profitability of Domestic Airlines in Kenya.**" The information you provide will be treated with strict confidentiality and used purely for academic purposes. Kindly respond to the questions as honestly and accurately as possible. Your cooperation is highly appreciated.

Instructions:

Please tick where applicable or fill in the blank spaces provided.

Section A: General Information

1. How long have you been working in your organization?

1-2 years	[ ]	3-4	[ ]
Over 5 years	[ ]		

2. In which department do you work?

Corporate Affairs/ CSR	[ ]	Finance	[ ]
ICT	[ ]	Operations	[ ]
Marketing and communication	[ ]	Human Resource	[ ]
Strategy/business development	[ ]	Procurement	[ ]
Customer Service	[ ]		

Section B: Economic Social responsibility

3. Kindly indicate your level of agreement or disagreement on various statements relating to economic social responsibility in your organization by ticking the appropriate box. Key 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

No.	Statements	1	2	3	4	5
1	Our airline actively collaborates with local suppliers for goods and services.					
2	Our procurement processes prioritize local businesses whenever possible.					
3	Engaging local suppliers is an important part of our corporate responsibility strategy.					
4	Our employees are fairly compensated based on their roles and performance.					
5	Our airline maintains transparent and equitable pay structures.					
6	I believe my compensation reflects my contribution to our airline's success.					
7	Our airline contributes meaningfully to job creation within the aviation sector.					
8	Our operations support employment opportunities in the local community.					
9	The expansion of our airline has led to more jobs in related industries					

Section C: Environmental Social Sustainability

4. Kindly indicate your level of agreement or disagreement on various statements relating to environmental social responsibility in your organization by ticking the appropriate

box. Key 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

No.	Statements	1	2	3	4	5
1	Our airline takes active steps to reduce carbon emissions from its flight operations.					
2	We regularly monitor and report our carbon footprint to improve environmental impact.					
3	I am aware of initiatives by our airline to use more fuel-efficient aircraft.					
4	Our airline promotes proper waste segregation and recycling at offices and airports.					
5	Recycling programs are clearly implemented across our airline's facilities.					
6	I actively participate in waste reduction and recycling efforts at work.					
7	Our airline encourages responsible use of water, electricity, and paper in daily operations.					
8	We have clear policies aimed at conserving natural resources.					
9	I believe resource conservation should be a priority in the operations of domestic airlines.					

Section D: Ethical Social Responsibility

5. Kindly indicate your level of agreement or disagreement on various statements relating to ethical social responsibility in your organization by ticking the appropriate box. Key 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

No.	Statements	1	2	3	4	5

1	Our airline has a clearly communicated code of ethics that guides employee conduct.					
2	I have received training or orientation on our airline's ethical guidelines.					
3	Ethical standards are consistently enforced within our organization.					
4	Our airline has a safe and confidential system for reporting unethical behavior.					
5	I trust that whistleblowers in our airline are protected from retaliation.					
6	Employees are encouraged to report misconduct without fear of consequences.					
7	Our airline complies with fair labor practices, including working hours and pay.					
8	Employee rights and benefits are respected and protected at all levels.					
9	I believe our airline is committed to upholding fair and ethical treatment of staff.					

Section E: Philanthropic Social Responsibility

6. Kindly indicate your level of agreement or disagreement on various statements relating to philanthropic social responsibility in your organization by ticking the appropriate box. Key 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

No.	**Statements**	**1**	**2**	**3**	**4**	**5**
1	Our airline actively participates in or organizes charity events.					

2	Employees are encouraged to volunteer in our airline's charitable initiatives.					
3	The airline's involvement in charity reflects its commitment to social impact.					
4	Our airline offers scholarships or supports educational programs in our communities.					
5	I am aware of our airline's efforts to promote education through financial support.					
6	Educational sponsorships are an important part of our airline's social commitment.					
7	Our airline regularly engages in programs that support local communities.					
8	I believe our airline makes a meaningful difference through community outreach.					
9	Community engagement is a visible and valued part of our airline's operations.					

Section F: Profitability

8 Kindly indicate your level of agreement or disagreement on numerous statements regarding profitability of domestic airlines in Kenya by ticking the appropriate box. Key 5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree and 1=Strongly Disagree

No.	Statements	1	2	3	4	5
1	Our airline's return on assets (ROA) is higher than the industry average for domestic airlines in Kenya.					

2	The airline has recorded consistent growth in ROA over the past three financial years.					
3	The company effectively utilizes its total assets to generate income.					
4	Asset utilization efficiency has positively contributed to improved ROA in our airline.					
5	Our airline's return on equity (ROE) exceeds that of most domestic competitors.					
6	ROE performance has improved steadily in recent years.					
7	Shareholders' equity is effectively managed to maximize profitability.					
8	The airline's ROE reflects strong shareholder value creation.					
9	Trends in both ROA and ROE indicate strong overall profitability and long-term financial sustainability for our airline.					

7. Kindly indicate the following profitability measures in your organization in the last 56 years (2020 to 2024)

	2020	**2021**	**2022**	**2023**	**2024**
Total income					
Total Assets					
Return on Assets (ROA)					
Shareholders' equity					
Return on Equity					

Appendix II: Informed Consent for Research Participation

Introduction

You are invited to participate in a research study. This document provides information about the study so that you can make an informed decision about your participation. Please take the time to read the information below. If you have any questions, feel free to ask the researcher.

Purpose of the Study

The purpose of this study is to *investigate the influence of corporate social responsibility (CSR) on the profitability of domestic airlines in Kenya*. The research is being conducted to *understand the extent to which economic, environmental, ethical, and philanthropic responsibilities contribute to financial performance. The researcher hopes to learn whether CSR can be leveraged not only as a tool for enhancing profitability but also as a means of promoting sustainable operations and improving stakeholder relationships within the airline industry.*

Study Procedures

If you agree to participate, you will be asked to *respond to a structured questionnaire designed to gather information on the economic, environmental, ethical, and philanthropic corporate social responsibility practices of your airline and their perceived influence on profitability. You may also be requested to take part in a brief follow-up interview to clarify or expand on some of your responses. Participation will take approximately 30–45 minutes for the questionnaire and about 20 minutes for the interview, if applicable. Data collection will take place over a period of six weeks, and each participant will only be involved in one session unless further clarification is required.*

Potential Risks and Discomforts

There may be some risks associated with participation in this study. These risks may include *mild discomfort when responding to questions related to corporate social responsibility practices and airline profitability, since some of the information may be considered sensitive*. Every effort will be made to minimize these risks, and you can withdraw from the study at any time without penalty.

Potential Benefits

While participating may not directly benefit you, the results of this study may contribute to *a better understanding of how corporate social responsibility practices influence the profitability of domestic airlines in Kenya. The findings may provide useful insights for airline managers, policymakers, and industry stakeholders in integrating CSR strategies to improve financial performance and promote sustainable business practices.*

Confidentiality

Your participation will be kept confidential. Any data collected will be stored securely and only accessible to the research team. Your identity will not be revealed in any publication or presentation resulting from this research.

Voluntary Participation

Participation in this study is completely voluntary. You have the right to withdraw from the study at any time without any negative consequences or loss of benefits to which you are otherwise entitled.

Questions

If you have any questions about this study, your participation, or your rights as a participant, please contact the principal investigator at *lmkathae@gmail.com*.

Consent

By signing below, you indicate that you have read the information provided above, understand the purpose and procedures of the study, and voluntarily agree to participate. You can withdraw from the study at any time without penalty.

Participant Statement:

I, the undersigned, consent to participate in this study.

Name of Participant: ______________________________

Signature of Participant: ______________________________

Date: ______________________________

Researcher (Principal Investigator –P1) Statement:

I, the undersigned, confirm that I have explained the nature of this study to the participants, answered all questions, and ensured that they understand the information provided.

Name of Researcher: ____________________________

Signature of Researcher: ____________________________

Date: ____________________________

Appendix III: List of Active Domestic Airlines in Kenya

1. Z.Boskovic
2. Mombasa Air Safaris
3. Kenya Airways PLC
4. Advantage Air Travel Ltd
5. Bluebird Aviation
6. ALS Ltd
7. 748 Air Services
8. Safarilink Aviation Ltd
9. Air Kenya Express
10. Governor's Aviation Limited
11. SAC (K) Limited
12. Freedom Airlines Express Ltd
13. Skyward Airline Ltd
14. Renegade Air
15. Jambojet Ltd
16. Jetways Airlines Ltd
17. I-Fly Air Solutions
18. Dragonfly Aviation Limited

Appendix IV: SERC Authorization Letter

KCA UNIVERSITY

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KCA UNIVERSITY SCIENTIFIC & ETHICS REVIEW COMMITTEE

REF: **KCAU/SERC/SOB0241** **DATE: 18TH AUGUST 2025**

TO: **LYDIA KATHAE (24/00403)**

Dear Sir/Madam,

RE: THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON THE PROFITABILITY OF DOMESTIC AIRLINES IN KENYA

This is to inform you that the KCA University Scientific Ethics Review Committee (KCAUSERC) has reviewed and approved your research proposal. Your application approval number is ***KCAUSERC/SOB0241.*** The approval period is ***18th August 2025 – 18th August 2026.***
This approval is subject to compliance with the following requirements.

i. Only approved documents, including informed consents, study instruments, and MTAs, will be used.
ii. All changes, including (amendments, deviations, and violations), are submitted for review and approval by ***KCAUSERC.***
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events, whether related or unrelated to the study, must be reported to **KCAU*SERC*** within 72 hours of notification.
iv. Any changes, anticipated or otherwise, that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to ***KCAUSERC*** within 72 hours.
v. Clearance for export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days before expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of an executive summary report within 90 days upon completion of the study to ***KCAUSERC.***

Before commencing your study, you will be expected to obtain a research license from the National Commission for Science, Technology and Innovation (NACOSTI) https://research-portal.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely,

Scientific and Ethics Review Committee KCA UNIVERSITY

Dr. Caroline Ntara,
Chairperson,
KCA University Scientific & Ethics Review Committee.

Appendix V: NACOSTI License

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **658732**

Date of Issue: **02/September/2025**

RESEARCH LICENSE

This is to Certify that Ms.. LYDIA MWIKALI KATHAE of KCA University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON THE PROFITABILITY OF DOMESTIC AIRLINES IN KENYA for the period ending : 02/September/2026.

License No: **NACOSTI/P/25/4179064**

658732

Applicant Identification Number

Ag. Director General

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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See overleaf for conditions