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ENVIRONMENTAL CSR PRACTICES AND MARKET PERFORMANCE OF INSURANCE FIRMS IN NAIROBI COUNTY, KENYA

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ABSTRACT

Corporate Social Responsibility (CSR) has increasingly emerged as a strategic tool for enhancing competitiveness and sustainability among organizations operating in dynamic business environments. However, the insurance industry in Nairobi County, Kenya continues to experience challenges such as low market penetration, declining customer confidence, and intensified competition. Despite extensive studies on CSR within sectors such as banking and telecommunications, limited empirical evidence exists on its effect on the market performance of insurance firms. This study aimed to examine the effect of Environmental CSR practices on the market performance of insurance companies in Nairobi County, Kenya. The study was anchored on Stakeholder Theory and Legitimacy Theory, which collectively explain how CSR practices influence organizational performance and stakeholder relationships. The study adopted quantitative research design incorporating both descriptive and explanatory approaches. The target population comprised 168 managers from insurance firms operating in Nairobi County, and a census approach was employed. Primary data was collected using structured questionnaires based on a five-point Likert scale. A pilot study was conducted in Nakuru County to test the reliability and validity of the research instrument. Data analysis involved descriptive statistics, Pearson correlation, and simple regression analysis using SPSS at a 0.05 level of significance. The findings revealed that Environmental CSR practices had a significant positive effect on market performance. Environmental CSR practices explained approximately 58.4% of the variance in market performance ($R^2 = 0.584$, $\beta = 0.764$, $p < 0.001$). The study concludes that Environmental CSR practices significantly contribute to market performance among insurance firms in Nairobi County. The study recommends that insurance firms strengthen environmental sustainability initiatives by developing clearly defined environmental sustainability policies, promoting paperless operations, implementing energy-saving measures, ensuring compliance with environmental regulations, and effectively enforcing waste management practices.

Keywords: *Environmental CSR, corporate social responsibility, market performance, insurance firms, sustainability, Nairobi County*

INTRODUCTION

Corporate Social Responsibility (CSR) has evolved from being perceived as a voluntary philanthropic activity to a strategic business practice that significantly influences organizational performance (Cha, 2023). Globally, insurance firms operate in a highly competitive and dynamic environment where clients demand not only financial protection but also ethical, transparent, and socially responsible practices. CSR therefore plays a dual role of enhancing reputation and contributing to long-term performance outcomes such as profitability, customer loyalty, and brand equity (Nguyen et al., 2020). Firms across developed economies have integrated CSR into their operations through environmental stewardship, ethical governance, community engagement, and employee welfare programs. These practices are associated with improved organizational outcomes such as enhanced reputation, increased customer loyalty, and stronger brand equity, all of which contribute to overall market performance.

Ahn (2023) notes that in developed economies, CSR has become integrated into core business strategies, with insurance companies using environmental initiatives, ethical underwriting, and community programs to differentiate themselves. Studies in Europe and North America reveal that CSR enhances trust, reduces reputational risks, and strengthens client retention in the insurance sector (Yadav & Sagar, 2021). Similarly, Asian insurance firms that embrace CSR practices such as employee welfare and sustainability reporting have experienced improved competitiveness and long-term growth (Lee & Chen, 2022).

Across Africa, CSR has gained momentum as firms respond to stakeholder expectations and regulatory frameworks. In Africa, CSR has gained prominence as organizations respond to rising stakeholder expectations and regulatory pressures. Many firms have adopted CSR initiatives to address social and environmental challenges while simultaneously strengthening their market position. Empirical studies across African economies indicate that CSR practices contribute to improved corporate image, customer trust, and competitive advantage. However, the effectiveness of CSR varies across industries due to differences in market structure, consumer behavior, and regulatory environments. In South Africa, for instance, CSR is embedded in the King IV corporate governance principles, which emphasize ethical conduct and sustainable value creation (Mokoena & Dhurup, 2020).

In Kenya, CSR has become an important strategic tool among organizations seeking to enhance stakeholder relationships and sustain competitive advantage. Firms in sectors such as banking, telecommunications, and manufacturing have increasingly adopted CSR initiatives, including environmental conservation, ethical business conduct, and community development programs. These efforts have been linked to improved customer retention, brand loyalty, and organizational performance. Despite this progress, the level of impact of CSR on performance outcomes remains uneven across sectors. In Kenya, the insurance industry faces stiff competition, low penetration rates (currently below 3%), and persistent concerns over trust, particularly in claims management (IRA, 2023). CSR practices have increasingly been used as a strategic tool to rebuild credibility, enhance stakeholder relationships, and strengthen market performance.

Insurance firms in Nairobi County, which hosts the headquarters of most players in the sector, operate in a highly competitive environment where differentiation goes beyond product pricing. With the increasing public demand for accountability and ethical conduct, CSR has become a critical determinant of both market and financial performance (Waheed & Zhang, 2022). However, despite the growing importance of CSR, existing literature in Kenya has largely focused on CSR in banks,

manufacturing, and telecommunications, with limited empirical studies specifically addressing its effect on the performance of insurance firms.

Environmental CSR Practices

Environmental CSR practices are activities in an organization directed towards reducing environmental impact, i.e. by taking environmentally friendly policy, waste management system, use of less paper due to the use of digital operations and environmental regulations. These activities show how an organization cares about the environment and may have a favorable impact on the reputation and brand image of the firm among the environmentally conscious stakeholders.

Environmental CSR Practices are environmentally friendly activities that insurance companies have engaged in, which include waste management, paperless practices, environmental provisions and energy saving.

STATEMENT OF THE PROBLEM

The insurance industry plays an important role in Kenya's economic development by providing financial protection, mobilizing savings, and supporting investment. However, the sector continues to experience low insurance penetration, intense competition, and concerns regarding customer confidence. According to the Insurance Regulatory Authority (IRA, 2023), insurance penetration in Kenya remained below 3%, indicating limited uptake of insurance products relative to the size of the economy. More recent industry information indicates that penetration stood at approximately 2.4% in 2024, compared with a global average of about 7%. Despite the continued presence of licensed insurance firms, growth in insurance uptake has remained relatively stagnant, reflecting persistent challenges related to customer trust, brand differentiation, and market competitiveness (Mwongela, 2022). These conditions highlight the need for insurance firms to strengthen their market positioning, customer relationships, and ability to attract and retain policyholders.

Corporate Social Responsibility has increasingly been adopted by organizations as a strategic management practice involving environmental conservation. Existing studies suggest that CSR may strengthen stakeholder relationships, enhance corporate reputation, and support customer loyalty and competitive positioning (Tiep et al., 2023; Kiladze et al., 2024; Meribe et al., 2021). In Kenya, however, much of the available CSR literature has focused on sectors such as banking, manufacturing, and telecommunications, with comparatively limited empirical attention to the insurance industry (Afiuc et al., 2021). Although environmental CSR practices are increasingly visible among insurance firms, the extent to which environmental CSR practices are associated with market performance in Nairobi County remains insufficiently documented.

The problem, therefore, is not that CSR has been established as a cause of low insurance penetration, but that insurance firms continue to operate in a market characterized by low penetration, intense competition, and concerns about customer confidence, while the contribution of environmental CSR practices to market performance remains uncertain. The existing knowledge gap matters because, without context-specific empirical evidence, insurance firms may be unable to determine the relevance of environmental CSR practices to strengthening customer loyalty, improving brand image, enhancing customer satisfaction, and achieving competitive positioning. This study therefore investigated the effect of Environmental CSR practices on the market performance of insurance firms in Nairobi County, Kenya.

RESEARCH OBJECTIVE

Assess the effect of Environmental CSR practices on market performance of insurance firms in Nairobi County, Kenya.

RESEARCH HYPOTHESIS

H_0: Environmental CSR practices have no statistically significant effect on market performance of insurance firms in Nairobi County, Kenya.

THEORETICAL REVIEW

Legitimacy Theory

Suchman articulated the Legitimacy Theory in 1995. The theory posits that organizations must operate within the norms, values, and expectations of society in order to be perceived as legitimate. When firms engage in practices that are consistent with societal expectations, they secure public approval, build trust, and strengthen their survival prospects (Adeoye, 2024). Conversely, failure to align with these expectations often results in reputational risks and loss of market support.

This theory relates directly to environmental CSR practices, such as eco-friendly operations and compliance with environmental regulations. In the case of insurance firms, demonstrating legitimacy through CSR enhances public trust and improves market performance by attracting and retaining customers who value socially responsible organizations.

Suchman (1995) posits that firms engage in socially responsible activities to align with societal norms and secure continued acceptance. However, critics argue that the theory may overemphasize symbolic actions, suggesting that some firms adopt CSR primarily for image management rather than substantive impact. Nonetheless, the theory effectively explains why insurance firms adopt CSR practices to maintain public trust and legitimacy.

The relevance of this theory to the study lies in explaining why insurance firms in Nairobi County adopt CSR practices as a means of building legitimacy, strengthening their image, and differentiating themselves in a competitive market. However, one limitation of the theory is that legitimacy is socially constructed and subjective. Different stakeholder groups may hold varying expectations, making it difficult for organizations to satisfy all demands consistently.

EMPIRICAL REVIEW

Environmental CSR Practices and Market Performance

At the global level, Nguyen and Pham (2020) studied the impact of green business practices on customer loyalty in service firms in Vietnam using a survey design with 220 respondents. The findings revealed that eco-friendly initiatives such as energy efficiency and waste reduction significantly improved customer satisfaction and loyalty. However, the study did not focus on the insurance sector, leaving a gap on how environmental CSR influences market performance in financial services. More fundamentally, the study aggregated diverse service firms, which means the findings describe an average effect across heterogeneous organizations rather than a sector-specific relationship.

In Africa, Mokoena and Dhurup (2020) examined sustainability practices and market competitiveness of manufacturing firms in South Africa through a descriptive research design. The study found that eco-friendly production processes enhanced firms' brand positioning and customer retention. The limitation was its focus on manufacturing firms, meaning its findings cannot be generalized to service industries such as insurance. This is not a minor limitation. Manufacturing firms have direct,

measurable environmental footprints through production, whereas insurance firms have indirect footprints through paper use, energy consumption, and investment decisions. The mechanism through which environmental practices affect customer perceptions is therefore likely to differ, and the study provides no evidence on whether the same relationship holds in a low-footprint service context.

Within East Africa, Mwenda (2019) investigated environmental sustainability initiatives and organizational image in Tanzanian financial institutions using a case study approach. The results showed that adopting green policies such as paperless banking improved customer perceptions and institutional credibility. However, the study concentrated on banking institutions and did not assess insurance firms, creating a contextual gap in the financial services sector. The case study design also limits generalization, as the findings describe a single institutional context rather than a pattern across firms.

In Kenya, Awuor and Omondi (2022) analyzed the relationship between environmental sustainability initiatives and competitiveness of commercial banks using a descriptive research design. The study established that banks engaging in eco-friendly practices, such as reduced paper usage and compliance with environmental regulations, reported improved brand image and customer trust. However, the study was limited to banks, while little empirical research has examined insurance firms. Even within the Kenyan financial services sector, therefore, the evidence describes banking rather than insurance, and it measures competitiveness rather than the broader construct of market performance used in the present study.

From this review, it is evident that environmental CSR practices enhance outcomes such as customer loyalty, brand image, and competitiveness. Nonetheless, most studies focus on manufacturing, banking, or general service industries, with minimal attention to insurance firms. This study therefore seeks to fill the gap by examining how environmental CSR practices influence the market performance of insurance firms in Nairobi County.

RESEARCH METHODOLOGY

Research Design

To enhance the depth of data analysis, the study adopted quantitative research design incorporating both descriptive and explanatory approaches. According to Saunders, Lewis, and Thornhill (2019), descriptive design is appropriate for studies that seek to provide an accurate profile of events, persons, or situations. It allows the researcher to systematically collect, analyze, and present data on Corporate Social Responsibility practices and their influence on market performance without manipulating variables. Similarly, Kipyegon, Cynthia and Makau (2025) notes that descriptive research is useful in describing the current state of affairs as they exist and is particularly suited for identifying relationships among variables. In this study, the design helped in assessing how environmental CSR practices relate to market performance indicators such as customer loyalty and brand image in insurance firms within Nairobi County. The inclusion of an explanatory design strengthens the study by allowing the use of inferential statistical techniques such as correlation and simple regression analysis to determine the magnitude and significance of relationships between variables. This combined approach provides a more comprehensive and rigorous analysis of the influence of environmental CSR practices on the market performance of insurance firms in Nairobi County.

Target Population

The target population refers to the complete set of individuals or elements to which the researcher intends to generalize the study findings (Mugenda & Mugenda, 2019). For this study, the target population comprised all insurance firms operating in Nairobi County, with a focus on three

categories of respondents: heads of public relations, heads of sales, and headquarters branch managers. According to the Insurance Regulatory Authority (IRA, 2023), there are 60 licensed insurance companies in Kenya, most of which have their main offices located in Nairobi, where 168 heads of public relations, heads of sales, and headquarters branch managers were the respondents. The three categories of respondents were selected because each occupies a distinct and complementary position in relation to Environmental CSR practices and market performance, and together they provide a comprehensive and triangulated perspective on the study variables.

Sampling Design and Sample Size

A sampling technique refers to the method used to select a subset of individuals or entities from a target population to participate in a study. It ensures that the sample accurately represents the population, enabling the researcher to draw conclusions and generalize about the entire group (Kothari & Garg, 2020). In this study, a census approach will be employed since the target population consists of all the 168 heads of public relations, heads of sales and headquarters branch managers. According to Mugenda and Mugenda (2019), a census is suitable when the population is small and accessible, as it allows the researcher to obtain information from every unit in the population.

Data Collection Instruments

The study used a structured questionnaire to collect primary data from managers and employees directly involved in Corporate Social Responsibility (CSR) implementation and customer-related functions within insurance firms in Nairobi County. The questionnaire was divided into three sections. Section A captured demographic information such as firm category, respondent position, department, and years of experience. Section B measured Environmental CSR practices using clearly operationalized indicators as outlined in the conceptual framework. Section C measured Market Performance using indicators such as customer loyalty, customer satisfaction, brand image, market share growth, customer retention, service quality perception, and competitive positioning.

All items were measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The Likert scale was appropriate because it enabled the quantification of perceptions and attitudes, making it suitable for correlation and regression analysis. The questionnaire method is considered appropriate for this study because it allows for standardized data collection from a relatively large sample, enhances objectivity, ensures comparability of responses, and facilitates statistical analysis of the relationship between CSR practices and market performance.

Pilot Study

Pilot testing refers to the process of conducting a preliminary study to evaluate the feasibility, reliability, and validity of the research instruments before the main data collection begins. According to Connelly (2021), pilot testing helps identify and address potential issues with the questionnaire, such as ambiguous questions or technical flaws, ensuring that the final instrument effectively captures the intended data. To ensure reliability and validity, a pilot test involved 10% of the target population, which is a commonly recommended sample size for pilot studies (Mugenda & Mugenda, 2008). The pilot study was carried out among selected insurance firms in Nakuru County, which was chosen because it hosts a sufficient presence of licensed insurance firms but lies outside the main study area of Nairobi County, thereby minimizing contamination of the final sample. The pilot study involved 17 respondents drawn from 6 insurance firms operating in Nakuru County.

RESULTS AND DISCUSSION

A total of 168 questionnaires were administered to the targeted respondents comprising heads of public relations, heads of sales, and headquarters branch managers of insurance firms operating in Nairobi County. Of the 168 questionnaires distributed, 131 were properly completed and returned, representing a response rate of 77.8%. The remaining 37 questionnaires, equivalent to 22.2%, were not returned.

Descriptive Statistics: Environmental CSR Practices Respondents rated various statements related to Environmental Corporate Social Responsibility (CSR) Practices on a five-point Likert scale, where 5 indicated "Strongly Agree", 4 indicated "Agree", 3 indicated "Neutral", 2 indicated "Disagree", and 1 indicated "Strongly Disagree." The statements assessed the extent to which insurance firms in Nairobi County implement environmental sustainability practices, including environmental policies, paperless operations, energy conservation, regulatory compliance, waste management, environmental conservation, and the contribution of environmental sustainability to firm reputation.

Table 1: Descriptive Statistics for Environmental CSR Practices

Statement	Mean	SD
The firm has a clearly defined environmental sustainability policy.	2.612069	1.191971
The company promotes paperless operations.	2.793103	1.017205
Energy-saving initiatives are implemented in the firm.	2.974138	1.459368
The organization complies with environmental regulations.	3.741379	1.150327
Waste management practices are effectively enforced.	3.853448	0.903009
The firm supports environmental conservation initiatives.	3.465517	1.087426
Environmental sustainability enhances the firm’s reputation.	3.568966	1.024613
Overall Mean	**3.286943**	**1.119**

Source: Research Data (2026)

The findings in Table indicate that environmental CSR practices were implemented to a moderate extent overall, as reflected by the overall mean of approximately 3.29. However, there were notable differences in the extent to which individual environmental CSR practices were implemented. The highest mean score was recorded for the statement that waste management practices are effectively enforced (M = 3.853448, SD = 0.903009). This finding indicates that respondents perceived waste management as the most widely implemented environmental CSR practice among the practices examined. The relatively low standard deviation further suggests a comparatively high degree of consistency in respondents' perceptions. This may imply that waste management has become a more visible and routinely implemented component of environmental responsibility within the participating firms.

The second-highest mean was reported for compliance with environmental regulations (M = 3.741379, SD = 1.150327). The finding suggests that respondents generally perceived their firms to comply with applicable environmental requirements to a relatively great extent. Nevertheless, the standard deviation indicates some variation in responses, implying that perceptions of environmental regulatory compliance differed among respondents. The statement that environmental sustainability enhances the firm's reputation recorded a relatively high mean of 3.568966 (SD = 1.024613). This suggests that respondents generally recognized the reputational value of environmental sustainability. The finding is important because it indicates that environmental CSR was not viewed solely as an operational or regulatory requirement but also as a practice capable of strengthening how the firm is perceived by its stakeholders.

Similarly, respondents indicated that the firm supports environmental conservation initiatives to a moderate-to-great extent (M = 3.465517, SD = 1.087426). This suggests that participating firms undertake some activities aimed at environmental conservation, although the practice was not as strongly rated as waste management and compliance with environmental regulations. Energy-saving initiatives recorded a mean of 2.974138 (SD = 1.459368), which is approximately at the moderate extent level. This indicates that respondents did not perceive energy-saving initiatives as being consistently implemented across the firms. The relatively high standard deviation suggests substantial differences in respondents' perceptions, possibly reflecting variations in the extent to which individual firms have adopted energy-efficiency measures.

The promotion of paperless operations recorded a mean of 2.793103 (SD = 1.017205). This finding suggests that paperless operations were implemented to a moderate extent. Although digitalization may reduce paper consumption and contribute to environmental sustainability, the result indicates that the transition towards paperless operations had not been fully realized across the participating firms.

The lowest mean score was recorded for the statement that the firm has a clearly defined environmental sustainability policy (M = 2.612069, SD = 1.191971). This finding suggests that respondents perceived the formalization of environmental sustainability policies to be relatively limited. The result may indicate that some firms undertake individual environmental initiatives without necessarily having clearly articulated or well-communicated environmental sustainability policies.

Taken together, the findings suggest that environmental CSR practices were present but implemented at varying levels. The firms appeared to place greater emphasis on practical activities such as waste management and compliance with environmental regulations, while formal environmental policies, paperless operations and energy-saving initiatives received relatively lower ratings. This pattern suggests that there is scope for insurance firms to move beyond compliance-oriented environmental activities and strengthen more systematic sustainability practices through clearly defined policies, energy conservation and greater adoption of paperless processes.

The findings are consistent with Awuor and Omondi (2022), who found that environmental sustainability initiatives contribute to improved organizational image and stakeholder trust. The relatively high rating for environmental sustainability enhancing firm reputation in the present study similarly suggests that respondents recognized the strategic value of environmental CSR.

Simple Regression Analysis: Environmental CSR Practices and Market Performance

Simple regression analysis was conducted to determine the effect of Environmental CSR practices on the market performance of insurance firms in Nairobi County, Kenya. The analysis tested the null hypothesis that Environmental CSR practices have no significant effect on market performance. The results are presented in Table 2.

Table 2: Model Summary

R	R^2	Adjusted R^2	Std. Error of the Estimate
.764[1]	.584	.581	.37125

Source: Research Data (2026)

The model summary reveals a strong positive correlation between Environmental CSR practices and market performance, as indicated by the correlation coefficient (R = 0.764). This suggests that there is a substantial relationship between the extent to which insurance firms adopt environmental

sustainability initiatives and their market performance outcomes. The R^2 value of 0.584 indicates that Environmental CSR practices explain approximately 58.4% of the variance in market performance among insurance firms in Nairobi County. This implies that more than half of the variations in market performance can be attributed to environmental CSR practices, with the remaining 41.6% explained by other factors not included in the model, such as pricing strategies, product innovation, distribution channels, and macroeconomic conditions.

The adjusted R^2 value of 0.581, which accounts for the number of predictors in the model, is very close to the R^2 value, indicating that the model is well-specified and not overfitted. This suggests that Environmental CSR practices alone serve as a reliable predictor of market performance. The relatively high explanatory power demonstrates that environmental responsibility is an important strategic consideration for insurance firms seeking to enhance their market position. The standard error of the estimate (0.37125) indicates the average distance that the observed values fall from the regression line, with a lower value suggesting more precise predictions.

The findings imply that insurance firms that adopt environmental sustainability initiatives—such as compliance with environmental regulations, waste management practices, energy-saving measures, and paperless operations tend to achieve higher levels of market performance. Eco-friendly practices enhance organizational reputation, build stakeholder trust, and contribute to customer loyalty, thereby improving the firm's competitive positioning in the market.

Table 3: Analysis of Variance Results for Environmental CSR Practices

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.901	1	16.901	122.634	.000
Residual	12.032	129	.138		
Total	**28.933**	**130**			

Source: Research Data (2026)

The ANOVA results show an F-statistic of 122.634 with a significance value of $p < 0.001$. This indicates that the regression model is statistically significant and that Environmental CSR practices are a valid predictor of market performance. The significance value below the 0.05 threshold confirms that the relationship between Environmental CSR practices and market performance is not due to chance. The high F-statistic value further demonstrates that the model explains a significant amount of the variance in market performance, reinforcing the robustness of the relationship between environmental responsibility and market outcomes.

Table 4: Regression Coefficient Results

Variable	B	Std. Error	Beta	t	Sig.
(Constant)	0.987	.267		3.697	.000
Environmental CSR	.732	.066	.764	11.092	.000

a. Dependent Variable: Market Performance
b. Predictors: (Constant), Environmental CSR Practices

Source: Research Data (2026)

The regression coefficient results provide further insights into the nature and strength of the relationship between Environmental CSR practices and market performance. The constant term (β_0 = 0.987) represents the expected market performance when Environmental CSR practices are held at zero. The unstandardized coefficient (B = 0.732) indicates that for every unit increase in Environmental CSR practices, market performance increases by 0.732 units, holding other factors

constant. This positive coefficient confirms the direction of the relationship, demonstrating that improvements in environmental practices are associated with corresponding improvements in market performance.

The standardized beta coefficient ($\beta = 0.764$) indicates that Environmental CSR practices have a strong effect on market performance. The t-statistic of 11.092 with a significance value of $p < 0.001$ confirms that the coefficient is statistically significant. The significance value below 0.05 provides strong evidence to reject the null hypothesis and conclude that Environmental CSR practices have a significant positive effect on market performance.

The finding that Environmental CSR practices significantly influence market performance is consistent with previous empirical studies. Nguyen and Pham (2020) found that eco-friendly initiatives such as energy efficiency and waste reduction significantly improved customer satisfaction and loyalty among service firms in Vietnam. Similarly, Awuor and Omondi (2022) established that commercial banks engaging in eco-friendly practices, such as reduced paper usage and compliance with environmental regulations, reported improved brand image and customer trust. The finding also aligns with Mokoena and Dhurup (2020), who found that sustainability practices enhanced brand positioning and customer retention among South African manufacturing firms. The present study extends these findings to the insurance sector, demonstrating that environmental responsibility contributes to market performance in a service-oriented industry where trust and reputation are critical.

From a theoretical perspective, the finding supports Legitimacy Theory, which posits that organizations must operate within societal norms and expectations to be perceived as legitimate. Environmental CSR practices signal to stakeholders that the firm is committed to sustainability and environmental stewardship, thereby enhancing its legitimacy, reputation, and market standing. The finding also aligns with Stakeholder Theory, as environmental initiatives address the expectations of environmentally conscious stakeholders, including customers, regulators, and the community.

Based on the regression results, the null hypothesis (H_{01}) that Environmental CSR practices have no significant effect on market performance is rejected. The study concludes that Environmental CSR practices have a significant positive effect on the market performance of insurance firms in Nairobi County, Kenya.

CONCLUSION

The study concludes that Environmental CSR practices significantly contribute to market performance among insurance firms in Nairobi County. Through environmental sustainability initiatives such as compliance with environmental regulations, waste management practices, energy-saving measures, and paperless operations, insurance firms enhance their organizational reputation, build stakeholder trust, and contribute to customer loyalty. These practices signal to stakeholders that the firm is committed to sustainability and environmental stewardship, thereby enhancing its legitimacy, reputation, and market standing.

RECOMMENDATIONS

The management of insurance firms should strengthen environmental sustainability initiatives by developing clearly defined environmental sustainability policies, promoting paperless operations, implementing energy-saving measures, ensuring compliance with environmental regulations, and effectively enforcing waste management practices. Insurance firms should also support environmental conservation initiatives and recognize the strategic value of environmental sustainability in enhancing firm reputation and market performance. Firms should move beyond

compliance-oriented environmental activities and strengthen more systematic sustainability practices through clearly defined policies, energy conservation, and greater adoption of paperless processes.

Future research should examine additional determinants of market performance such as organizational culture, leadership practices, regulatory policies, macroeconomic conditions, technological readiness, and competitive dynamics. Further research should undertake comparative studies between insurance firms and other financial service institutions such as commercial banks, microfinance institutions, and savings and credit cooperatives in order to establish the differences in CSR adoption, resource capabilities, and market outcomes. The study further suggests that future researchers should adopt longitudinal research designs to assess the long-term effects of CSR practices on market performance. Since the insurance sector is dynamic and continuously evolving, longitudinal studies would provide deeper understanding of how CSR practices influence market performance and sustainability over time.

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