Effects of CEO Duality and Board Tenure on Corporate Social Responsibility of Firms Listed in Nairobi Securities Exchange, Kenya

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***Abstract:*-CSR refers to voluntary managerial "actions that appear to further some social good, beyond the interests of the firm and that which is required by law. Board tenure and CEO duality are seen as potential determinants of corporate social responsibility but have not been fully explored in developing countries like Kenya. The research was to find out whether Board tenure and CEO duality have effects on corporate social responsibility investment of firms listed in Nairobi securities exchange in Kenya. The objectives for this study were to determine the effect of board tenure on corporate social responsibility and effect of CEO duality on corporate social responsibility. The study was guided by upper echelon theory which postulates that executive' experiences, values, and personalities greatly influence their interpretations of the situations they face and, in turn, affects their choices. The study employed explanatory research design. The research utilised secondary data derived from document analysis mainly from companies' annual reports. The study targeted 65 firms listed on the Nairobi Securities Exchange for the period ranging from 2005 to 2015. The study utilised data from 11 companies. The study adopted descriptive statistics, correlation analysis, fixed effects and Random effects regression models. Hausman test was carried out and Random effect model was found to be the best model for predicting the change in CSR. Study findings indicate that CEO duality had a negative significant effect on CSR,(β=-34173, p = 0.004), $p<0.05$) and board tenure had a negative significant effect on CSR. (β=-0.11066, p = 0.012), $p<0.05$). In conclusion the study found out that when a company is led by a dominant personality, shareholders' interests are likely to be maltreated. It is therefore crucial for the board to have outside board member as the chair of the board because this will take care of shareholders'interests which include CSR. Furthermore the study found out that the longer the experience of managers, the more knowledgeable they become hence they are more capable of managing CSR. Therefore the study recommends organizations to have a balanced board size-one that is not too small or too large so that there is no time wastage and will better CSR performance. It is therefore necessary for firm to retain managers that have a vast wealth of experience since they are knowledgeable and more capable of managing CSR. Further the study recommends companies to separate the position of CEO and chairman because Stakeholders view those companies that separate the two positions to be more reputable.**

***Keywords:* Nairobi Security Exchange, NSE, Chief Executive Officer, CEO Duality.**

I. INTRODUCTION

The definition of CSR applies to voluntary management "actions that appear to go beyond the company's interests and what the law needs" (McWilliams and Siegel, 2001: Waddock, 2008).When managers look beyond shareholders and decide to focus organizational commitment on staff, clients, the community and other stakeholders, they have tremendous flexibility because these decisions are difficult to determine (Margolis and Walsh, 2003; Waldman and Siegel, 2008).Building on the logic of the upper echelons perspective, CEOs will have a significant influence in such discretionary decisions and therefore a firm's propensity to engage in CSR may be affected by chief executives' preferences and priorities that derive from their values and personalities (Chatterjee and Hambrick, 2011; Gerstner *et al.,* 2013).

While CSR is highly recognized in developed countries, it is viewed from a different perspective in developing countries. The domination of close-knit companies also sees the main owners of companies acting as senior management(Halabi, & Samy, 2009). The maximization of profits plays a key role in the continued life of the firms, this explains why managers have less incentive to pursue CSR activities that are generally not cost-free.Additionally, stakeholders in developing countries still hesitate to accept the concept of CSR as it reduces company earnings.In light of these problems, developing countries are often associated with low levels of CSR practices. Nevertheless, in recent times CSR has taken on a higher degree of importance in developing countries.Governments and regulators play important roles as catalysts for the adoption of CSR practices. Companies also tend to copy other similar companies' CSR practices (Amran, *et al.,* 2013).

Companies with sound corporate governance usually have a greater social responsibility (Ntim and Soobaroyen, 2013), as a result, it is not surprising that governments have begun to promote best corporate governance practices with the aim of helping companies to better discharge their responsibilities to all stakeholders. (Devinney, *et al.,* 2013). This argument provides a strong foundation for linking the practice of CEO duality to CSR. CEO duality is common in developing countries because of the prevalence of family ownership. As

such, it is likely that this duality role may adversely affect CSR practices.

Statement of the Problem

A number of studies have attempted to address the many contradictions and debates surrounding CSR issues, yet there is a great deal of disagreement, controversy and conflict of interest between business theorists, corporate managers, academics and the general public. Research has concluded that CSR is affected by ownership structure (Peng*et al.,* 2018).Other studies have argued that board characteristics affects organizations charitable activities (Faller & zuKnyphausen-Aufseß, 2018), however, in Kenyan context the determinant of CSR is not clear.

Studies done on CSR include; Otieno (2009) and Ngurima (2010) who laid emphasis on CSR as a general practice on commercial banks and microfinance institutions. Pacioli (2010) investigated the role of CSR and sustainability dimensions at KCB. Zachary, (2011), laid emphasis on CSR as a general practice of commercial banks and microfinance institutions. These studies suffers the weakness of neglecting the influence of the board of governance, it was a considerable yawning gap the present research work was able to discover in the literature alongside the period gap of the previous studies.

However, to the best of the researcher's knowledge, few studies with similar variable combinations have been conducted in companies listed on the Nairobi Securities Exchange. Filling this void is of utmost importance because of their valuable contributions to the economy. Because of the above-mentioned shortage, this study was therefore intended to add to the increasing body of information in CSR. Using a set of companies listed on the Nairobi Stock Exchange as a case study to assess empirically the likely effect of board tenure and CEO duality on corporate social responsibility.

II. LITERATURE REVIEW

There are several debates regarding business involvement in society. Most of the arguments are in support of the idea of Freeman (1984), and other stakeholder theorists. The summary of the argument is that firms must operate in such a way that would fulfil society's demands. According to Kaskeen, (2017), companies engage in CSR programs in order to reduce public criticism and discourage further government involvement into their business territory. This involvement is sometimes considered a defensive approach designed to offset possible government action against those in the business cycle who depleted the environmental resources without caring to offer back part of it to the immediate constituents. Firms must understand that society is a `system` which constitutes corporate entities and other stakeholders as well and of which are interdependent.

There exists mutual relationship among individuals, government and corporate organizations in society. Social responsibility involvement simply means responding to shareholders` interest. A firm that is socially responsible will simply be profitable, especially in the long run. Poor social responsibility involvement on the part of the corporation means poor corporate management and poor performance. This is because; failure to perform in the best interest of the multiple stakeholders is like failure to adequately perform in corporate financial matters (Crifo*et al.,* 2016).

The level of CSR engagement by a firm determines to a greater extent as to whether the participating company value CSR as pure philanthropic, value creation or risk/ environmental management activities. Yu & Rowe, (2017), concluded that depending on the way and manner in which a particular organization viewed its CSR investments. CSR spending can be classified into two categories of firm's activity viz; philanthropic, and value creation.

CEO Duality

One topic that has received significant recent attention in the area of corporate governance is whether separate people should hold the positions of Chief Executive Officer (CEO) and Chairman of the Board, or whether it is reasonable for both roles to be held by the same person (referred to as CEO duality). This issue is important because the governance structure has a significant impact on corporate governance given that senior staff have the greatest impact on the management and performance of a company.(Kirsch, 2018). In addition, earlier studies indicate that reporting policies originate primarily from the Board of Directors.(Ho and Wong, 2001; Gul and Leung, 2004). It is therefore expected that the type of management structure adopted will shape the reporting pattern of the company.

CEO duality is likely to result in a concentration of power and self-utility that will maximize managers' behaviour(Dalton and Dalton, 2005). CEO duality gives the CEO excessive power over the decision-making process (Nyamongo, & Temesgen, 2013), such as the ability to influence the composition and tenure of boards, set agendas and control information flows, and also resist change in the face of performance decline or instability (Baligaet *et al.,*1996).Consequently, the Board, as shareholders' representatives, does not effectively exercise its role of governance by reducing monitoring and accountability. Shareholders' interests are likely to be abused when a company is led by a dominant personality (Kholief, 2008).If the CEO and the chairman are the same person, not only will there be less room for discussion, but also there will be a narrower range of skills , knowledge and expertise that could affect the performance of the company (Shakir, 2009).In addition, Goyal and Park (2002) found out that it was more difficult for the Board to remove a poorly performing CEO when the CEO and the Chairman were assigned to the same individual.(Zhang, 2012). The CEO, who is also the Chairman, is in a position to self-assess himself. Thus, their ability to exercise independent self-assessment is indeed questionable (Petra, 2005).

Companies that practice clear separation of CEO and Chairperson Positions are viewed by stakeholders as being more reputable (Lu *et al.,* 2015). Separation of the two roles has not only been recommended as good corporate governance, but is now widely accepted in many countries:China Securities Regulatory Commission in 1992 (Huafang and Jianguo, 2007), Bangladesh Securities and Exchange Commission in 2006 (Khan *et al.,* 2013) and also the Australian Stock Exchange in 2007.

Board Tenure

Board tenure describes the term of board members. Establishing a limit on the term of office for directors` contributes to the institutions good governance. Limiting the term of office encourages rotations and allows directors who do not show the expected level of performance to be replaced more easily. CMA, (2002) recommends a three year term for all directors except the managing director. To preserve institutional memory and accumulated experience and to ensure that member rotation does not affect the board's cohesion as a group, renewable terms of office of three to four years should be established to allow a small part of the board to be substituted each year. (Jacobs *et al.,* 2007) argued that boards should be regularly examined; the performance of individual members, the size of the board, the skills on the board and potential needs for adding to the board or rotating existing members.

Board tenure and term limits are essential for effective governance and ensure the democratic

Participation of a broad range of members, the average among firms` ranges from two to four years (Hattel*et al.,* 2010), in setting terms, the board must strike a balance between a tenure that is long enough to allow members to develop expertise that results in substantial contributions and to provide continuity of policy and practice, yet short enough to secure constant freshness of view point (Cherono, 2008).

Villiers *et al.,* (2009) argued that coercing the directors into retirement results in waste of talent and experience. Similarly, Zheka, (2006) suggest that extended tenure enhances the willingness of directors to expand their efforts towards company goals. Directors with greater tenure have acquired more knowledge about a firm and its business environment and this should improve their ability to effectively monitor (Villiers *et al.,* 2009). In support Beasley (2005), Yang & Krishna (2005), Chhaochharia & Grintesin (2007), found a positive relationship between increased director tenure and financial reporting quality. Further, Villiers *et al.,* (2009) showed that firms with longer tenured directors are less likely to be the subject of hostile takeover bids.

However other studies point out that managers` may be in a better position to influence director opinions the longer they know them (Wu *et al.,* 2009). Webb (2005) revealed that the participation of longer tenured directors in compensation decisions is associated with higher pay for the CEO, suggesting that longer tenured directors are more likely to make decisions in favour of the management. This line of argument suggests that the director tenure would be negatively related to effective monitoring.

Effect of Board Tenure on CSR

The length of an executive's tenure can be a useful gauge of his or her knowledge of the organization and its stakeholders. Gioia*et al*., (2010) suggested that the promotion of chief executives from an internal pool of candidates (rather than recruitment from outside the organization) can have several advantages. Insiders tend to possess greater information than outsiders about the firm's specific products markets, customers and employees.

Gupta *et al.,* (2007) suggests a similar rationale by observing that "the longer an individual has worked for an organization, the more familiar he/she is likely to be with its products, markets and technologies, but also with its people, standard operating procedures and culture. This experience in turn facilitates the comprehension of the needs of different constituencies in the process of making important decisions. Hermanseter, & Mull, (2017), found that the decision processes of experienced managers were significantly different from their inexperienced counterparts. More experienced managers were able to make better decisions because of their ability to rely on the outcomes of multiple, previous decisions.

Insiders, who have been at the helm of their organizations for some time, also have developed social networks with subordinates and peers both within and outside the organization. Wry *et al.,* (2013) found that the tenure of hospital administrators was positively related to the organization's relationship with local and business communities. Thus it would seem that long tenured executives, promoted from the ranks, would have a better grasp of the range of the organization's specific stakeholder needs and able options for meeting them. Such knowledge is likely to be critical in the process of choosing between alternative programs and policies and allocating resources necessary for their effective execution. Triana, (2014) found that long tenured executives tend to become stale in the saddle and hence the organizations they led often experienced lower levels of profitability.

Director's tenure on the board of directors of an organization has significant effects on CSR performance of the firm. Finding shows that having highly tenured board members lead to irresponsible social behaviour of the firm. Philipp Kruger (2010) found a little support that corporate social responsibility is higher in organizations in which the board of directors is likely to be friendlier towards the management of the company.

Humphry Hung, (2011) argued that the directors must focus on adoption of new modern strategies to maintain the pace of the latest developments in the market. The directors need to

fully participate in controlling and managing the social responsibility strategies and must play the positive role for the development of strategic leadership in the organizations. (Gnan*et al.,* 2013) emphasized that the ways of selection and evaluation of board members needs to be upgraded in line with emerging globalization. Huang, (2013) found that a CEO's tenure do have an impact on the firm's CSR performance.

According to Luo*et al.,* (2014) found out that CEO tenure can affect firm performance and CSR. Fundamentally, the paradigm posits that 'there are discernible phases, or seasons, within an executive's tenure in a position, and those seasons give rise to distinct patterns of executive attention, behaviour, and ultimately organizational performance (Luo*et al.,* 2014). Miller, &Xu, 2019), in their study discovered that CEO tenure can have both positive and negative effects on firm performance and CSR.

During their early tenure seasons, CEOs tend to learn rapidly and are willing to take risks as their tenure progresses they come up with new initiatives and expand their knowledge and skill thus improving firm performance in their later seasons, however, CEOs myopically commit to obsolete paradigms, become risk averse and stale in the saddle, and tend to adapt less to the external environment (Hou*et al.,* 2017), thus hurting firm CSR performance.

Luo& Jackson(2012) examined the impact of CEO tenure on both employees and customers across 365 U.S.A companies from 2000 to 2010. They found that a long CEO tenure strengthens the firm-employee relationship, but weakens the firm-customer relationship.

H_{01}; There is significant effect of board tenure on corporate social responsibility

CEO Duality and CSR

Generally, most research on CEO duality seems to focus on how it affects corporate performance. Abor (2007) identified significant and positive associations between the capital structure and the CEO duality of Ghanaian companies. Similarly, in the U.S., Harjoto and Jo (2008) found a positive relationship between CEO duality and corporate values and performance. Schmid and Zimmermann (2005) studied 152 businesses in Switzerland. Regardless of whether the roles are combined or divided, the value of the company remained unchanged In Egypt, Elsayed (2007) showed that duality as CEO was insignificant to company performance and further suggested that the impact of dual roles on board and company performance is different from one country to another.This view seems to support the finding by Yusoff and Alhaji (2012). Kao and Chen (2004);Xie *et al.,* (2003) and Haniffa *et al.,* (2006) reported insignificant results on the association between CEO duality and earnings management activities.

Sharma (2004), revealed that the supervisory role of the board is weakened and the likelihood of fraud increases when the board chair is also the CEO.In China, Lu *et al.,* (2015) confirmed that CEO duality adversely affects the board's effectiveness in the performance of the governance function.In a sample of European biotechnology companies, Cerbioni and Parbonetti (2007) found evidence that the concentration of power is negatively associated with the voluntary disclosure of intellectual capital information.Similar results have been reported by Huafang and Jianguo (2007) on listed Chinese companies. Gul and Leung (2004), studying a sample of 385 companies listed in Hong Kong, provide empirical evidence that CEO duality is linked to lower levels of voluntary disclosure. Muttakin and Subramaniam (2015) reported a negative relationship between CEO duality and CSR disclosure by Indian companies.A study by Al-Janadi*et al.,*(2013) revealed the positive impact of CEO duality on the voluntary disclosure of companies in Saudi Arabia.

Several studies have not identified any relationship between C EO duality and the extent of CSRreporting, such as; Khan *et al.,*(2013), and Michelon and Parbonetti (2012). CEO duality proponents claim that the duality function reduces barriers to communication (Ahmad *et al.,* 2017).This helps to reduce costs for the company, particularly in the case of the transfer of critical information between the CEO and the chairman (Dahya and Travlos, 2000).Accordingly, Samaha *et al.,* (2015) believes that CEO duality may result in more voluntary reporting. Sundarasen *et al.* (2016) showed that CEO duality affects company CSR initiatives negatively; which warrants a further examination on the practice of CEO duality in Nairobi Securities Exchange.

H_{01}; There is significant effect of board tenure on corporate social responsibility

III. RESEARCH METHOD

Explanatory research design was used in this study. The study targeted 65 firms listed on the Nairobi Securities Exchange the study sampled all firms that had been listed on the Nairobi Security Exchange (NSE) during the eleven year period, 2005 –2015, were sampled. 11 firms qualified to be included in the study sample. The study got its data from secondary sources data was collected from the annual reports of firms listed on the Nairobi Security Exchange (NSE) from 2005 to 2015.

The study conducted initial data analysis using descriptive statistics, correlation analysis and the fixed effects and random effects regression models. The descriptive statistics of the firms provides an overview of the background analysis of the sample used in this study as well as results on study variables. The regression model for the fixed and random effects were respectively stored and there after a Hausman test was carried out to establish the best model in predicting the changes in the CSR.

$Y_{it} = \alpha_{it} + \beta 1_{it} X1_{it} + \beta 2_{it} X2_{it} + \varepsilon_{it}$

Y = the dependent variable (C.S.R)

α = Constant ε = Error term $\beta 1$, $\beta 2$, $\beta 3$, – is the regression coefficients in Y by each X variable.

X1 = Board Tenure

X2 = CEO Duality

IV. RESULTS

Descriptive Analysis

All the above statistical tests were analyzed using Stata 12. All tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at $p < 0.05$

	N	Minimum	Maximum	Mean	Std. Deviation
CSR	119	1	27697	440.45	696.05
Tenure	119	1	10	4.16	2.34
CEO duality	119	3	15	3.63	3.00

From the above table the mean value of total amount spent on CSR for all the sample firms were 440.45 million with standard deviation of 696.05 implying that the data deviate from both side of the mean by 696.05.The minimum and maximum values spend on CSR were 1 and 27696 million respectively.

The table also shows that during the period of the study board tenure had a mean of 4.16 which infers that board members stay in the firm for an average of 4 years, the standard deviation was 2.34 meaning that deviation from the mean is 2.34with the minimum and maximum 1 and 10 years respectively. CEO duality had a mean of 8.63 which infers that there was an average of 3 firms where the CEO was the chairman of board of directors, the standard deviation was 3.00 meaning that deviation from the mean is 3.00 with the minimum and maximum 3 and 15 years

Correlation Analysis

	lnCSR000	Board Tenure	ROA	
lnCSR000	1			
Board Tenure	0.0525*	1		
CEO duality	-0.1127*	0.0526*	1	

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

From table above, the correlation betweenboard tenure and CSR was positive ($r = 0.0525$, $p < 0.05$) (at 5 percent significant level).This means that board gender had 5% positive relationship with C.S.R.Furthermore, the correlation between the CEO duality and CSR is negative($r = -0.1127$, $p < 0.05$ (at 5 percent significant level), indicating that board independence had 11% negative relationship with CSR.

Regression Analysis

Fixed Effects Model

Table 4.7: Fixed Effects Regression Model of CEO Duality, Board Tenure on CSR

R-sq: Within	= 0.1351		Number of obs			= 119
Between	= 0.2995		Number of groups			= 11
Overall	= 0.2186		Obs per group: min			= 10
			Avg			= 10.8
			Max			= 11
			F(6, 102)			= 2.65
Corr (u_i, Xb)	= 0.1977		Prob> F			= 0.0196
lnCSR000	**Coef.**	**Std. Err.**	**T**	**P>t**	**[95% Conf.**	**Interval]**
Board Tenure	-0.0154	0.04464	-0.35	0.731	-0.10395	0.073142
CEO Duality	-0.519994	0.187344	2.78	0.007	0.148399	0.891589
_cons	-0.33927	1.526558	-0.22	0.825	-3.36719	2.688648
sigma_u	1.1255826					
sigma_e	1.0338906					
Rho	0.54238395 (fraction of variance due t u_i)					

Source survey study (2020)

The results presented in the table above revealed that the overall model was found to be significant, with at least one estimated coefficient found to be different from 0, F (6, 102) = 2.65, p-value = 0.0196. The findings showed that the estimated standard deviation of α_i (sigma_u) is 1.1255826 which is greater than the standard deviation of ε_{it} (sigma_e) 1.0338906 suggesting that the individual-specific component of the error is more important than the idiosyncratic error. Furthermore, assessing the t-values revealed that the t-value for CEO duality and board was greater than +/-1.96 (at 95% confidence) and this implied that CEO duality is different from 0.The findings showed that CEO duality had a negative

and significant effect on CSR (-0.519994, p = 0.007). This means that with each unit increase in the CEO duality, there is 0.5199 unit decreasein the CSR while board tenure was not significant.

In addition from the findings, 54.24% of the variance is due to differences across panels; „rho" is known as the intra-class correlation. A general observation was that CEO duality has a significant effect on CSR

.Random Regression Model of CEO duality, Board Tenure on CSR

R-sq: Within	= 0.1194		Number of obs			= 119
Between	= 0.6497		Number of groups			= 11
Overall	= 0.3912		Obs per group: min			= 10
			Avg			= 10.8
			Max			= 11
			Wald χ^2 (6)			= 24.65
Corr (u_i, Xb)	= 0 (assumed)		Prob> F			= 0.0004
CSR000	**Coef.**	**Std. Err.**	**Z**	**P>z**	**[95% Conf.**	**Interval]**
BoardTenure	-0.11066	0.044064	-2.51	0.012	-0.19702	-0.02429
CEO Duality	-0.34173	0.135071	-2.53	0.004	-0.2155	-0.316885
_cons	0.176582	1.467901	0.12	0.904	-2.70045	3.053615
sigma_u	0.799217					
sigma_e	1.033891					
Rho	0.37404487(fraction of variance due t u_i)					

Source survey study (2020)

The findings in the table above revealed that the overall model was found to be significant, with at least one estimated coefficient found to be different from 0, Wald $\chi 2$ (6) = 24.65, p-value = 0.0004 showing that the variation of CSR was dependent on the model. The findings showed that the estimated standard deviation of αi (sigma_u) is 0.79921723 which is smaller than the standard deviation of εit (sigma_e) which is 1.0338906 suggesting that the individual-specific component of the error is less important than the idiosyncratic error. Furthermore, assessing the z-values revealed that the z-values for CEO duality and Board tenure were greater than +/- 1.96 (at 95% confidence).

The findings showed that CEO duality, -0.34173, p = 0.004) and Board tenure (-0.11066, p =0.012) have significant effects on the CSR. This implies that with each unit increase in the CEO duality, there is -0.34173 unit decrease in CSR, while with each unit increase in the board tenure, there is -0.11066 unit decrease in the CSR.In addition from the findings, 37.41% of the variance is due to differences across panels; „rho" is known as the intra-class correlation.

Selecting between Fixed Effect Model and Random Effects Model

Table 4.11: Selecting between Fixed Effect Model and Random Effects Model

	(b)	**(B)**	**(b-B)**	**sqrt(diag(V_b-V_B))**
	Fixed	**Random**	**Difference**	**S.E.**
Board Tenure	-0.0154	-0.11066	0.09526	0.013603
CEO duality	-0.519994	-0.34173	-0.178264	0.086033
χ^2= 7.25				
Prob>χ^2 = 0.2985				

Source survey study (2020)

From the findings presented in the table above column labelled (b) represents the fixed effects model estimated coefficients while the one labelled (B) represents the random effects model estimated coefficients. From the Hausman test table which shows summary of the results, the conclusion is that, there is a failure to reject the null hypothesis of "difference in coefficients not systematic" to determinants of CSR. This is because the chi-square value of 7.25 was not significant, p-value = 0.2985. Therefore, this implies that, CSR is analyzed using the random effects model. This means that the most appropriate model is the random effects model.

Hypothesis Testing

Hypothesis 1(H_{o1}) revealed that there is significant effect of board tenure on corporate social responsibility. Findings show that board gender had coefficients of estimate which was significant basing on (β=-0.0154,p = 0.012),$p<0.05$).This implies that with each unit increase in the board tenure, there is -0.0154unit decrease in CSR, implying that we accept the hypothesis and infer that board tenure has a negative significant effect on CSR

Hypothesis 2 ((H_{o2}) revealed that there is significant effect of CEO duality on corporate social responsibility. Findings show that CEO duality had coefficients of estimate which was significant basing on (β=-34173,p = 0.004), $p<0.05$). This implies that with each unit increase in theCEO duality, there is -34173unit decrease in CSR, implying that we accept the hypothesis and infer that CEO duality has a negative significant effect on CSR.

V. CONCLUSION

In conclusion, the study found out that companies with CEO duality has a negative effects on CSR.When a company is led by a dominant personality, shareholders' interests are likely to be maltreated. It is therefore crucial for the board to have on outside board member as the chair of the board.

Furthermore the study has established that board tenure has a negative effects on CSR. The longer the experience of managers, the more knowledgeable they become hence they are more capable of managing CSR further, the accumulation of experiences results in less risk-taking and in cases where the board tenure of executive directors was greater than that of non-executives.

VI. RECOMMENDATIONS

The Study found out that board tenure is of essence in enhancing CSR, since they understand its benefits to the organization as a whole. It is therefore necessary for firm to retain managers that have a vast wealth of experience since they are knowledgeable and more capable of managing CSR. Re-election of board members that have served for more than 5 years would mean important strategy for firms to embrace.

The study has exhibited a significant relationship between the CEO duality and CSR.It is important for companies to separate the position of CEO and chairman because Stakeholders view those companies to be more reputable. The Nairobi Securities Exchange should adopt the separation of the two roles, CEO and chairman of the Board.

Recommendations for Further Research

This study was conducted to examine whether board tenure and CEO duality had an effect on C.S.R of firms listed in Nairobi security exchange in Kenya. The sample was only drawn from firms listed in the Nairobi Securities exchange, thus this study may be limited in its generalizability of the findings. So, future researchers should have to draw sample of respondents on a larger sample for the sake of generalizing the results of the study. Moreover, more time should be allocated to the same and a combination of more than one data collection as this will help to counter check the information provided by the respondents. A further study needs to be conducted using more variables like, board age, board education, foreign C.E.Os that may be relevant to this study.

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