

**ANALYSIS OF ENVIRONMENTAL DEGRADATION
AND ASSOCIATED INITIATIVES ON BUSINESSES'
PERFORMANCE AT THE LAKE NAIVASHA
ECOSYSTEM OF NAKURU COUNTY, KENYA**

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ABSTRACT

The increase in degradation of the natural environment is one of the main threats to human survival in the short and long term. Businesses' environmental commitment is, therefore, increasingly becoming an important variable in most of today's competitive business environment. The activities of most business enterprises are causing most of the environmental degradation that is seen around the globe. Environmental degradation in turn impacts on business performance. This study sought to examine how specific forms of environmental degradations and associated initiatives by various businesses entities impact on their performance. The study area was the Lake Naivasha ecosystem in Nakuru County, Kenya. The specific objectives of the study were to examine how the amount of energy used affects business performance, examine the extent to which waste disposal and pollution management affect business performance, examine the effects of strong control on supplier environmental standards affect business performance and examining the effects of communicating environmental initiatives by the respective business entities on their performance. Both primary and secondary data were collected for the purposes of the study. Primary data was collected using questionnaires, focus group discussions, in depth interviews and observation checklists. Secondary data was obtained from previous related study reports, articles, professional journal articles, various businesses' monitoring records, annual sales reports and other relevant literature. Descriptive research design was used in the study and questionnaire method was used to collect data from the respondents. The collected data was interpreted and analysed using discriminant analysis and correlation as inferential statistics. Random sampling was used to select the sample from the target population. Focus group discussions were also conducted to a select group stakeholders involved in various business activities in the area. The key findings of the study were that; the main forms of environmental degradation are nutrients discharge to the Lake, water abstraction, cutting of trees, overgrazing and greenhouse gases effects. Further, the study concludes that environmental initiatives have effects on business performance. The implication of the findings is that unless businesses address environmental issues their performance and eventual existence may not be assured in the long term. The study recommends that an evaluative criteria defining the impacts that are acceptable to the society be determined, policy bundles that are currently in place be reviewed to achieve diverse societal objectives, strategic decisions be made by organisations operating in the area to be assessed in light of the actors involved and investment in better information monitoring and enforcement of rules and regulations be undertaken. Lastly, since specific organisational performance outcomes seem to consistently fail to meet broad societal expectation, the articulation of stakeholder interests need to be considered by involving all actors in the environmental governance process through the sharing of information on the various environmental initiatives that businesses are putting in place to mitigate on natural resources degradation.