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The Effect of Corporate Social Responsibility on Organizational Performance in The Case of Haile Hotels and Resorts

A Thesis Submitted to the School of Graduate Studies of
Addis Ababa University in Partial Fulfilment of the Requirements for the
Master of Art in Business Administration (MBA)

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ADDIS ABABA UNIVERSITY

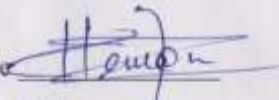
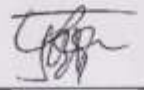
COLLEGE OF BUSINESS AND ECONOMICS

June, 2024

Addis Ababa, Ethiopia

DECLARATION

I, Hewan Tesfaye, declare that the research project entitled ***“The Effect of Corporate Social Responsibility on Organizational Performance in the Case of Haile Hotels and Resorts”*** is my original work that is done under the guidance and advice of Yohannes Workaferahu (PhD). This research project is done as partial fulfilment for a Master of Arts Degree in Business Administration (MBA). This research has not been done before and all sources of material used for the study have been appropriately acknowledged.

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STATEMENT OF CERTIFICATE

This is to certify that **Hewan Tesfaye** has completed her thesis entitled “*The Effect of Corporate Social Responsibility on Organizational Performance in the Case of Haile Hotels and Resorts*” is her original work and is submitted for examination with my approval as a thesis.

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This is to certify that the thesis entitled *“The Effect of Corporate Social Responsibility on Organizational Performance in the Case of Haile Hotels and Resorts”* was carried out by Hewan Tesfaye under the supervision of Yohannes Workaferahu (Ph.D) and submitted in partial fulfilment of the requirements for the degree of Master of Business Administration complies with the regulation of the University.

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Acknowledgment

I extend my heartfelt appreciation to the following individuals and organizations who have contributed significantly to the completion of this research:

Yohannes Workaferahu (PhD), My Advisor, your unwavering support, guidance, and valuable insights have been pivotal throughout this research journey. Your expertise has shaped this work in meaningful ways.

My Family and Friends: To my family and friends, especially my parents, thank you for your unwavering support, patience, and encouragement. Your belief in me has been my driving force.

Haile Hotels and Resorts: I am thankful to Haile Hotels and Resorts for granting me access to valuable data. Their cooperation allowed me to explore the effect of corporate social responsibility on organizational performance within their context.

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Abstract

This research investigates the effect of corporate social responsibility (CSR) on organizational performance within the context of Haile Hotels and Resorts Group. Descriptive and explanatory research design was used. The target population comprises 180 employees and 125 samples were drawn. Stratified sampling techniques were utilized, and data were collected through questionnaires and interviews with upper management. In order to test the reliability of instruments, the Cronbach alpha test was used. Multiple linear regression analysis was employed to estimate the relationships between Corporate Social Responsibility and organizational performance. Finally, the responses of the respondents were analyzed using descriptive statistics and regression. The study reveals that environmental issues constitute the primary CSR focus for Haile Hotels and Resorts Group. Statistical analyses of multiple linear regression, demonstrate significant effects of CSR on various dimensions. Specifically, CSR positively influences customers' loyalty and local communities' perception of the brand, while its impact on employee's loyalty is indirect. In conclusion, this research underscores the importance of CSR in enhancing organizational performance in fostering customers loyalty and shaping the brand perception of Haile Hotels and Resorts Group within the local communities. The study recommends that the company should enhance its corporate social responsibility efforts and shall collaborate with other stakeholders to enhance its CSR initiatives.

Keywords: Corporate Social Responsibility (CSR), employees, Customers, Local communities, Organizational performance

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Acronyms

ANOVA: Analysis of Variance

CS: Customer Satisfaction

CSR: Corporate Social Responsibility

ESA: Ethiopian Statistics Agency

GDP: Gross Domestic Product

HHRG: Haile Hotels and Resorts Group

MNC: Multi National Corporation

NGO: Non-Governmental Organization

SME: Small and medium-sized Enterprise

SPSS: Statistical Package for Social Science

Chapter One

INTRODUCTION

1.1 Background of the Study

Corporate Social Responsibility is the set of principles that companies use to contribute positively to the society. In recent decades, managers are trying to figure out how they can support companies to work for social and economic growth (Zaman, R , 2014).

Corporate Social Responsibility (CSR) has received a lot of attention and popularity in the business world and academic research during the previous decade. Numerous global influences have transformed the corporate landscape. Businesses face increased competition and must be creative in developing a competitive strategy (Peng, 2017).

Corporate Social Responsibility (CSR) is a corporate concept that emphasizes the necessity of thinking about what is best for society as a whole. CSR is tied to giving back to society. A company's management implements many moral and ethical efforts, employing codes of conduct to control the influence of their actions on consumers, shareholders, workers, and the environment (A. P. Singh, 2015).

Lichtenstein et al. (2013) regarded CSR as a company's commitment to itself and society, but Palazzi and Starches (2000) viewed it through the prism of stakeholder expectations. Of course, the definitions simply created a very broad domain that encompasses not only responsibilities and actions directed at people but also ethics and how to improve the quality of life in local communities and societies. Carroll (1991) defines corporate social responsibility (CSR) as society's economic, legal, ethical, and discretionary (philanthropic) expectations of firms. According to Kohler (2013) and Joseph et al. (2014), there are important dimensions of corporate social responsibility (CSR) that are relevant to the goal of maximizing shareholder value. Honoring implicit obligations to stakeholder's benefits shareholders while also aligning with core CSR values.

Corporate social responsibility has a variety of effects on an organization's performance. It contributes to improving the business's financial performance, which enables it to expand quickly and maximize its marketable revenue. A business can undoubtedly outperform rivals if it adheres to corporate social responsibility (CSR) and works to satisfy its stakeholders. The

topics and practices around corporate social responsibility have grown significantly during the past few decades. According to Tsoutsoura (2004), "there is a long debate among them about who gets benefits and who will bear cost of implementing CSR activities due to increased awareness among shareholders, stakeholders, and community organizations about requirement and needs of CSR."

CSR programs may have a substantial influence on a company's brand and customer loyalty. Consumers nowadays are increasingly wanting to support firms that share their values and are dedicated to creating a good social effect. (Kolb, 2018).

The goal of CSR implementation is to improve the quality of life for all stakeholders while keeping the company profitable. CSR adoption may benefit all stakeholders if efforts are genuine and convincing. Socially responsible businesses have better public reputations and standing, allowing them to stand out in the market and innovate innovative strategies to attract customers (Milena, 2019).

CSR is related to the idea that being a responsible firm leads to prosperity and success (Burke and Logsdon, 2008). The tourist industry has huge environmental, economic, and cultural repercussions. CSR has therefore grown into a vital tool for guaranteeing long-term tourist growth at destinations through public and private stakeholder management techniques.

CSR is not only an instrument to compete in the market, but also a means of gaining the confidence and support of stakeholders. The increase in organizational commitment and job satisfaction is very natural when the employees observe that their company also works for social wealth through CSR implementations. Hence, it is possible to create a working environment that fulfils the expectations of both the company and the employees (Arcan, 2014).

CSR is a vital part of any contemporary business strategy. Hence, focusing on CSR can provide companies with both operational efficiency and image benefits (Mind, 2017). According to Rahman (2016), CSR creates the value that has the power to reconnect businesses and society in a way that ultimately leads to the next wave of global growth.

Hotels in Ethiopia seemed to exhibit a significantly less degree of engagement in CSR practices, which have taken fragmented form. Taking evidence from the national level, there are still a very few studies on CSR in Ethiopia with specific reference to the hotel industry. A

study conducted by Kassaye (2016) entitled as "CSR from an Ethiopian Perspective" showed the infancy of Ethiopia's CSR.

Based on the empirical and conceptual debates, the research made the assumption that there hasn't been sufficient research of CSR practices in Ethiopia, especially within the hospitality business. As a result, it made an effort to contribute to the present body of knowledge regarding the effect of CSR practices on organizational performance in the hospitality sector.

1.2 Statement of the Problem

The CSR activities are treated as an investment not as a cost or expense where it shows the relationship between the corporation and the stakeholders such as the customers, investors, employees and society as a whole. The business's purpose is not only to earn profit but also the welfare of the society as well. Some studies have shown a positive correlation between CSR and financial performance while other studies show a negative relationship between them. Each company performs differently in the implementation of CSR depending on different factors like the culture of the organization, size or the stakeholder demand. (Spicer, 1978).

In the Ethiopia context company social responsibility of the lodge sector is untouched part and there may be a lack of research work on CSR practices of enterprise. Some researchers (Nigatu, Rajasekhara & Zelalem and Elfineh) studied topics that are associated with CSR however farthest of them are restricted to Production Companies and business areas and also the hotel industry's social responsibility isn't studied. for instance, Nigatu 2001) studied" Company Social Responsibility (CSR) in Ethiopian banking sectors "Rajasekhara & Zelalem (2008) studied "Corporate Social Responsibility Associate Degree Perspective of Ethiopian Corporate" and additionally Elfineh (2014) studied "Company Social Responsibility Practices and considerations of Addis Ababa University; Implication for Higher Learning establishment in Ethiopia ". However, this thesis is different from these in that it's cantered on the social responsibility of observing the case of five-star rated hotels in Addis Ababa city. More importantly, the expansion of hotels demands research work on what are socially accountable practices within the hotels thus, the study aims to assess Hotel Social Responsibility practices within the case of 5-star Hotels in Addis Ababa. (Getachew 2019).

The hospitality group Haile Hotels and Resorts has implemented various corporate social responsibility (CSR) initiatives to enhance organizational performance. However, it remains crucial to identify the specific CSR practices that are most significant or dominant for the

group. Additionally, the impact of these initiatives on employee loyalty, customer loyalty, and brand image has not been thoroughly studied. Therefore, this research aims to analyze how Haile Hotels and Resorts CSR practices contribute to employee and guest loyalty, as well as the establishment of brand reputation within local communities.

1.3 Research Questions

1. What are the primarily CSR activities that dominates in Haile Hotels & Resorts Group?
2. What are the effects of the undertaken CSR initiatives on employee's loyalty of Haile Hotels & Resorts Group?
3. What are the effects of the undertaken CSR initiatives on customers loyalty at Haile Hotels & Resorts Group?
4. What are the effects of the undertaken CSR initiatives on the local community's perception of the brand in each destination of Haile Hotels and Resorts Group?

1.4 Research Objectives

1.4.1 General objective of the study

The ultimate objective of this study is to examine the effect of corporate social responsibility on organizational performance in the case of Haile Hotels and Resorts Group.

1.4.2 Specific objectives of the study

The specific objectives of this study are: -

- To identify and analyse the dominant CSR practices with in Haile Hotels and Resorts Group
- To examine the effect of CSR on employee's loyalty of Haile Hotels and Resorts Group
- To examine the effect of CSR on customers loyalty of Haile Hotels and Resorts Group
- To examine the effect of CSR on local communities' perception about Haile Hotels and Resorts Group brand

1.5 Significance of the Study

This research holds several key implications and contributions:

i. Organizational performance enhancement:

By examining the impact of Corporate Social Responsibility (CSR) on organizational performance, this study directly benefits Haile Hotels and Resorts Group (HHRG). It provides insights into strategies that can enhance overall performance, sustainability, and competitiveness within the hospitality industry.

ii. Sector-specific insights:

The focus on the hospitality sector ensures that the findings are contextually relevant. Understanding how CSR practices influence performance in this specific industry allows HHRG to tailor its initiatives effectively.

iii. Guidance for future research:

As a reference point, this study serves as a foundation for future research endeavors. Researchers interested in CSR, organizational performance, and the hospitality sector can build upon these findings.

In summary, this research not only benefits HHRG but also contributes to the broader understanding of CSR's impact on organizational performance in the hospitality industry. It highlights the interconnectedness of social responsibility, employee well-being, local community relations, and customer satisfaction.

1.6 Scope of the Study

The study encompasses all Haile Hotels and Resorts properties across Ethiopia, located in Addis Ababa, Adama, Arbaminch, Hawassa, Gondar, Batu, and Sululta. However, it's important to note that the study was not intended as another Haile business venture, nor was it specifically focused on the Ethiopian hotel industry due to time and budget constraints. Instead, the study specifically examines the effect of Corporate Social Responsibility (CSR) practices on organizational performance. While various factors influence organizational performance, this study narrows its focus to aspects such as employee retention, customer retention, and the overall corporate image. The study population comprises three key departments: Human Resources, Sales & Marketing, and Operations, within each Haile Hotels and Resorts property.

1.7 Organization of the Paper

Chapter One provides background information on the central issue addressed in the study. It covers the study's background, problem statement, objectives, research questions, and the significance and scope of the research. Chapter Two, a concise discussion of relevant theoretical and empirical literature is presented. It focuses on CSR (Corporate Social Responsibility) and its historical development globally and within Ethiopia. Chapter Three outlines the study's methodology. It discusses research design, data collection instruments, model specification, and the chosen method of analysis for addressing research questions. Chapter Four delves into the analysis of collected data and presents the study's findings. Chapter Five summarizes study findings, acknowledges limitations, and provides recommendations based on the research outcomes.

CHAPTER TWO

LITERATURE REVIEW

2. Theoretical Review of Literature

2.1 Definition & Concepts of CSR

Currently, there is no unanimity on a comprehensive definition of CSR. On several occasions, CSR has been used interchangeably with business ethics. It has also been tied to corporate philanthropy and environmental policies. CSR has been rebranded as corporate social performance and corporate citizenship. There may still be a lack of clarity and consistency in the use of the word CSR. In this light, the researcher has found a broad range of CSR concepts that can be interpreted in many ways. The goal of this section is to clarify and explain these concepts. Dahlsrud (2008).

An acceptable definition of CSR, it is said, must include standard vocabulary that aids the modelling of company culture and ideals for responsible behavior. As a result, it is critical to understand the role of leadership in CSR activity strategy, as stakeholder needs vary. CSR is not free since it needs significant resources, such as time, money, and human capital. Academic observers frequently note that firms may not always perceive the 'commercial case for CSR' in this context. They frequently said that discretionary investments in CSR traits and activities might increase the value of the firm itself (Allen & Kock, 2015).

Omran R. (2015) described the notion of corporate social responsibility by advocating for a complete and multidimensional view of performance that goes beyond economic and financial metrics. He described Corporate Social Responsibility (CSR) as a concept in which corporations consider society's interests by accepting responsibility for the influence of their actions on consumers, workers, shareholders, communities, and the environment in all areas of their operations. This commitment is regarded to go beyond the formal obligation to comply with legislation, with firms voluntarily taking further efforts to improve the quality of life for employees and their families, as well as the local community and society as a whole.

The notion of corporate social responsibility (CSR) refers to the widely held belief that modern firms have a responsibility to society that extends beyond their owners or investors. Businesses often consider their responsibilities to the owners. The CSR idea extends this obligation to

other societal stakeholders, such as consumers, workers, the larger society, the government, and the natural environment. The CSR principle applies to firms of all sizes, but debates tend to center on large organizations since they are more visible and powerful. As many have noted, with power comes responsibility (Kolb, 2018).

The four kinds of social responsibility identified by Archie B. Carroll (1979) are legal responsibilities, ethical responsibilities, economic responsibilities, and philanthropic responsibilities.

Economic Responsibility

The most common responsibility of business organizations is economic responsibility. Since the establishment of industries, business organizations have been producing goods and satisfying customer wants. They were creating new jobs and paying for the workers. Profit was earned for the owner as well as service was given to the customer (Lantos 2001). Companies can maximize or make a profit by producing quality goods and services that are required by society.

Legal Responsibility

Legal activity including performing in a manner consistent with expectations of government and law, comply with various federal, state, and local regulations, to be a law-abiding corporate citizen, successfully meet all legal obligations, and offer goods and services that at least meet minimal legal requirements. The challenge of legal aspect, on the other hand, requires that businesses should be complied and legally agreed with the frameworks of the host country. Hence, the expectation that companies should act responsibly i.e. ‘do the right and required things’, for instance; hiring, protect environment from pollution, etc. Tax laws act as a motivating tool toward a firm acting in a socially responsible manner. Deductions allowable from the taxable income on philanthropic responsibilities encourage many firms to engage in CSR since that income will not attract any tax. Researchers have tried to investigate the effect of tax law deductions on corporate philanthropy (Cherobon, 2014).

Ethical Responsibility

Ethical responsibility takes one step further in which it goes beyond economic and legal responsibilities. Ethical responsibility includes meeting the social expectations that are not documented by law (e.g. doing what is right, just, and fair, respecting the rights of individuals in the society) (Tuan, 2012). Carroll & Shabana,(2010) defined ethical responsibility as the voluntary actions taken by firms to promote and achieve the goals for the society the go beyond economic and legal responsibility.

Philanthropic Responsibility

An important aspect of the business–community relationship is corporate philanthropy, or corporate giving. Every year, businesses around the world give generously to their communities through various kinds of philanthropic contributions to nonprofit organizations. Typically, gifts by corporations and their foundations take one of three forms: charitable donations (gifts of money), in-kind contributions (gifts of products or services), and volunteer employee service (gifts of time). philanthropic responsibilities include financial and non-financial assistance to improve the community. This includes actively engaging in acts or programs to promote human welfare or goodwill (Moharana, 2013).

The distinguishing feature between philanthropy and ethical responsibilities is that the former are not expected in an ethical or moral sense. Communities desire firms to contribute their money, facilities, and employee time to humanitarian programs or purposes, but they do not regard the firms as unethical if they do not provide the desired level (Getachew, 2019; Mekonnen, 2018). It covers the activities of the company that shows the company is like a good citizen. Among cases where companies can have a share in include participation in supporting the arts, education and other sectors that can enhance the quality of life in society (Kesto, 2017; Solomon & A, 2017)

The philanthropic responsibility is the highest level of CSR and it is measured in terms of various practices which include charitable donations to the society, assistant provided to employees, voluntary participants in charitable activities provided by the community and assistance provided by the firm to the projects that enhances the quality of life (Adegbe & Ogan, 2020). The philanthropic responsibility in this study will cover donation and other related cost/expenses as well as employee welfare and other related expenses.

Concepts of Organizational Performance

Corporate Social Performance (CSP) theory has evolved from several previous notions and approaches. Its root can be found in Howard R. Bowen (2013), who explained that the social responsibility of businessmen was to pursue those policies, to make decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society. In 1979, Carroll introduced the concept of corporate social performance, making a synthesis of the basic principle of social responsibility, concrete issues for which social responsibility exists and the specific philosophy of response to social issues. Waddock and Cochran (2015) extended the Carroll approach suggesting that corporate social involvement rests on the principles of social responsibility, the process of social responsiveness and the policy of issues management.

2.2 Theories Related to Corporate Social Responsibility

According to Low (2016), stakeholder and social exchange theories are marks as important theories to discourse the relationship between CSR and employees. They are also applicable in the present context to CSR and employees.

Stakeholders Theory and CSR

According to stakeholder theory, if we use the interactions between a business and the organizations and individuals that can impact or are affected by it as our unit of analysis, we will have a greater chance of dealing with these three difficulties. First, from the standpoint of stakeholders, business may be defined as a system of interactions among organizations with an interest in the firm's operations (Freeman, 1984; Jones, 1995; Walsh, 2005). It is about how consumers, suppliers, employees, financiers (stockholders, bondholders, banks, and so on), communities, and management collaborate to generate and transfer value. Understanding a business requires understanding how these interactions function and evolve over time. It is the executive's responsibility to manage and shape these connections in order to produce as much value as possible for stakeholders while also managing the distribution of that value (Freeman, 1984). When stakeholder interests clash, the executive must find a method to rethink challenges so that the demands of a broad range of stakeholders are met, and to the extent this is done, greater value may be produced for each (Harrison, Bosse, & Phillips, 2010). If trade-offs must be made, as they frequently are, CEOs must first determine how to make the trade-offs, and then try to improve the trade-offs for all parties involved.

Second, although effective management of stakeholder relationships helps businesses survive and thrive in capitalist systems, it is also a moral endeavour because it concerns questions of values, choice, and potential harms and benefits for a large group of groups and individuals (Phillips, 2003). Finally, a description of management that focuses attention on the creation, maintenance, and alignment of stakeholder relationships better equips practitioners to create value and avoid moral failures (Post, Preston and Sachs, 2002; Sisodia, Wolfe and Sheth, 2007). The stakeholder perspective has been widely applied in a wide variety of disciplines, including law, health care, public administration, environmental policy, and ethics (Freeman, et al., 2010). However, our review will focus on the business disciplines, beginning with business ethics.

Stakeholder theory, as introduced by Freeman (1984), has been analysed exclusively from the perspective of an organization (Amran et al, 2013). This theory has been used as a tool to identify those stakeholders to whom an organization should be accountable to recognize their rights. Accordingly, Freeman (1984) defines a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (p. 46). Similarly, Murray and Vogel (1997), define a stakeholder as any entity, typically outside the firm, that the organization aims to influence and that has an impact on the organization.

A stakeholder approach to CSR suggests that the expectations of all primary stakeholders need to be met, and not just the shareholders (Elijido-Ten, 2007). This practically means an organization must be able to combine profit maximization with all stakeholder’s benefits and expectations to draw a complete map of all these relationships to have a clearer view of all the needs of its stakeholders (Freeman, 1984). Accordingly, stakeholder theory has been applied to explain the motivations of firms regarding CSR disclosure (Freeman, 1984; Donaldson & Preston, 1995; McWilliams & Siegel, 2001; Abd Mutalib, Muhammad Jamil & Wan Hussin, 2014). Under the umbrella of CSR, the firm is expected to fulfil its responsibility to its primary stakeholders (Vormedal & Ruud, 2009; Hamid & Atan, 2011; Amran et al, 2013). As a result, a firm's CSR disclosure has been used as a strategy to maintain the support of powerful stakeholders (Deegan & Blomquist, 2006). This implies that CSR represents an important element between the organization and its stakeholders (Murray & Vogel, 1997; Elijido-Ten, 2007). In sum, stakeholder theory proposes that CSR performance results in improved firm performance (Orlitzky et al., 2003; Freeman, 2010). Therefore, organizations need to identify and prioritize their stakeholders' expectations through their business operations (Clifton & Azlan, 2010; Amran et al., 2013). In this respect, organizations must be able to secure their

relationship with all stakeholders consistently, especially when they make CSR disclosure decisions (Ahamed et al., 2014) since different stakeholders may have different impacts on organizations.

According to stakeholder theory, the satisfaction of various stakeholder groups is instrumental to a firm's performance (Donaldson & Preston, 1995). The rationale for why CSR affects firm performance is that a firm's social involvements signal the firm's genuine care and concern for the welfare of its stakeholders, including investors, employees, suppliers, customers, and society at large. This public image helps build long-term relationships with those stakeholders, facilitating cooperation with and support from them, which in turn contributes to a higher level of firm performance.

Triple Bottom-line Theory of CSR

CSR is linked to sustainable development. The Triple Bottom Line reporting is considered a comprehensive approach to achieving sustainable tourism. The Triple Bottom Line approach to sustainable tourism implies that sustainability incorporates social, economic and environmental responsibilities. Gimenez, Sierra and Rodon (2012) argue that environmental considerations must be incorporated into all aspects and levels of business planning and management. Environmental sustainability entails the responsible use of resources and a reduced environmental footprint of the company. The focus is generally on waste reduction and management, pollution control, efficient use of energy, a reduction in harmful emissions and the conservation of resources for future generations. Social equity indicates equitable opportunities, an enhancement in quality of life for local communities, and respect for socio-cultural norms. Economic efficiency pertains to the economic viability of the tourism product and its destination and satisfaction with consumer demand. Through socially and environmentally responsible actions, tourism businesses should produce sustainable economic benefits (Gimenez et al., 2012). Fundamentally, Assaf, Josiassen and Cvelbar (2012: 596) deduce that the Triple Bottom Line approach to sustainable tourism "relates to a firm's need to generate economic welfare (that is, profit), while also caring for the society (that is, people) and the environment (that is, the planet)". The Brundtland Report marked a "watershed in thinking on environment, development and governance" (Sneddon, Howarth and Nogaard, 2006: 253) and indicated that "environmental protection should be accorded primary status in policy development" (Tzchentke, David and Lynch, 2008: 126). The Report also emphasized ethical considerations regarding human-environment relationships and placed the environment

as a crucial factor of international governance (Sneddon et al., 2006). A ‘triangle’ of sustainable development emerged from this Report which highlighted economic responsibility, social inclusion, and environmental stewardship as the “bedrock of 21st-century politico environmental thinking” (Yasarata et al., 2010: 346).

2.2 The evolution of corporate social responsibility (CSR)

The origins of CSR can be traced back to the earlier years of the twentieth century. Abrams (1951) voiced his concerns about managerial responsibilities toward employees, customers, and the public at large. At the time, these issues were also picked up by several academic contributors. In the 1950s, some of the largest US corporations were no longer owned by individual persons or their families. Equity and debt instruments began to be traded across capital markets. Firms were being owned by many shareholders. The key issues that followed raised concerns about how these companies ought to be managed. Commentators debated whether corporations should pursue the interests of shareholders; or the interests of their wider communities. It may appear that much of the earliest literature that revolved around social responsibility has legitimized the interests of societal groups, including shareholders. (Nadaf, 2014)

The period from the 1950s ‘s to the present may be considered the modern era in which the concept of corporate social responsibility gained considerable acceptance and broadening of meaning. During this time, the emphasis has moved from little more than a general awareness of social and moral concerns to a period in which specific issues such as product safety, honesty in advertising, employee rights, affirmative action, environmental sustainability, ethical behavior and global CSR have been emphasized (Junejo, 2018)

Globally, CSR has become one of the burning issues in academics and the current business climate (Donaldson & Fafaliou, 2003). Moreover, companies all over the world are manifesting varying degrees of altitude in their practice (Carroll, 1999; DeBakker et al, 2005; Lin et al, 2015; Wang et al, 2016; Jamali & Karam, 2018). Although CSR is sometimes presented as a new phenomenon, a historical review of the concept takes us back to the mid-20th century in North America (Valor, 2005; De Bakker et al, 2005; Karounga & Sophie, 2014).

As far as theoretical and empirical pieces of evidence are concerned, diversions are evident. Different approaches have been traced concerning the conceptual development of CSR in an attempt to show elements of the set that the organization is responsible for (Marrewijk, 2002).

He claims that this development has taken shape with the writing of Friedman (1970), who introduced the concept of the shareholder approach explaining that 'the primary role of business is profit maximization to its shareholders', and that in this absence there will be no fund available to engage in CSR commitment. Friedman, further, argued that it is the government's responsibility, through the gains from the businesses, to engage in the social responsibilities (Marrewijk, 2002).

In the African context, not-for-profit organizations and public interest entities such as banks and listed companies, have been noted to be involved greatly in community-based CSR activities for sustainability reasons. Most of these organizations are subsidiaries of Multinational Companies ascribing to and complying with the standards set by the corresponding global offices based in developed countries (Jamali et al., 2017). In addition, unlike in developed countries, regulatory agencies in Africa do not provide adequate capacity, if any, for the implementation and monitoring of CSR activities by organizations (Jamali et al., 2017). Therefore, further research is needed to uncover the underlying motivation for the involvement of companies in CSR in developing countries.

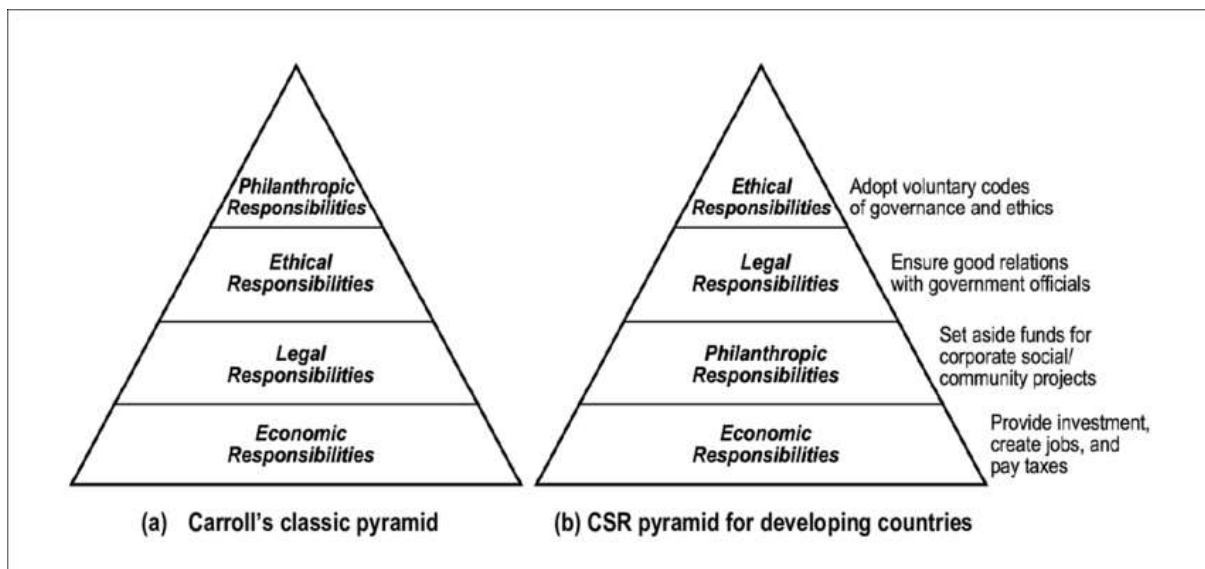
The study (Deyassa, 2016) indicates the fact that companies and organizations in Ethiopia understand CSR practices mainly as corporate charities primarily aimed at addressing socio-economic development challenges. In addition, he noted; that what can be learned from Ethiopia is that, it is important to be aware of differences in sympathy and usage of CSR definitions and concepts among stakeholders. What is regarded as a philanthropic motive in Ethiopian companies and organizations is typically a business motive.

2.3 Carroll's CSR Model: A Four-Layers Pyramid

Carroll first presented his CSR model as a pyramid (Carroll, 1991). The model incorporates and gives top priority to the economic dimension as an aspect of CSR (Visser, 2005). And, at the top of the pyramid lies the philanthropic, which is the lowest priority, followed by ethical and legal. Carroll's popular pyramid model of CSR, no doubt, is considered one of the best models; yet, it has some criticism (Visser, 2005). Drawing on this CSR pyramid, Nalband & Al Kelabi, in their article "Redesigning Carroll's CSR Pyramid model, proposed what they called, a universal model of CSR, claiming that legal responsibility, replaced by its economic counterpart, is a basic responsibility in CSR. They went on to argue that businesses must comply with the laws of the land at the outset, to commence their operation (Nalband & Al

Kelabi, 2014). Despite their rejection of the model's contextual base (in America) and relative priority, different empirical findings Aupperle et al., (1985), and Pinkston & Carroll (1994) counterbalance the notion by validating the model's correctness as cited in Visser (2005).

This being the case, however, Crane & Matten (2004) addressed this point explicitly by studying CSR in Europe using Carroll's CSR Pyramid and that all levels of CSR play a role in Europe. But, they found that all layers have different significance and are interlinked in a somewhat different fashion. Visser, on his part, attested that economic responsibilities still get the most emphasis and that philanthropy is given the second highest priority, followed by legal and then ethical responsibilities in the context of Africa (Visser, 2005). It is based on this empirical evidence of Visser and that of Nalband & Al Kelabi (2014), that Carroll's American coding could be challenged, and that the model may not be the best in an attempt to understand CSR in Africa, but also in general (Visser, 2005). In his plausible work 'Revisiting Carroll's CSR Pyramid: An African Perspective', he suggested the construction of 'alternative CSR theories and frameworks' (Visser, 2005). Drawing on the above argument, the current study also tried to highlight, in its context, the validity and accuracy of the model in hotel industry. Below are the two pyramids by Carroll (1991) and Visser (2005).



CSR Pyramid of Carroll and Visser Sources: (a) Carroll (1991); (b) Visser (2008) (cited in Ragodoo, 2009, p.22).

2.4 Corporate Social Responsibility in Ethiopia

Ethiopia, a country with a unique calendar of 13 months, is located in the East of Africa with a population of more than 110 million (ESA, 2017). Agriculture is the backbone of the country. Nevertheless, the service industry sectors play a key role as a catalyst for the economy. According to the official report of the World Bank, over the last decade, Ethiopia has been one of the fastest-growing economies in the world, with an annual average GDP growth ranging from 7% to 12% (International Monetary Fund, 2016).

A study conducted by Fentaye & Rama (2016) found that the local community (with a high level of awareness) had a higher positive perception toward the CSR initiatives of firms in Ethiopia. This study categorized CSR initiatives under four headings namely, sponsorship and donation; community development and helping the poor; employment opportunities; and environmental responsibility. The anticipated part of their result was the firm's limited attention to community development and helping the poor. However, generally speaking, they found out that firms demonstrated high "sponsorship to events, and donations to social causes and social organizations (Fentaye & Rama, 2016). These events seemed to be reactive, instead of proactive. One particular study was conducted by Hailu & Nigatu (2015) but, it only emphasized employees' orientation towards CSR practices of hotels and lodges in one of the most popular historic cities - Gondor. They found out that initiatives that received the highest priority were the practice of gender equality, the recognition of work-life balance, and smooth facilitation for sick and maternity leave. On the other hand, their finding revealed that salary systems, reward programs, job security and promotion were least practiced by their respective hotels.

2.5 CSR in the Hospitality Industry

The origins of CSR can be traced back to the turn of the 18th and 19th centuries. The pioneer in the CSR area was Andrew Carnegie, an American industrialist who, in his work "The Gospel of Wealth", presented the first version of the theoretical foundation of CSR in the form of the principle of charity and stewardship. The boost in CSR popularity came in the second half of the twentieth century. The modern understanding of CSR took its shape in the 1960s. The 1970s was the period of sorting out terminology relating to corporate social responsibility. The

last decade of the 20th century was the time of formulating new questions relating to CSR. (Marina & Alberto, 2012).

Hotel management as a dynamically developing sector of the economy and an important part of the tourism sector, apart from providing high-quality services, should meet the society's expectations within the framework of minimizing negative effects on the natural environment, supporting their workers and local community. Hotel management is a specific industry that contributes to environmental degradation by erecting and running tourist accommodation facilities. In turn, the employees of this sector have to deal with physical and psycho-social risks, including extended working hours and social threats (Marina & Alberto, 2012).

Calaveras (2015) states that CSR is playing an increasingly prominent role in today's business environment, which includes the tourism sector. Accommodation establishments are now faced with the pressure to give attention to environmental and social considerations at every phase of their business venture, "from the preparation and application of site plans and business programs and policies to daily routine practices" (Erdogan and Baris, 2007: 604). Recently, the hospitality sector has emerged as a pioneer in sustainable tourism and is now focusing on environmentally sustainable good practices aimed at energy reduction, recycling, waste management, water management and social projects. Bostwick (2007:1) argues that "no matter what you call them, eco-hotel, eco-lodge or green hotel, they are all part of the 'greening' of the tourism industry, representing a conscience effort on the part of hotels to promote themselves as environmentally, and quite often socially, conscience entities". In the past few years, an increasing number of accommodation establishments have also initiated many CSR initiatives to conserve the environment and reduce social problems (Lee and Park, 2009). However, limited research exists. Kang et al. (2015), for example, assert that while there has been increasing interest in CSR within the hotel industry; empirical support and research in the area is scanty and tends to focus mostly on financial performance in Western contexts.

The characteristics of tourism having significant environmental, socio-economic, and cultural impacts have made it considerable in the context of CSR literature, though rare in comparative terms. Hence, the effect of a tourism business that includes CSR as a business strategy, and its main guidelines, is an area that has been scarcely studied (Marina & Alberto, 2012). Recent studies regarding the hotel industry (Lee & Park, 2009) have found that hotel firms' CSR has a positive relationship with their financial performance. The hotel business sector is one of the key elements of the tourism industry; consequently, it is the one that should be the most involved. This is because hotels have several social and environmental impacts, such as water

consumption, wastewater management, energy consumption, waste production, purchasing and procurement, chemical use and atmospheric contamination, and local community initiatives (UNEP, 1995). A study conducted by De Grosbois (2012) evaluated CSR reporting practices among the top 150 largest hotel companies in the world. It demonstrated that a large number of hotel properties showed their commitment but without proper results achieved. The rising importance of CSR worldwide has brought international institutions and NGOs to develop CSR certifications, including tourism companies, to spread CSR management policies within tourism private firms (Marina & Alberto, 2012).

Taking the living evidence from the national level, there are still very few studies on CSR in Ethiopia with special reference to the hotel industry. One of the studies was conducted by Kassaye (2016) entitled "*CSR from an Ethiopian Perspective*". In his findings, he showed that CSR, as a concept, is now on Ethiopian soil. He further asserted its inception as a retort by multinationals and NGOs to remedy the effects of their extraction on the local communities. Consequently, he viewed the result as two-fold. Firstly, there is a recent development of formal CSR practices mainly driven by the coming of MNCs and NGOs domestically. He went on to say that these initiatives were mainly philanthropic in content, which resembles an imported format from Western countries. Secondly, he witnessed the infancy of almost all national companies and government organizations in implementing CSR practices (Marina & Alberto, 2012).

The other aspect he identified was the existence of Ethiopian companies that have a tradition of partnership and dialogue with their communities and stakeholders in the form of informal CSR practices (Kassaye, 2016). A good deal of research has also indicated that the government has been criticized for not influencing companies to improve their environmental performance (Asfaw et al, 2017). However, companies in Ethiopia have not sufficiently considered environmental responsibility.

2.6 Measuring Corporate Social Responsibility

2.6.1 Corporate social responsibility towards employees

Corporate social responsibility (CSR) towards internal stakeholders is a major prerequisite for the implementation of various forms of decent work. Therefore, decent work cannot be imagined in companies that are not aware of or neglect their socially responsible role towards employees (Şahin and Bayramoğlu 2015).

According to the principles of corporate social responsibility, such a responsibility of a company is not limited to the external environment, but a company should to be responsible to its employees (Jabłoński, 2013).

Employees for companies represent not only human resources but are part of their organizations as stakeholders. Their presence has got an impact on business risk management because they are combined with the related risks. There are eight dimensions of risks connected with relations in a company. These include risks of investment, credit, employment, license to operate, purchase, price war, supply and compliance (Bustamante, 2014). All these above-mentioned risks are correlated with the relationships that a company has with its stakeholders. They concern the following groups: shareholders, banks, financial intuitions, future and current employees, local and global society, consumers, competition, suppliers and politics (Bustamante, 2013). Such a multiplicity of stakeholders shows that relevant relationships with them and communication could not be underestimated. But to do this it is important to pay attention to the expectations of stakeholders.

The consequences of implementing CSR are multifaceted and have many benefits for the company. We list some of the empirically confirmed benefits of CRS: greater employee performance (Terrero-De La Rosa et al. 2017), higher business performance (Valmohammadi 2014; Bučiūnienė and Kazlauskaitė 2012), higher reputation and perceived attractiveness of the company and consequently attracting talented workforce (Story, Castanheira and Hartig 2016), increased employee engagement and lower likelihood of burnout at work (Lin and Liu 2017), positive attitudes towards business (Adhikari 2012). Employees in such companies are also more likely to respond positively to difficult situations in the life of the company (lay-offs, death among staff members, periods with too little or too much work, etc.; Halinn and Karba Gustavsson 2009).

2.6.2 Corporate Social Responsibility towards Customers

One of the significant theories and practices in marketing is customer satisfaction and a driver of a firm long-term profitability and market value (Darus et al., 2013). The relationship between customer satisfaction and CSR has been variously explored and defined by different management scholars. According to Luo & Bhattacharya (2006), customer satisfaction in the long term affects the corporate image. This is a wide area that is discussed under marketing which emphasizes that “it is more economically prudent to retain existing customers than it is to win new ones” (Kumah & Shah, 2004). Thus, long-term relationships created through customer loyalty are a more powerful source in marketing as they help to spread positive word of mouth, provide recommendations, introduce new products and secure income.

Customer satisfaction is extremely important for maintaining a long-term customer relationship, which is often essential for a firm's success. CS is defined as a customer's response to a firm's fulfilment of his/her expectations. The expectancy disconfirmation approach suggests that CS develops when a product or service meets or exceeds the customer's expectations (Oliver, 1980). CS is a significant predictor of important behavioural responses, such as word-of-mouth support and repurchases (Haumann, Quaiser, Wieseke, & Rese, 2014). However, when service performance falls below expectations, customers experience dissatisfaction and perhaps even anger. Dissatisfied customers will tend to provide negative word-of-mouth evaluations as well as switch service providers (Smith, Bolton, & Wagner, 1999).

2.6.3 Corporate Social Responsibility towards Local Community

A company's engagement in the local community is usually motivated by a combination of factors, which will often be a mixture of the wish to obtain business benefits, on the one hand, and non-rational or value-based reasons, on the other. The latter motivation is often termed the ethical or normative motivation, which is founded in the fact that business managers are people with personal values and attitudes like everybody else, rather than ‘profit-driven machines. In recent years, increasing focus has been attached to the business benefits, as a key motivational factor for companies' engagement in CSR more generally, but also with activities carried out in the local community.

However, in the local community, the value-based rationale seems to carry substantial weight, at least among SMEs. A recent study of SMEs in Europe found that the most frequently stated motive for engagement in ‘external’ social activities was ‘ethical (mainly altruistic) reasons. This motive was stated by more than half of the SMEs (Observatory 2002).

2.7 Benefit of Corporate Social Responsibility Practice

- ✓ **Enhanced Brand and Reputation:** socially responsible companies have boosted brand image and reputation. Consumers are often attracted to brands and companies with good reputations in CSR-related issues and can also benefit from their reputation within the business community by attracting capital and trading partners. (Asemah, Okpanachi and Edegoh 2013)
- ✓ **Reduction in Operation Costs:** The method of adopting the CSR principles motivates managers to reconsider their business practices and to obtain more efficient ways of operating. Some CSR initiatives help to cut operating costs. For example, reducing packaging material or planning the optimum route for delivery trucks not only reduces the environmental impact of a companies, but it also reduces cost of operation. (Asemah, Okpanachi and Edegoh 2013)
- ✓ **It Promotes Long Run Profit:** when the company commits to social responsibility for the community during its business operation, it generates more profit in the long run. (Asemah, Okpanachi and Edegoh 2013)
- ✓ **Recognizes Business Moral Obligations:** Organizations are obliged it a duty to provide conveniences to environments where they operate. Thus, those who argue in favor of corporate social responsibility note that it is the organizations moral obligation to help society. (Asemah, Okpanachi and Edegoh 2013)
- ✓ **Improved Relations with the Investment Community and Better Access to Capital:** The CSR approach by a company can improve the reputation of the company from the perspective of the investment community, a company’s stock market valuation and its capacity to access capital from that community. (Asemah, Okpanachi and Edegoh 2013)
- ✓ **Enhanced Employee Relations, Productivity and Innovation:** “A key potential benefit from CSR initiatives involves establishing the conditions that can contribute to increasing the commitment and motivation of employees to become more innovative and productive. Companies that employ CSR-related perspectives and tools tend to be businesses that

provide the pre-conditions for increased loyalty and commitment from employees. These conditions can serve to help recruit employees, retain employees, motivate employees to develop skills and encourage employees to pursue learning to find innovative ways to not only reduce costs but to also spot and take advantage of new opportunities for maximizing benefits, reduce absenteeism and may also translate into marginally fewer demands for higher wages.” (Asemah, Okpanachi and Edegoh 2013)

- ✓ **Stronger Relations within Communities through Stakeholder Engagement:** To the extent that stakeholder engagement and collaboration involve maintaining an open dialogue, being prepared to form effective partnerships and demonstrating transparency, through measuring, accounting and reporting practices, the relationship between the business and the community in which it operates is likely to be more credible and trustworthy. Companies can use stakeholder engagement to internalize society's needs, hopes, and circumstances into their corporate views and decision-making. (Asemah, Okpanachi and Edegoh 2013)

2.3 Empirical Literature Review

The study by Tamayo (2013) examined the relationship between CSR and firm value, finding that firms with high customer awareness have a positive relationship with CSR, as measured by advertising expenditures, while those with low customer awareness have a negative or insignificant relationship.

Serves and Tamayo's (2016) study reveals that firms with poor corporate reputations experience a reverse effect of awareness on the CSR-value relation, suggesting that CSR activities can add value to a firm under specific conditions, with awareness being a by-product of firm advertising.

Albdour and Altarawneh (2012) investigated the effect of internal corporate social responsibility (CSR) initiatives on employee engagement. They studied five CSR practices: training and education, human rights, health and safety, work-life balance, and workplace diversity. The survey discovered that work-life balance was less widely accepted than the other four characteristics. However, the influence of CSR practices on Organizational Engagement (OE) was bigger than that of Job Engagement (JE), implying that CSR practices might predict employees' OE more accurately than Job Engagement.

Poolthong and Mandhachitara (2009) feel that CSR is an effective technique for improving consumer-perceived quality and brand effect, also known as attitudinal loyalty. Several marketing studies have demonstrated that CSR has a positive impact on consumers' perceptions of the company and its products. Employee commitment, brand image, consumer loyalty, and market share are among the observed beneficial effects of the link between CSR and brand effect (Berens et al., 2007; Ginsberg and Bloom, 2004).

Performance has been assessed from numerous viewpoints based on the aims and expectations of the users of the information provided. According to the report, organizations with higher CSR rankings had lower equity financing costs. Research indicates that investing in ethical employee relations, environmental policies, and product strategies may significantly reduce enterprises' cost of equity. These findings lend credence to previous research claiming that enterprises with socially responsible practices have better valuations and reduced risk (Chemwile & A, 2017; Elifneh, n.d.; Eyasu & Endale, 2020).

Suher, Bir, and Yapar (2017) surveyed 100 employees at large and small-scale companies that practice Corporate Social Responsibility. The research was conducted to investigate the effects of perception of Corporate Social Responsibility efforts on their satisfaction and loyalty levels. The findings reveal that when a company's efforts on Corporate Social Responsibility improve, as does the favourable view of these efforts, employee happiness and loyalty increase. They determined that organizations that exercise Corporate Social Responsibility and make their employees aware of their efforts had a favourable impact on their employees. This beneficial impact on employees stimulates them and drives them to work harder after they have accepted the corporate policies.

Being socially responsible means for individuals and organizations to manifest ethical behavior and to demonstrate sensitivity to social, cultural, economic, and environmental issues. It is confirmed that the implementation of these behaviors is beneficial for the functioning of businesses. For example, the Asia-Pacific CSR Group was established to support activities related to environmental protection and human resources in this region of the world (Gautam, Singh 2010). Also, companies in the aviation industry have incorporated CSR into their business structures due to the negative impact of its operation on the environment, and the issue concerned the limitation of pollutants emissions and the importance of Corporate Social Responsibility of enterprises in business 123 *Oeconomia* 13 (2) 2014 noise reduction (Cowper-

Smith, de Grosbois 2011). Executives believe that CSR creates a competitive advantage for their businesses, thereby increasing its market share (Siegel 2001).

2.4 Conceptual framework

Based on the above empirical and theoretical review the researcher constructed the following conceptual framework. In the conceptual framework three independent variables were extracted and articulated from the theoretical literature review. A framework has been developed to represent the relationship between Corporate Social Responsibility and organizational performance. The research study conceptualized employees, customers, and local communities as independent variables and organizational performance as dependent variables as illustrated below.

The conceptual framework of this research is provided in the figure (2.2) below.

Independent Variables

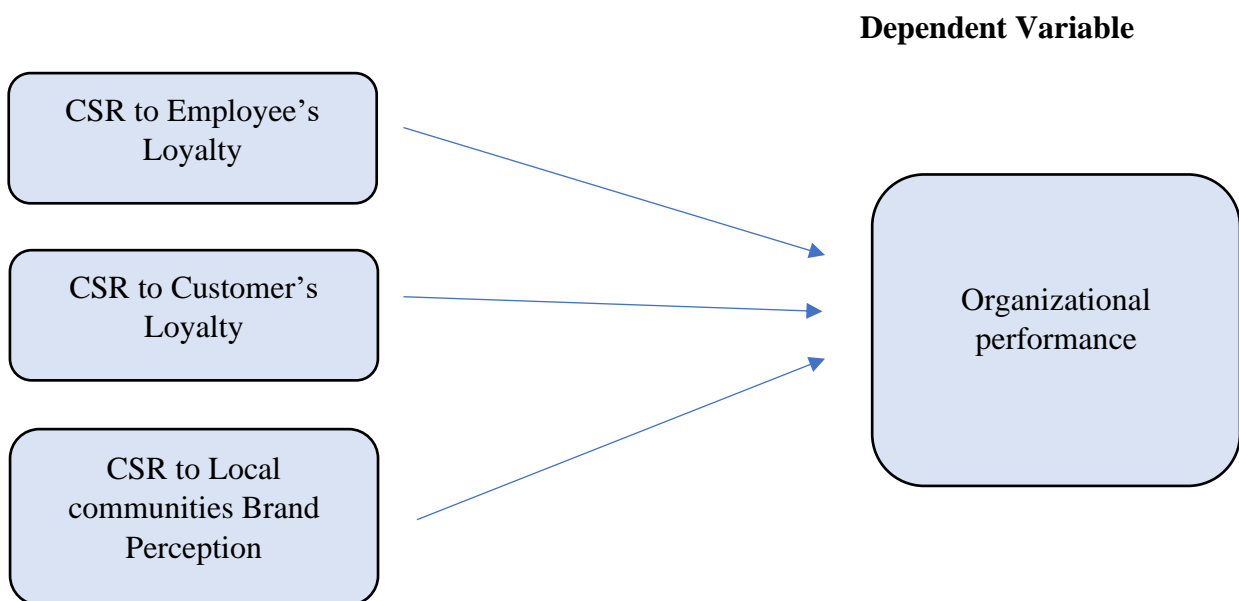


Figure 2.2 Conceptual Framework

Source; Researcher's own computation

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 The Study Area and Study Population

This research aims to examine the effect of corporate social responsibility practice on business performance in the case of Haile Hotels and Resorts Group. Further population is the entire group of individuals, events, or objects having a common observable characteristic (Cooper D. and Dan, 2014). Therefore, the researcher addresses employees who are assigned to these departments as the population of this study. In all General Managers, Human Resources, Sales & Marketing and Operations teams from each destination of Haile Hotels and Resorts Group.

Accordingly, the total population of all Haile Hotels and Resorts Group is 180 employees from the three departments from each location or branch of Haile Hotels and Resorts. Geographically, the hotels/ resorts are located in Addis Ababa, Hawassa, Arbaminch, Adama, Gondar, Batu & Sululta. (March 31, 2024 HR report)



Figure 3.1 Location map of Haile Hotels and Resorts Destinations

Source: - The Haile hotels and resorts group website

3.2 Research Design

The study employed a descriptive design, aiming to draw inferences from the findings regarding the impact of corporate social responsibility on organizational performance. Specifically, it utilized a survey design that measured two key variables: the independent variable, which assessed the effect of corporate social responsibility on business performance

through three stakeholder perspectives (employees, customers, and local communities), and the dependent variable, which focused on organizational performance.

This study used a mixed research approach (a combination of quantitative and qualitative) data analysis. Thus, it is a mixed method that uses multiple research methodologies based on both quantitative and qualitative data (Hair et al., 2006).

Mixed method research is defined as research in which the investigator collects and analyses data, integrates the findings, and draws inferences using both qualitative and quantitative approaches and methods in a single study of inquiry (Creswell, 2003).

As a method, it focuses on collecting, analysing, and mixing both quantitative and qualitative data in a single study or series of studies. Its central premise is that the use of quantitative and qualitative approaches, in combination, provides a better understanding of research problems than either approach alone.

Kothari, (2018) suggests that research design expresses both the structure of the research problem, the framework, organization, or configuration of the relationship among variables of a study and the plan of investigation used to obtain empirical evidence on those relationships. Accordingly, to address the research problem and to achieve the stated objectives, the researcher used descriptive research design and multiple regression analysis.

The study employed a descriptive research design to describe the Corporate Social Responsibility practices implemented by the hospitality group and their impact on organizational performance. This description was presented using graphs, tables, frequencies, percentages, and inferential statistics. Additionally, an explanatory research design was used to explore the effects of independent variables on dependent variables.

3.3 Research Approach

In this study, quantitative research methods were employed. Quantitative research involves collecting, analyzing, and integrating data through experiments, surveys, and statistical analysis. It emphasizes objective measurements and numerical analysis, often using techniques such as questionnaires, and computational analysis of existing statistical data. Additionally, the study utilized a qualitative research approach. The target population of the study was 180 Haile hotels and resorts staff and the stratified sampling method was used to determine sample size. The structured questionnaire is the instrument used to collect primary data.

3.4 Data Type and Source

The study used both primary and secondary data. The primary data was collected from the management members of Haile Hotels and Resorts by dispatching the standard questionnaire to them. Moreover, structured interviews were held with the Managing Director, head of Sales & Marketing, Operations & Human Resource departments of the group.

The study collected secondary data from various sources, including information centers within the hospitality groups, e-sources such as company newsletters, social media posts, and relevant theses and dissertations. These secondary data served multiple purposes: gaining deeper insights into the research topic, establishing a robust foundation for the theoretical framework, and designing the sample frame for collecting primary data. Additionally, using secondary data allowed for comparisons and validation against existing literature and articles.

3.5 Data Collection Technique

The study uses both primary and secondary data sources. Primary sources of data can be collected via structured questionnaires and in-depth interviews. The type of questionnaire was a Likert scale questionnaire that makes questions interesting to respondents and, thus, improves their cooperation.

The questionnaire statements have been established and scored from 1 up to 5 scales, where “1” indicates “strongly disagree”, “2” “disagree”, “3” neutral, “4” “agree” and “5” refers to “strongly agree” with the statement to represent a different attitude of respondents. The questionnaire has three main sections, the first section covers the general information of the respondents, and the second section is arranged to check the perception of the respondents on the CSR dimensions. The qualitative data was also collected through in-depth interviews. Qualitative data is used optimally for situations that increase understanding, expand knowledge, clarify real issues, identify a range of attitudes and behaviours, and identify distinct behavioral groups (Gordon and Langmaid, 1988).

3.6 Reliability of the Research Instrument

Research methodology literature indicates that to make valid inferences based on the research findings, the research instruments used for collecting the necessary data should be reliable. Creswell (2003) succinctly defines the reliability of a research instrument as:

Reliability means that scores from an instrument are stable and consistent. Scores should be nearly the same when researchers administer the instrument multiple times at different times (p.159). Thus, the research instruments of this study have been checked for their internal consistency (reliability) before they were put into use for collecting the necessary data for the study. Here, the research instruments had been in use before by other researchers for other similar studies and they were found to be reliable instruments by the researchers.

Therefore, I could safely say that the research instruments that have been used for this study are reliable for they satisfy the conventional statistical significance test for checking the internal consistency or reliability of the research instruments: Cronbach's alpha value of 0.70 and above.

3.7 Validity of the Research Instrument

Research instrument validity is the quality attributed to a proposition or a measure of the degree to which it conforms to established knowledge or truth (Patton, 2002 as cited in Sharma, 2013). Validity in an attitude scale refers to the extent to which its results align with other measures of attitude possession. Essentially, it assesses whether an instrument accurately measures what it is intended to measure. In this context, the research instruments were previously used by other researchers in similar studies and were deemed valid. Therefore, the instruments employed in this study are considered valid.

3.8 Sampling Design

3.8.1 Sampling technique

The sampling technique is a system of taking a small ratio of observations from a large population to get information about those large populations from the sample observation by using statistical techniques. The technique which is used in drawing the sample is the stratified sampling method. The researcher used both probability and nonprobability sampling techniques as sampling methods of the study. A stratified random sampling technique would have been used to avoid biases while distributing the questionnaires to obtain a sample population that best represents the entire population being studied. stratified random sampling ensures that the resulting sample will be distributed in the same way as the population in terms

of the stratifying criterion and its advantages include minimizing sample selection bias and ensuring certain segments of the population are not overrepresented or underrepresented (Bryman & Bell 2011) and purposive sampling techniques were used to obtain profound information from the company's top management by interviewing them.

3.8.2 Sample size determination

To determine the size of the sample in the Three strata (Human Resources, Sales & Marketing, and Operations departments) this study used Taro Yamane's (1967) simplified formula according to Yamane, for any sample given the estimated population proportion of 0.05 and 95% confidence level, the sample size is given by:

$$n = N / [1 + N (e^2)]$$

Where n is the sample size,

N is the total population size, and

E is the level of precision or sampling error = (0.05)

$$n = 180 / [1 + 180 (0.05^2)]$$

n=125 Thus sample size for this study is 125 employees from the Three departments.

3.9 Model Specification and Data Analysis

3.9.1 Method of Data Analysis

Data analysis refers to the computation of certain measures along with searching for patterns of relationships that exist among data groups (Kothari, 2009). It implies examining what has been collected in a survey or experiments and making deductions and inferences (Kombo and Tromp, 2011). The process of data analysis aims to determine whether the observations support the research questions that will be formulated before going into the field to collect the information.

After collecting the data, it was coded and edited for accuracy and completeness. During the analysis, responses from different respondents and information from questionnaires were meticulously checked and compared to ensure validity. The data analysis aligns with the research objectives and questions. Descriptive statistics (including frequencies, percentages, means, and standard deviations) are used, along with multiple regression. The statistical software SPSS-24 is employed for this purpose.

3.9.2 Model Specification

In addition to the above factor analysis, a linear regression analysis is also the most commonly used procedure and is used to build models for predicting scores on one variable, the dependent variable, from scores on several other variables, the independent variables Terre Blanche, et al, (2006). The structure of simultaneous relationships among three or more phenomena. A multiple linear regression model was used in determining the effects of the three variables that are categorized as independent variables on the dependent variable as indicated below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where:

Y= dependent variable (Organization Performance in Haile Hotels and Resorts)

β_0 =is the Intercept.

X1= CSR to employee

X2 =CSR to Customers

X3 = CSR to the local community and

ε = is the Error term.

Assumptions of multiple linear regression

The assumptions of multiple regression are: -

- Linearity
- Homoscedasticity
- Independence of errors
- Normality
- Independence of independent variables

3.10 Ethical Considerations

Throughout the research, stringent adherence to ethical standards of confidentiality and privacy was maintained. Diligent efforts were consistently applied to honor this commitment. Assurances were provided to the hospitality group employees participating in the study that their identities would remain confidential in the final report.

The participants were clearly informed about the academic intent of the study. Additionally, the researcher took care to ensure that none of the participants' responses were individualized

during the stages of data presentation, analysis, and interpretation. Lastly, proper recognition has been given to all resources utilized in conducting this research.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

Introduction

In this chapter, we conduct data analysis and provide an explanation of the results. A total of 125 valid questionnaires were collected from respondents (100% response rate). The chapter begins by describing the biographical profiles of the participants to understand their demographic characteristics. Tables are used to evaluate and present findings related to the impact of corporate social responsibility on organizational performance. Descriptive analysis employs mean and standard deviation to assess central tendency and dispersion, while regression analysis explores correlations and cause-and-effect relationships between variables.

4.1 Reliability of data collection instrument

The instrument is submitted to a reliability test to determine the extent to which it produced consistent results when utilized as advertised. The Cronbach's Alpha test is used to determine the instrument's dependability. The following table, 4.1.0 Shows the 18 elements in the instrument resulted in Cronbach's Alpha value of 0.803, which is more than 0.7, and so the instrument is regarded as trustworthy (Tavacol & Dennick, 2011).

Table 4.1.0 Reliability Statistics

	Cronbach's Alpha	N of Items
CSR to Employee's Loyalty	.776	6
CSR to Customer's Loyalty	.799	6
CSR to Local Community	.833	6
Total	.803	18

Source: Researcher's computation using SPSS (2024)

4.2 Data analysis of descriptive statistics

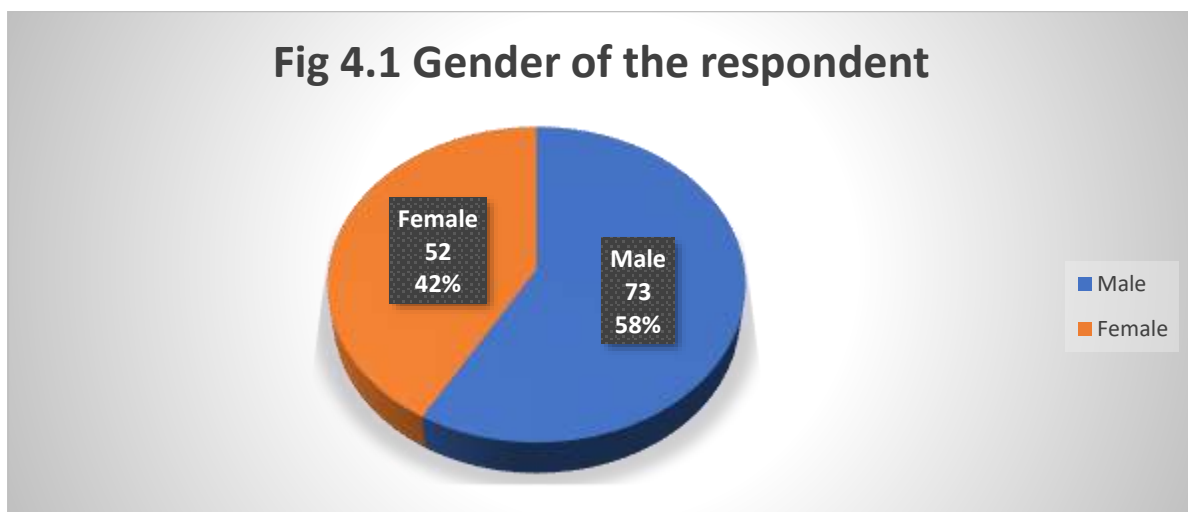
As stated in the introductory part of this chapter, supplying basic information about the research's sample will assist us in determining the characteristics of the sample for the study. As a consequence, the following information about the study's respondents was collected and discussed.

Background information of Respondents

It includes the Gender, Age, Educational level, and work experience of the respondent.

4.2.1 Gender of the Respondent

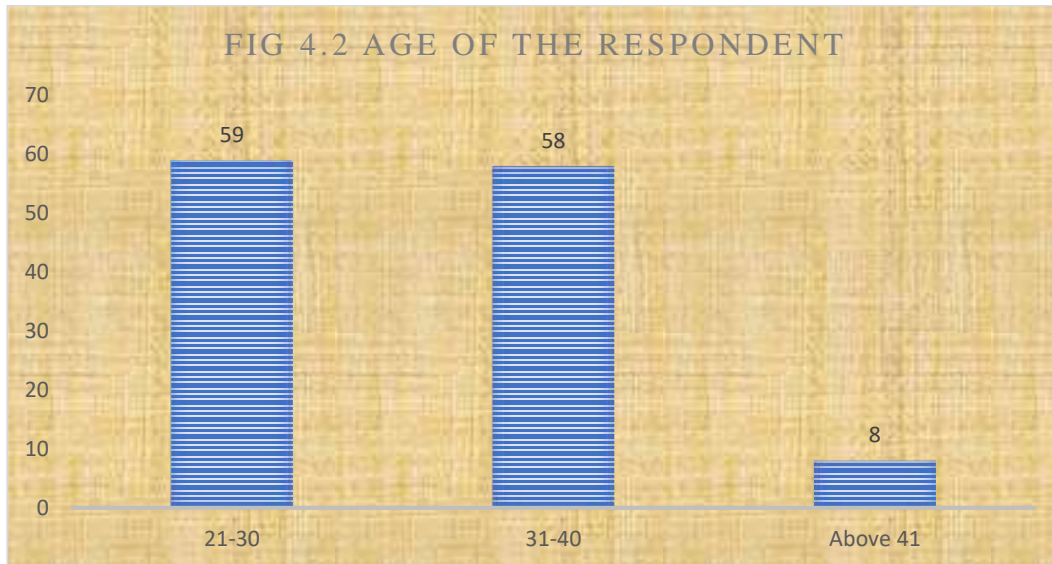
Figure 4.1 reveals that 58% of the respondents were male and 42% of the respondents were Females. This signifies that the majority of the people in this study are Male, although there are a reasonable representation of Females in the study.



Source: Researcher's computation using SPSS (2024)

4.2.2 Age of the respondent

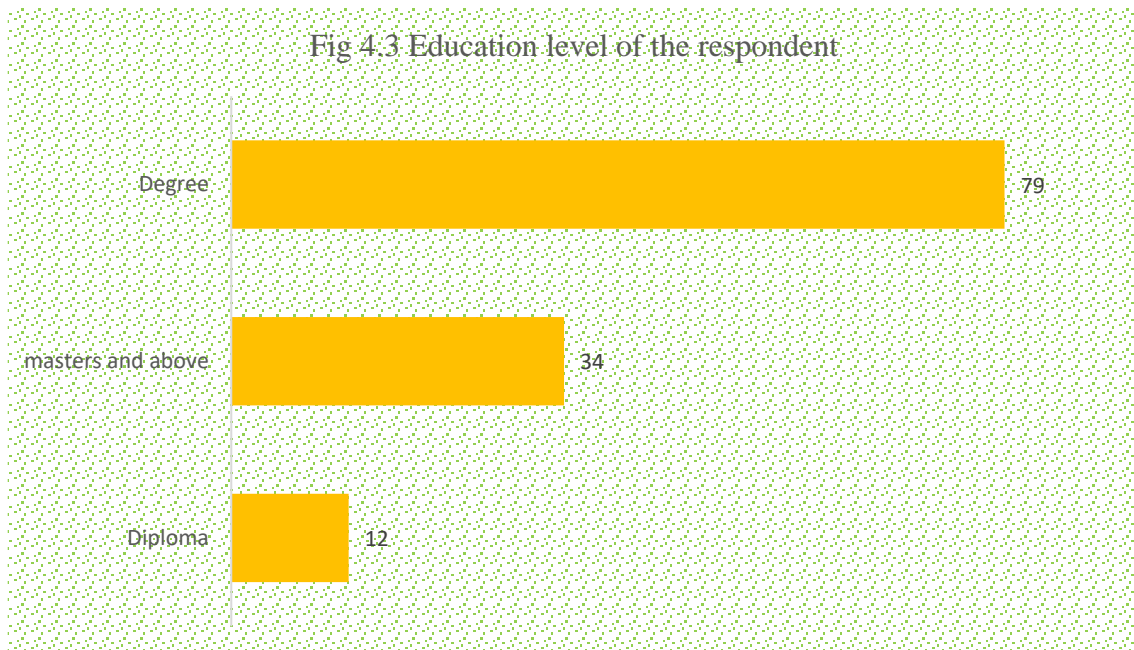
Figure 4.2 presents the age bracket of the respondents and it shows that out of the total respondents, 59 respondents are aged between 20-30 years, 58 respondents are between the ages of 31-40 years and 8 respondents are aged above 41 years. This shows that the whole demographic in terms of age is captured in the study.



Source: Researcher's computation using SPSS (2024)

4.2.3 Education Level of Respondents

Figure 4.3 shows the education level of the respondents and it indicates that 79 of the respondents have degrees, 34 respondents had their Master's degree and the remaining 12 respondents have diplomas. This shows that the respondents were well-educated and could easily understand the study research questions.

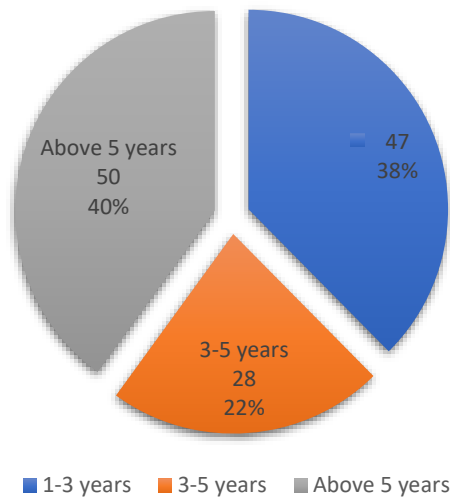


Source: Researcher's computation using SPSS (2024)

4.2.4 Work Experience in Haile hotel and resort

Figure 4.4 shows the work experience of the respondents in Haile hotel and resort, and it shows 38% have been working in Haile hotel and resort for One to Three years, 22% for Three to Five years and 40% have been working for more than five years. This shows that the respondents are good candidates for the study due to the number of years they have worked with Haile hotel and resort.

Fig 4.4 Work Experience in Haile hotels and resorts



Source: Researcher's computation using SPSS (2024)

4.3 Background information

Regarding the business concept, 71.42% of the properties are categorized as Resorts, 14.28% as Hotels, and 14.28% fall into the 'Other' category (such as Villages). Notably, due to the prevalence of Resorts in the study sample, a significant portion (71.42%) of the properties have a compound area exceeding 10,000 square meters. Additionally, 57.14% of the properties are situated near lakes or mountains.

Variables	Category	Frequency	%
Type of the property	Hotel	1	14.285714
	Resort	5	71.428571
	Lodge		
	Other	1	14.285714
	Total	7	100
Location	Along the Lake/Mountain	4	57.142857
	City Center/Downtown	2	28.571429
	Outskirt	1	14.285714
	Total	7	100
Total Compound Area	2,001 - 4,000 Sq.Mt		
	4,001 - 6,000 Sq.Mt		
	6,001 - 8,000 Sq.Mt		
	8,000- 10,000 Sq.mt	2	28.571429
	Above 10,000 Sq.mt	5	71.428571
	Total	7	100

Table 4.3 Type, Location & Compound Area of properties

Based on the managers' input, one property (14.28%) holds a 5-star rating, while three properties (42.85%) fall into the 4-star rating category, and an additional three properties (42.85%) are categorized as 3-star.

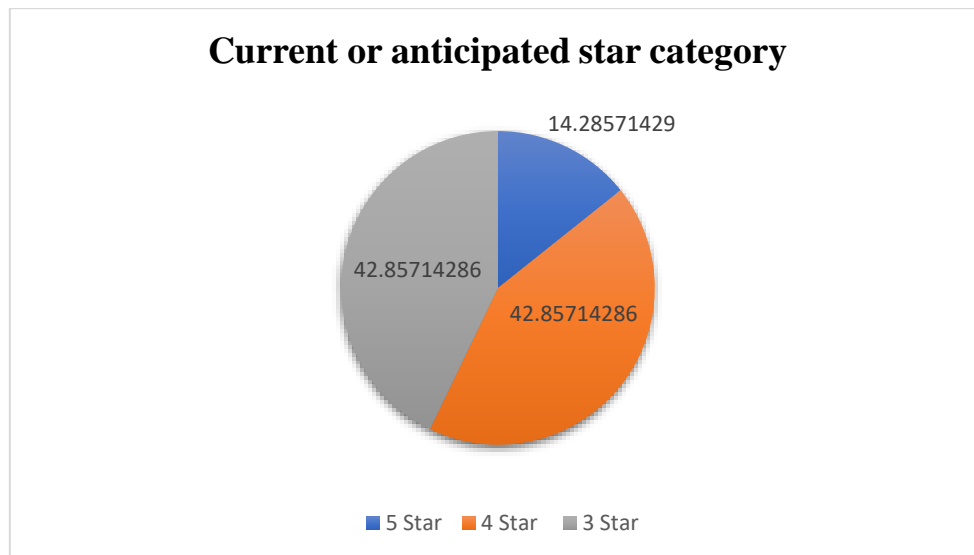


Figure 4.5 Percentage of Hotels/ Resorts star category

The results indicate a significant concentration of properties with more than 251 employees (71.42%). Additionally, 57.14% of the properties have more than 5 food and beverage outlets. Furthermore, the majority (71.42%) offer more than 6 halls, and 57.14% have the capacity to accommodate over 500 customers simultaneously.

Variable	Category	Frequency	%
Total No. of Permanent Employees	Below 150 employees		
	150 - 200 employees	2	28.57143
	201 - 250 employees		
	Above 251 employees	5	71.42857
	Total	7	100
Total No. of Food & Beverage Outlets	1 --2 Outlets		
	3 -5 Outlets	3	42.85714
	> 5 Outlets	4	57.14286
	Total	7	100
Total No. of Conference Halls in the property	1- 3 Halls	2	28.57143
	4 -6 Halls		
	> 6 Halls	5	71.42857
	Total	7	100
Total Capacity of All Conference Halls in the property	< 250 Customers	1	14.28571
	251 - 500 Customers	2	28.571429
	> 501 Customers	4	57.142857
	Total	7	100

Table 4.3 Frequency & percentage of No. of employees and outlets

Room occupancy percentage, which measures the proportion of rooms sold relative to rooms available for sale, is a crucial operational statistic for evaluating hotel business productivity. On average, the annual occupancy of the properties predominantly falls below 50% (57.14%), while the remaining 42.87% fall within the range of 51% to 65%.

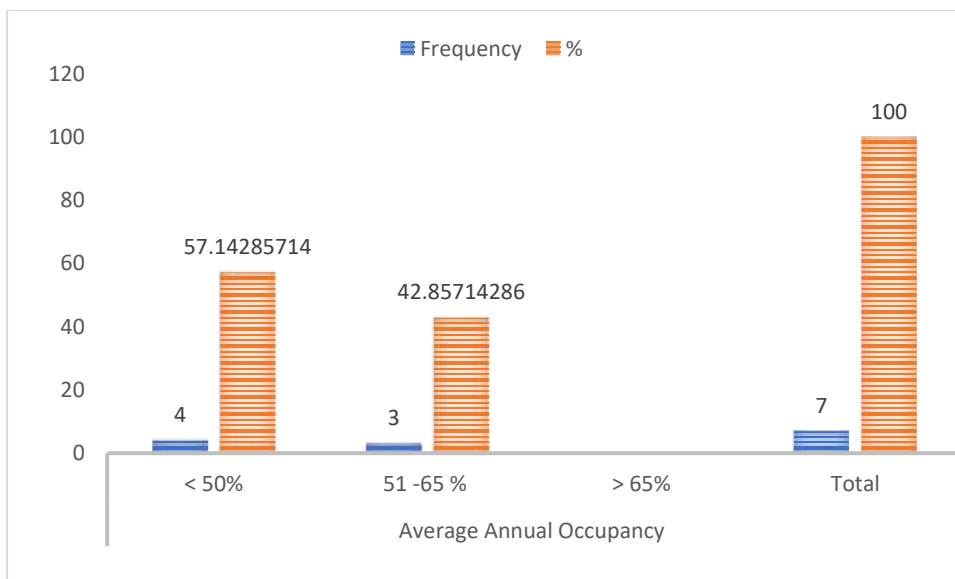


Figure 4.6 Annual average occupancy percentage

4.3.2 Effect of CSR on Organizational Performance

Corporate Social Responsibility: Preliminary

Table 4.1 Describes the results of the preliminary questions on Corporate Social Responsibility in the context of Haile Hotels & Resorts. The statement with the greatest agreement among responders is “The Hotel/Resort has a working CSR policy” (M=3.91; SD=1.171).

The statement with the greatest agreement among responders is “The Hotel/Resort has a CSR strategy” (M=3.96; SD=0.971). Yet the statement with the lowest agreement among responders is “The Hotel/Resort has assigned a responsible person for CSR” (M=3.55; SD=0.1.359).

Environmental issues are perceived as the most dominant CSR concern for the Hotel/Resort (M=4.11; SD=0.891). Socio-cultural issues follow (M=3.72; SD=0.972). And Economic issues have the least agreement (M=3.25; SD=1.169).

Table 4.1 The Effect of CSR on <i>Corporate Social Responsibility: Preliminary</i>			
	N	Mean	Std. Deviation
1. The Hotel/Resort has a working CSR policy	125	3.91	1.171
2. The Hotel/Resort has a CSR strategy	125	3.96	.971
3. The Hotel/Resort has assigned a responsible person for CSR	125	3.55	1.359
4. The Hotel/Resort staff has received training on CSR Affairs	125	2.68	1.242
5. The Hotel/Resort staff is actively engaged in CSR Affairs	125	3.98	.898
6. Environmental issues are the most dominant CSR issues of the Hotel/Resort	125	4.11	.891
7. Socio-cultural issues are the most dominant CSR issues of the Hotel/Resort	125	3.72	.972
8. Economic issues are the most dominant CSR issues of the Hotel/Resort	125	3.25	1.169
Aggregate mean		3.65	
Valid N (listwise)	125		

4.3.3 Effect of CSR to Employee's Loyalty

The study was conducted to determine the effects of CSR to employee's loyalty at Haile Hotels & Resorts. The study's conclusions are explored further below.

Table 4.2 the Effect of CSR to Employee			
	N	Mean	Std. Deviation
1. The Hotel/Resort engages its employees in social campaigns	125	4.26	.890
2. The Hotel/Resort encourages employees' healthy life practices (e.g., gym)	125	3.71	1.183
3. The Hotel/Resort promotes equal employment opportunity	125	4.38	.849
4. The Hotel/Resort introduces flexible working hours for employees	125	3.88	1.189
5. The Hotel/Resort maintains the physical well-being of the staff	125	3.75	1.068
6. The Hotel/Resort conducts regular staff performance appraisal	125	4.46	.798
7. The Hotel/Resort conducts regular staff satisfaction survey	125	4.04	1.174
8. Staff working conditions are consistently inspected and improved	125	3.98	1.039
9. Internship trainees are welcomed and hired when appropriate	125	4.17	.948
10. There is a clear management succession plan in the hotel	125	4.01	.971
11. There is an established labor union in the hotel led by employees	125	3.38	1.412
12. The Hotel/Resort has documented HR policy and procedure manual	125	4.43	.826
13. The Hotel/Resort periodically conducts employee skill gap analysis	125	3.82	.962
14. The Hotel/Resort offers regular and continuous trainings to its employees	125	4.50	.667
15. The Hotel/Resort commits to maintain the work-life balance of its employees	125	3.51	1.082
16. The Hotel/Resort maintains job security of its employees	125	4.19	.904

17. The Hotel/Resort safeguards the wellbeing of its employees	125	4.10	.928
18. The Hotel/Resort welcomes ideas from its employees on its service provision	125	4.24	.928
Aggregate mean		4.05	
Valid N (listwise)	125		

Source: Researcher's computation using SPSS (2024)

The respondents' views on the effects of CSR to employees at Haile Hotels & Resorts had various agreeing on Table 4.2. respondents highly agree for the particular case of Hotel/Resort engaging its employees in social campaigns, a mean of 4.26 and a standard deviation.890. Respondents moderately agree for the particular case of The Hotel/Resort encouraging employees' healthy life practices (e.g., gym), a mean of 3.71 and std. deviation of 1.183. Respondents strongly agree for the particular case of The Hotel/Resort promotes equal employment opportunity, a mean of 4.38 and a standard deviation of .0849.

Respondents' moderate agreement shown for the particular case of The Hotel/Resort introducing flexible working hours for employees, a mean of 3.88 and a standard deviation of 1.89. For the particular case of The Hotel/Resort maintains the physical well-being of the staff, moderate agreement with a mean of 3.75 and a standard deviation of 1.068 noted.

Strong agreement among respondents shown for the particular case of The Hotel/Resort conducts regular staff performance appraisal, a mean of 4.46 and a standard deviation of .798. For the particular case of The Hotel/Resort conducts regular staff satisfaction survey, a mean of 4.04 and a standard deviation of .1.174.

Respondents show moderate agreement for the particular case of Staff working conditions are consistently inspected and improved, a mean of 3.94 and a standard deviation of .1.039. For the particular case of Internship, trainees are welcomed and hired when appropriate, with a mean of 4.17 and a standard deviation of .918.

For the particular case of There is a clear management succession plan in the hotel, a mean of 4.01 and a standard deviation of .971. Lower agreement for the particular case of There is an established labor union in the hotel led by employees, a mean of 3.38 and a standard deviation of 1.412. For the particular case of The Hotel/Resort has documented HR policy and procedure manual, a mean of 4.43 and a standard deviation of .826. For the particular case of The

Hotel/Resort periodically conducts employee skill gap analysis, a mean of 3.82 and a standard deviation of .962. For the particular case of The Hotel/Resort offers regular and continuous trainings to its employees, a mean of 4.50 and a standard deviation of .667.

Respondents highly agreed for the particular case of The Hotel/Resort commits to maintain the work-life balance of its employees, a mean of 4.51 and a standard deviation of 1.082. high agreement for the particular case of The Hotel/Resort maintains job security of its employees, a mean of 4.19 and a standard deviation of .904. For the particular case of The Hotel/Resort safeguards the wellbeing of its employees, a mean of 4.1 and a standard deviation of .928. For the particular case of The Hotel/Resort welcomes ideas from its employees on its service provision a mean of 4.24 and a standard deviation of .928. The findings in the preceding data reveal that the majority of respondents favor CSR for employees. As a result, the vast majority of respondents strongly believe that encouraging employees to practice CSR may improve organizational performance.

These findings are consistent with the findings of Jemal (2018), who argues that CSR is a possible source of other-oriented, extrinsic value since it involves the advantages of assisting others to boost employee success.

4.3.4 Effect of CSR to Customer’s Loyalty

The study is conducted to determine the effects of CSR to Customer’s loyalty in Haile Hotels & Resorts. The study's conclusions are explored further below.

Table 4.3 The Effect of CSR on Customer (Water).			
	N	Mean	Std. Deviation
1. The Hotel/Resort engages its customers in social campaigns	125	3.73	1.180
2. The Hotel/Resort encourages customers healthy life practices	125	4.22	.779
3. The Hotel/Resort regularly monitors the consumption of water	125	3.96	1.073
4. Water-saving mechanisms are the priority for the hotel	125	3.93	1.064
5. Water-reusing mechanisms are the priority for the hotel	125	3.30	1.063
6. Water recycling mechanisms are the priority for the hotel	125	3.24	1.103

7. The hotel uses groundwater for non-drinking purposes	125	4.22	1.089
8. The Hotel/Resort plants drought-resistant and low-water-consuming vegetation	125	3.74	.966
9. Low-flush and high-efficiency toilets are used	125	3.52	1.119
10. Low-flow and high-efficiency shower heads are used	125	3.42	1.080
11. The hotel installs sensor and timer water taps at all places	125	2.62	1.372
12. Self-bottling (refilling) spots are introduced for clients (drinking water)	125	2.42	1.309
13. Hotel/Resort guests are encouraged to reuse linens, towels and other items	125	4.04	1.019
14. Water-saving tips are introduced to the guests	125	3.98	1.085
15. The hotel uses recycled water for other purposes	125	3.00	1.231
Aggregate mean		3.56	
Valid N (listwise)	125		

Source: Researcher's computation using SPSS (2024)

In the above table 4.3 the statement with moderate agreement among responders is “The Hotel/Resort engages its customers in social campaigns” (M=3.73; SD=1.18). The statement with the strong agreement among responders is “The Hotel/Resort encourages customers healthy life practices” (M=4.22; SD=.779). The statement with the moderate agreement among responders is “The Hotel/Resort regularly monitors the consumption of water” (M=3.96; SD=1.073). The statement with the moderate agreement among responders is “Water-saving mechanisms are the priority for the hotel” (M=3.93; SD=1.064). The statement with the lower agreement among responders is “Water-reusing mechanisms are the priority for the hotel” (M=3.3; SD=1.063). another statement with the lower agreement among responders is “Water recycling mechanisms are the priority for the hotel” (M=3.24; SD=1.103). The statement with the lowest agreement among responders is “Water recycling mechanisms are the priority for the hotel” (M=3.22; SD=1.089). The statement with the strong agreement among responders is “The hotel uses underground water for non-drinking purpose” (M=4.22; SD=1.089).

The statement with the moderate agreement among responders is “The Hotel/Resort plants drought-resistant and low-water-consuming vegetation” (M=3.74; SD=1.103). The statement with moderate agreement among responders is “Low flush and high efficiency toilets are used”

(M=3.52; SD=1.119). The statement with the moderate agreement among responders is “. Low-flush and high-efficiency shower heads are used” (M=3.42; SD=1.080)

The statement with the lower agreement among responders is “The hotel installs sensor and timer water taps at all places” (M=2.62; SD=1.372). The statement with the lower agreement among responders is “Self-bottling (refilling) spots are introduced for clients (drinking water)” (M=2.42; SD=1.309). Overall, the Hotel/Resort demonstrates positive practices related to water conservation, but there is room for improvement in certain areas.

Table 4.4 the Effect of CSR to Customer (Energy)			
	N	Mean	Std. Deviation
1. The Hotel/Resort regularly monitors the consumption of energy	125	4.10	.850
2. The Hotel/Resort uses energy-efficient bulbs (such as LED)	125	4.04	1.035
3. The Hotel/Resort uses a motion-sensitive sensor lighting system	125	2.66	1.470
4. The Hotel/Resort uses in-house solar energy source	125	2.40	1.320
5. The Hotel/Resort uses an in-house wind energy source	125	2.14	1.382
6. The Hotel/Resort uses in-house bio-fuel energy	125	2.96	1.552
7. Strategies are implemented to encourage clients to save energy	125	3.58	1.226
Aggregate mean		3.12	
Valid N (listwise)	125		

Source: Researcher's computation using SPSS (2024)

In table 4.4 the statement with the strong agreement among responders is “The Hotel/Resort regularly monitors the consumption of energy” (M=4.1; SD=0.850). The statement with the strong agreement among responders is “The Hotel/Resort uses energy-efficient bulbs (such as LED)” (M=4.04; SD=1.0350).

The statement with the lowest agreement among responders is “The Hotel/Resort uses a motion-sensitive sensor lighting system” (M=2.66; SD=1.470). The statement with the lower agreement among responders is “The Hotel/Resort uses an in-house solar energy source” (M=2.4; SD=1.320). The statement with the lowest agreement among responders is “The

Hotel/Resort uses an in-house wind energy source” (M=2.14; SD=1.382). The statement with the lowest agreement among responders is “The Hotel/Resort uses in-house bio-fuel energy” (M=2.96; SD=1.552). The statement with the moderate agreement among responders is” Strategies are implemented to encourage clients to save energy” (M=3.58; SD=1. 226). Overall, the Hotel/ Resort demonstrates positive practices related to energy conservation but there is a room for improvement in certain areas such as sensor lighting and alternative energy use.

4.3.5 Effect of CSR on Local Communities

The study is conducted to determine the effects of CSR to the local community’s perception in Haile Hotels & Resorts. The study's conclusions are explored further below.

Table 4.5 the Effect of CSR to Local Community			
	N	Mean	Std. Deviation
1. The hotel/resort design integrates local arts and heritage	125	3.63	.996
2. The hotel /resort purchases supplies from the local community/market	125	4.36	.712
3. The hotel /resort promotes local history, culture and traditions	125	4.30	.854
4. The hotel/resort promotes local gastronomy in the menu	125	4.00	.925
5. The hotel /resort supports biodiversity conservation efforts, locally	125	3.99	.963
6. The hotel/resort offers relative preference for local employment	125	4.27	.901
Aggregate mean		4.09	

Valid N (listwise)	125		
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Source: Researcher's computation using SPSS (2024)

In Table 4.5 the statement with the moderate agreement among responders is “The hotel/resort design integrates local arts and heritage” (M=3.63; SD=0.996). The statement with the highest agreement among responders is “The hotel /resort purchases supplies from the local community/market” (M=4.36; SD=0.712). The statement with the highest agreement among responders is “The hotel /resort promotes local history, culture and traditions” (M=4.30; SD=0.854). The statement with the greatest agreement among responders is “. The hotel/resort promotes local gastronomy in the menu” (M=4.00; SD=0.925). The statement with the moderate agreement among responders is “The hotel /resort supports biodiversity conservation efforts, locally” (M=3.99; SD=0.963). The statement with the utmost agreement among responders is “The hotel/resort offers relative preference for local employment” (M=4.27; SD=0.901). Overall, the Hotel/Resort demonstrates positive practices related to engaging with the local community, supporting local businesses, and preserving cultural and natural heritages/attractions.

4.4 Data analysis of inferential statistics

4.4.1 Correlations of Variables

Table 4.6 Organizational Performance and CSR on Employee Loyalty: The correlation coefficient is -0.021 with a p-value of 0.813, which is not statistically significant at the 0.05 level. This suggests that there is no meaningful linear relationship between organizational performance and CSR activities directed towards employee’s loyalty.

Organizational Performance and CSR on Customer’s loyalty: The correlation coefficient is 0.545 with a p-value of 0.000, which is statistically significant at the 0.01 level (2-tailed). This indicates a moderate positive linear relationship between organizational performance and CSR activities directed towards customers.

Organizational Performance and CSR to Local Communities: The correlation coefficient is 0.488 with a p-value of 0.000, which is also statistically significant at the 0.01 level (2-tailed). This suggests a moderate positive relationship between organizational performance and CSR activities directed towards local communities.

CSR to Employee and CSR to Customer loyalty: The correlation coefficient is 0.309 with a p-value of 0.000, which is statistically significant at the 0.01 level (2-tailed). This indicates a positive linear relationship between CSR activities directed towards employees and those directed towards customers loyalty.

CSR to Employee and CSR to Local Communities: The correlation coefficient is 0.217 with a p-value of 0.015, which is statistically significant at the 0.05 level (2-tailed).

CSR to Customer Loyalty and CSR to Local Communities: The correlation coefficient is 0.614 with a p-value of 0.000, which is statistically significant at the 0.01 level (2-tailed). This indicates a strong positive linear relationship between CSR activities directed towards customer's loyalty and those directed towards local communities.

In summary, table 4.6 suggests that CSR activities directed towards customers' loyalty and local communities are positively correlated with organizational performance, and there is also a positive correlation between the different CSR activities themselves. However, the CSR activities directed towards employees' loyalty do not show a significant correlation with organizational performance.

Table 4.6 Correlations of variables				
	Organizational performance	CSR to Employee's Loyalty	CSR to Customer's Loyalty	CSR to Local Communities' perception
Organizational performance	1			
CSR to Employee's Loyalty	-.021 .813	1		
CSR to Customer's Loyalty	.545** .000	.309** .000	1	
CSR to Local Communities' perception	.488** .000	.217* .015	.614** .000	1
**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).				

Source: Researcher's computation using SPSS (2024)

Assumption Testing for Multiple Regressions

Before proceeding with the regression analysis, it is necessary to evaluate the regression analysis assumptions, which serve to check that the data acquired was genuinely representative of the population sample.

Normal Distribution

Normality describes the shape of a metric variable's data distribution and its connection to the normal distribution (Hair et al., 2003). The information values for skewness and kurtosis were utilized to calculate normality. Skewness shows distribution symmetry, whereas Kurtosis suggests distribution peaking (Pallant, 2001). According to Hair (2010), the kurtosis/skewness distribution should be around ± 2.58 . All converted and standardized data have acceptable skewness and kurtosis values.

Multicollinearity

One important assumption in multiple regression analysis is the presence of a very strong correlation between the study's independent variables, which is known as multi-collinearity (Burns and Burns, 2008). This work explored multi-collinearity using tolerance, VIF, and tolerance statistics. According to Andy (2006), a tolerance value of less than 0.2 almost always indicates a significant collinearity problem. According to Burns and Burns (2008), a VIF value of more than 10 is also grounds for concern. All of the independent variables in this study had a tolerance of more than 0.2 and a VIF value of less than 10, showing that multi-collinearity is not an issue in this study.

Table 4.7 Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	CSR to Employee	.904	1.107
	CSR to Customer	.591	1.693

	CSR to Local Communities	.622	1.608
a. Dependent Variable: Organizational Performance			

Source: Researcher's computation using SPSS (2024)

Linearity

Hair et al. (1998) defines linearity as the extent to which a change in the dependent variable is related to a change in the independent variable. In a nutshell, linear models predict values that follow a straight line by assuming a constant unit change (slope) for the dependent variable and a constant unit of change for the independent variable. When nonlinear correlations occur, standard regression analysis will understate the connection, i.e., R^2 underestimates the total variance explained and betas underestimate the significance of the variables involved in the nonlinear relationship (Malhotra and Birks, 2007). The scatter plot of standardized residuals against fitted values for regression models is presented fig 4.6.

4.4.2 Model Summary

Table 4.8 summarizes the model for controlling important CSR (CSR to the employee loyalty, CSR to Customer's loyalty and CSR to the local community) and their effect on the organizational performance. Here are some fit statistics for the entire model. The statistic R here has a value of .600 and corresponds to the Pearson correlation coefficient for a simple linear regression, which has only one predictor variable.

R-squared (R^2) is a statistical measure that indicates the proportion of variance in a dependent variable explained by one or more independent variables in a regression model. It quantifies how well the variability of one variable accounts for the variability of another. R-squared values range from 0 to 1, often expressed as a percentage from 0% to 100%. An R-squared of 100% means that the dependent variable is entirely explained by the independent variable(s) in the model, while 0% indicates no explanation.

In this study, the adjusted R-squared value is 0.344, implying that approximately 34.4% of the variation in organizational performance can be attributed to the selected explanatory variables and other factors captured by the constant term. The regression model considers organizational performance as the dependent variable and examines the effects of corporate social responsibility on employees, customers, and local communities as independent variables.

Table 4.8 Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.600 ^a	.360	.344	.54015
a. Predictors: (Constant), CSR to Local Communities, CSR to Employee's Loyalty, CSR to Customer Loyalty				

Source: Researcher's computation using SPSS (2024)

In Table 4.9, ANOVA (Analysis of Variance) is used to assess how well the predictors as a group can explain for variations in the response variable. It is used in SPSS for several models to indicate how the variability in the response variable is divided among different explanatory components. This may be separated into two pieces. The regression sum of squares (19.849) represents the variability in the values of organizational performance that would be anticipated based on the predictor variables alone, so here based on CSR to employee's loyalty, CSR to customer loyalty and CSR to local community. The residual sum of squares (35.304) is the variation in the dependent variable that remains unexplained by the predictor variables.

These sums of squares have related degrees of freedom (df). The df for the total sum of squares is one fewer than the number of observations (N - 1, in this case 124) since the data was fitted with a mean. The regression sum of squares has df = 3, which accounts for the model's three predictors. The residual df is calculated as the difference between the total df and the regression df, which equals 121. The following column contains the mean squares (sums of squares corrected for dfs), which are used to generate the test statistic, F, which is given in the fifth column. Here, we find that F has a value of 22.677 and may be used to test the null hypothesis that there is no linear relationship between the predictors and response variable.

To do this, the value of F must be compared to an F distribution with 3 and 121 degrees of freedom. To achieve this, compare the value of F to an F distribution with 3 and 121 degrees of freedom. This test produces a p-value, which is reported in the Sig. column. Here, p is given as 000 (reported as $p < .001$), which is lower than the conventional .05 threshold used to

determine significance. Therefore, we have enough data to reject the null hypothesis that the predictors have no impact.

Table 4.9 ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.849	3	6.616	22.677	.000 ^b
	Residual	35.304	121	.292		
	Total	55.153	124			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), CSR to Local Communities, CSR to Employee loyalty , CSR to Customer loyalty						

Source: Researcher's computation using SPSS (2024)

4.4.3 Model Estimation

Table 4.10 presents the regression coefficients for CSR items and their effect on Organizational performance. It shows that all CSR items (CSR to the employee, CSR to the customer and CSR to the local community) were significant to the Organizational performance. Because their p-value is <0.05, providing the study with a regression model as follows:

$$\text{Organizational Performance} = 1.989 - 0.203 \text{ CSR to Employee's loyalty} + 0.508 \text{ CSR to customer's loyalty} + 0.183 \text{ CSR to Local Communities} + \epsilon$$

Table 4.10 Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.989	.368		5.815	.000
	CSR to Employee	-.203	.072	-.215	-2.815	.006
	CSR to Customer	.508	.097	.494	5.222	.000
	CSR to Local Communities	.183	.088	.191	2.074	.040
a. Dependent Variable: Organizational Performance						

Source: Researcher's computation using SPSS (2024)

$\beta_1 = -.203$ implies that for one unit decrease in CSR practice related to Employees loyalty, organizational performance decreases by 20.3%. It has indirect effect on organizational performance.

$\beta_2 = .508$ implies that one unit increase in CSR practice related to Customers' loyalty, organizational performance increases by 50.8%. It has a positive effect on Organizational Performance.

$\beta_3 = .183$ implies that one unit increase in CSR practice related to Local Communities status results in a 18.3% increase in Organizational Performance. It has a positive effect on Organizational Performance.

4.4 Qualitative Data Analysis

The below qualitative analysis is made by the response of the Managing Director, Director of Sales and Marketing and the Group Human Resource Manager of Haile Hotels and Resorts Group. Accordingly, the below points have been summarized.

1. Please describe the main categories of CSR activities undertaken by your company?

The Haile Hotels and Resorts Group engages in several categories of corporate social responsibility (CSR) activities, such as

- **Environmental Initiatives:** The hospitality group is actively involved in various green initiatives within and around destination areas. These initiatives encompass tree plantations, landscaping, water recycling, and energy efficiency efforts. For example,

they regularly participate in cleaning activities at nearby natural resources such as Lake Hawassa, Arbaminch forest, springs, and Lake Dambel (Ziway). Additionally, the group provides financial/ in-kind support to partners working on sustainability and environmental causes. Notably, they have established a partnership with IDH and other stakeholders to conserve Lake Dambel/Ziway, utilizing water hyacinths as an input for making od handicrafts as part of their environment conservation efforts.

- **Blood donations:** The group conducts regular blood donation drives involving both guests and employees across its properties.
 - **Education Support:** Every September, the group provides school supplies (such as exercise books and pens/pencils) to support local schools during the beginning of the academic year.
 - **Charitable Contributions:** During holidays, the group collaborates with nearby charity organizations such as Mery Joy Ethiopia, Selam Children’s Village, and Mena Elderly Support Center, Selihon Mentally Ill People Support Association, Sedokias Charity Organization etc. and support essential commodities and donations.
2. How the CSR activities undertake by your organization do affect the employee’s loyalty & performance?
- According to the Group HR and Training and Development Manager, CSR activities positively impact employee performance. These initiatives contribute to brand loyalty and increase employee engagement rates.
3. How the CSR activities undertaken by your organization do affect the customer’s perception & loyalty of the brand?
- The group’s Director of Sales and Marketing highlights that CSR initiatives have a positive influence on the brand image and guests’ loyalty across properties. Guests tend to prefer staying in environmentally sustainable and socially responsible hotels and resorts. By aligning with guest preferences, CSR practices enhance the overall guest experience, indirectly increasing satisfaction and loyalty to the brand.
4. How the CSR activities undertaken by your organization do affect the local community’s perception about the brand?

- **Positive Impact:** CSR activities foster goodwill and enhance the brand's relationship with local communities. Demonstrating commitment to environmental and social causes positively influences the brand's reputation across destinations.
- **Areas for Improvement:** Bold investments, such as building schools, libraries, and sanitation facilities, can further strengthen the group's presence within the community.

Overall, Haile Hotels and Resorts Group's CSR efforts span environmental, social, and economic dimensions. The management team acknowledges the positive impact of these initiatives and the group remains committed to continuous improvement in its CSR initiatives.

4.6 Discussion of Research Findings

In this thesis, the researcher used actual data collected from 125 respondents. It utilized IBM SPSS software to perform linear regression and calculate the estimated probability of occurrence. Using the final model, 100% of the occurrences were correctly detected when the cut-off value was 0.5.

To summarize, linear regression is a strong tool that may assist speed up decision-making. It is particularly beneficial when modelling the event probability for a categorical response variable with outcomes.

The SPSS analysis reveals that Corporate Social Responsibility (CSR) positively impacts the organizational performance of Haile Hotels and Resorts. Specifically, the study identifies

significant and beneficial effects: $\beta_2 = 0.508$ and $\beta_3 = 0.183$ However, it's important to note that $\beta_1 = -0.203$ indicates a negative and indirect impact on organizational performance.

Various studies shown that CSR has a considerable impact on organizational performance in developed nations (Fischer & Fredholm, 2013; Sharif, 2012). Judy (2014) discovered that CSR is an important variable to consider in retaining clients, Murali (2012) in his study indicated that there is a positive relationship between CSR and the local community and employees (Reman et al, 2012), (Reza et al, 2014) in this study show that the CSR variables can slightly improve the organizational performance.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Conclusions and Summary

The main objective of this study is to evaluate the effect of CSR on organizational performance at Haile Hotels and Resorts. As such, it establishes a likely cause-and-effect relationship between the chosen independent variables (CSR to the employee, CSR to the customer, and CSR to the local community) and the dependent variable (organizational performance), but rather to demonstrate whether there is a relationship between them, as suggested by other research findings. As a result, quantitative data collection and analysis, quantitative research questions, and hypothesis procedures were important components of this study.

The target population was a sample of 125 employees. According to the Haile Hotels and Resorts data, there are 180 employees in three divisions. As a result, the target demographic is a sample of 180 employees from Haile hotels and resorts across three divisions.

According to the linear regression results, out of 3 independent variables (employee, Customer, and local community) used in this study, all are found to be statistically significant concerning organizational performance. The significant variable, along with the estimated coefficient, standard error of the estimate, and p-value.

5.2 Recommendations for Hotels/Resorts

The study suggests several recommendations to enhance corporate social responsibility (CSR) activities, thereby improving organizational performance. These recommendations aim to strengthen the impact of CSR initiatives within the organization.

- **Employee engagement and well-being:** Focusing on employee well-being, job satisfaction, and engagement can contribute to better organizational performance. Implementing wellness programs, promoting work-life balance, and recognizing employee achievements are essential steps.
- **Stakeholder collaboration:** Building strong relationships with stakeholders—such as customers, suppliers, and local communities—can enhance CSR efforts. Engaging in transparent communication, addressing stakeholder concerns, and involving them in decision-making processes foster positive outcomes.
- **Ethical practices and governance:** Upholding ethical standards and robust governance structures is crucial. Organizations should adhere to ethical guidelines, promote transparency, and ensure compliance with legal requirements. Strong governance frameworks lead to sustainable practices.
- **Environmental sustainability:** Integrating eco-friendly practices into daily operations positively impacts both CSR and organizational performance. Implementing energy-saving measures, waste reduction strategies, and sustainable sourcing contributes to long-term success.
- **Social impact initiatives:** Investing in social causes—such as education, healthcare, or community development—creates a positive image for the organization. Collaborating with nonprofits, supporting local initiatives, and empowering marginalized groups demonstrate commitment to social responsibility.

5.3 Recommendation for the government

Enhancing Corporate Social Responsibility (CSR) practices requires active involvement from government. Here are some recommendations for government action:

- **Legislation and regulation:** Governments can enact laws and regulations that promote ethical business practices. These rules should encourage transparency, accountability, and responsible behavior. By setting clear guidelines, governments ensure that corporations prioritize CSR.
- **Incentives and tax benefits:** Offering tax incentives or financial rewards to companies that engage in meaningful CSR initiatives encourages adoption. Governments can create tax breaks or grants for organizations committed to social and environmental causes.
- **Partnerships with businesses:** Collaborating with private enterprises fosters CSR development. Governments can work alongside companies to address societal challenges. Joint initiatives, public-private partnerships, and shared resources amplify the impact of CSR efforts.
- **Reporting and disclosure requirements:** Requiring companies to disclose their CSR practices ensures transparency. Governments can mandate regular reporting on environmental, social, and governance (ESG) metrics. Publicly available reports hold organizations accountable.
- **Promoting best practices:** Governments should actively endorse and disseminate CSR best practices.

5.4 Recommendations for further research

While this study focused on Haile Hotels and Resorts Group employees across its seven destinations, it's essential to recognize that the findings are not exhaustive and may not fully represent all companies under the parent company, Haile and Alem International. Additionally, the recently opened Haile Hotel Wolaita was excluded due to its recent launch.

To enhance the understanding of corporate social responsibility (CSR), future research should address the following aspects:

- **Broader representation:** Investigate CSR practices across a more diverse range of company's portfolio. Including additional hotel groups and considering different organizational contexts will provide a more comprehensive picture.
- **Complex issues:** Explore into the difficult challenges related to CSR. Explore topics such as ethical dilemmas, stakeholder conflicts, and the trade-offs between social responsibility and financial performance.

- **Mixed research methods:** While this study employed questionnaires and interviews, other researchers could explore alternative methods. Focused group discussions, observations, or case studies may yield deeper insights into CSR practices.

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Appendix A: Questionnaire

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF BUSINESS ADMINISTRATION

Questionnaire to be filled by employees of Haile Hotels and Resorts Group (HHRG)

Dear respondents,

This questionnaire is designed to get the relevant information for the study. The objective of the study is to identify the effect of corporate social responsibility (CSR) on organizational performance in the case of Haile Hotels and Resorts Group.

This study is only for academic purposes. Hence, your responses will be kept confidential. The soundness and the validity of the findings highly depend on your genuine responses.

Therefore, I kindly request you to fill out the questionnaire carefully.

Hewan Tesfaye

Email: - hewanit2@gmail.com

Mobile: - 0912 40 90 26

General Instruction

1. There is no need to write your name on the sheet
2. Please feel free and attempt all questions
3. Please read the instructions provided for each section

Thank you very much for your time and participation!

I. General Information of Respondents

This section of the questionnaire refers to general information about the respondents. The information will allow us to compare groups of respondents. Please put a tick (✓) mark where appropriate

No	Description			
1	Sex	Male <input type="checkbox"/>	Female <input type="checkbox"/>	
2	Age	20 – 30 <input type="checkbox"/>	31 – 40 <input type="checkbox"/>	Above 41 <input type="checkbox"/>
3	Education level	Diploma <input type="checkbox"/>	Degree <input type="checkbox"/>	Masters & above <input type="checkbox"/>
4	How long have you worked with this company?	1 – 3 <input type="checkbox"/>	3 – 5 <input type="checkbox"/>	Above 5 <input type="checkbox"/>

Section One: -Background Information (For General Managers)

1.1. Type of the property:

Hotel Resort Lodge Other, _____

1.2. Type of facilities available:

Guest Rooms Food and Beverage Outlets Conference Facilities
 Swimming Pool Spa (Steam and Sauna) Gymnasium

Other, specify: _____

1.3. Location of the Property

Along the lake/mountain City Center /downtown Outskirts

1.4. Total Compound Area:

2,001-4,000 Sq.mt 4,001-6,000 Sq.mt
 6001-8000 Sq.mt 8001-10,000 Sq.mt >10,000 Sq.mt

1.5. Current or Anticipated Star Category:

Two Star Three Star Four Star Five Star Not rated

1.6. Total Number of Permanent Employees

< 150 Employees 150- 200 Employees 201 - 250 Employees Above 251

1.7. Monthly Average Room Occupancy Percentage.

< 50% 51 - 65% > 65%

1.8. Total Number of Food and Beverage Outlets:

1 – 2 3 - 5 Outlets > 5 Outlets

1.9. Total Number of Conference/Banquet Halls on the property:

1 - 3 Halls 4 - 6 Halls > 6 Halls

1.10. Total Capacity of all Conference / Banquet Halls on the property:

< 250 Customers 251 - 500 Customers > 501 Customers

Section Two: -Corporate Social Responsibility | Preliminary Information Legend

1 = Strongly disagree		2 = Disagree		3= Neutral		4= Agree		5= Strongly agree	
No	Variables	1	2	3	4	5			
1	The Hotel/Resort has a working CSR policy								
2	The Hotel/Resort has a CSR strategy								
3	The Hotel/Resort has assigned a responsible person for CSR								
4	The Hotel/Resort staff has received training on CSR Affairs								
5	The Hotel/Resort staff is actively engaged in CSR Affairs.								
6	Environmental issues are the most dominant CSR issues of the Hotel/Resort								
7	Socio-cultural issues are the most dominant CSR issues of the Hotel/Resort								
8	Economic issues are the most dominant CSR issues of the Hotel/Resort								

Section Three CSR – stakeholders’ level (employees)

No	Variables	1	2	3	4	5
1	The Hotel/Resort engages its employees in social campaigns					
2	The Hotel/Resort encourages employees' healthy life practices (e.g., gym)					
3	The Hotel/Resort promotes equal employment opportunity					
4	The Hotel/Resort introduces flexible working hours for employees					
5	The Hotel/Resort maintains the physical wellbeing of the staff					
6	The Hotel/Resort conducts regular staff performance appraisal					
7	The Hotel/Resort conducts regular staff satisfaction survey					
8	Staff working conditions are consistently inspected and improved					
9	Internship trainees are welcomed and hired when appropriate					
10	There is a clear management succession plan in the hotel					
11	There is an established labour union in the hotel led by employees					
12	The Hotel/Resort has documented HR policy and procedure manual					
13	The Hotel/Resort periodically conducts employee skill gap analysis					

14	The Hotel/Resort offers regular and continuous trainings to its employees					
15	The Hotel/Resort commits to maintain the work-life balance of its employees					
16	The Hotel/Resort maintains job security of its employees					
17	The Hotel/Resort safeguards the wellbeing of its employees					
18	The Hotel/Resort welcomes ideas from its employees on its service provision					

3.1 CSR – Stakeholders level (Local communities)

No	Variables	1	2	3	4	5
1	The hotel/resort design integrates local arts and heritages					
2	The hotel /resort purchases supplies from the local community/market					
3	The hotel /resort promotes local history, culture and traditions					
4	The hotel/resort promotes local gastronomy in the menu					
5	The hotel /resort supports biodiversity conservation efforts, locally					
6	The hotel/resort offers relative preference for local employment					

3.2 CSR- stakeholders level (customers)

No	Variables (water)	1	2	3	4	5
1	The Hotel/Resort engages its customers in social campaigns					
2	The Hotel/Resort encourages customers healthy life practices					
3	The Hotel/Resort regularly monitors the consumption of water					
4	Water saving mechanisms are first priorities for the hotel					
5	Water reusing mechanisms are first priority for the hotel					
6	Water recycling mechanisms are first priorities for the hotel					
7	The hotel uses ground water for non-drinking purposes					
8	The Hotel/Resort plants drought resistant and low water consuming vegetation's					
9	Low flush and high efficiency toilets are used					
10	Low flow and high efficiency shower heads are used					
11	The hotel installs sensor and timer water taps at all places					

12	Self-bottling (refilling) spots are introduced for clients (drinking water)					
13	Hotel/Resort guests are encouraged to reuse linens, towels and other items					
14	Water saving tips are introduced to the guests					
15	The hotel uses recycled water for other purposes					
No	Variables (energy)	1	2	3	4	5
1	The Hotel/Resort regularly monitors the consumption of energy					
2	The Hotel/Resort uses energy efficient bulbs (such as LED)					
3	The Hotel/Resort uses motion-sensitive sensor lighting system					
4	The Hotel/Resort uses in-house solar energy source					
5	The Hotel/Resort uses in-house wind energy source					
6	The Hotel/Resort uses in-house bio-fuel energy					
7	Strategies are implemented to encourage clients to save energy					

IV. Interview Questions

- I. Please describe the main categories of CSR activities undertaken by your company?
- II. How the CSR activities undertaken by your organization do affect the employee's performance in terms of loyalty?
- III. How the CSR activities undertaken by your organization do affect the customer's loyalty?
- IV. How the CSR activities undertaken by your organization do affect the local community's perception about the brand?

Appendix B: CLRM Assumptions Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.600 ^a	.360	.344	.54015	1.702
a. Predictors: (Constant), CSR to Local Communities, CSR to Employee Loyalty, CSR to Customer Loyalty					
b. Dependent Variable: Organizational Performance					

Multi-co linearity			
Model		Collinearity Statistics	
		Tolerance	VIF
1	CSR to Employee Loyalty	.904	1.107
	CSR to Customer Loyalty	.591	1.693
	CSR to Local Communities	.622	1.608
a. Dependent Variable: Organizational Performance			

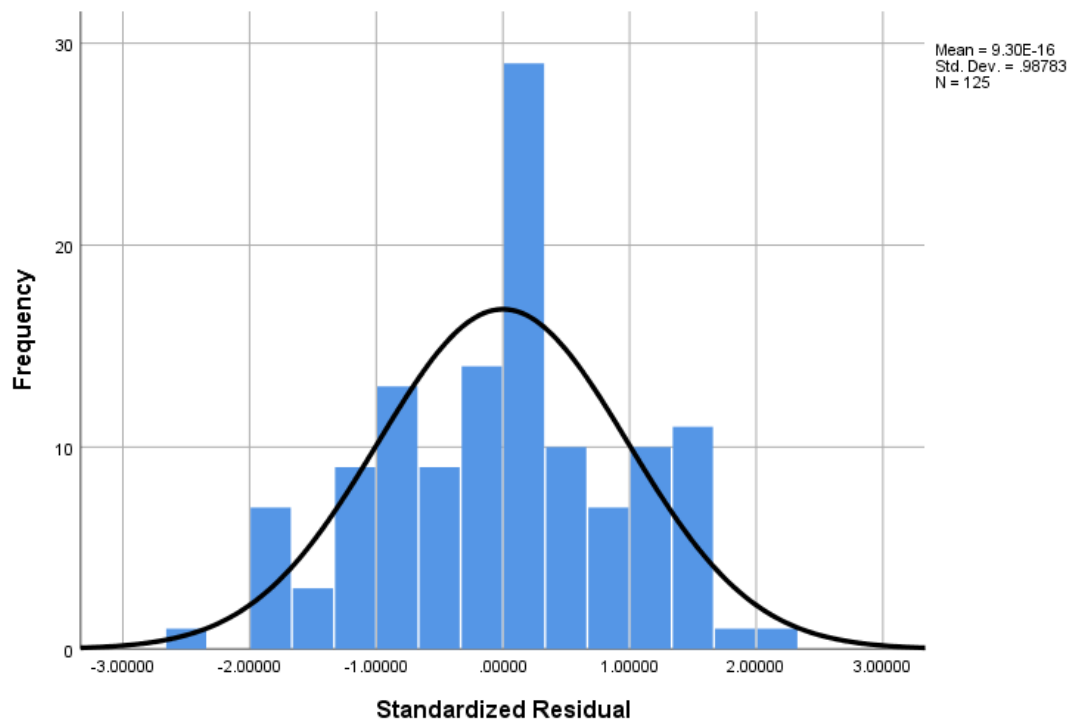
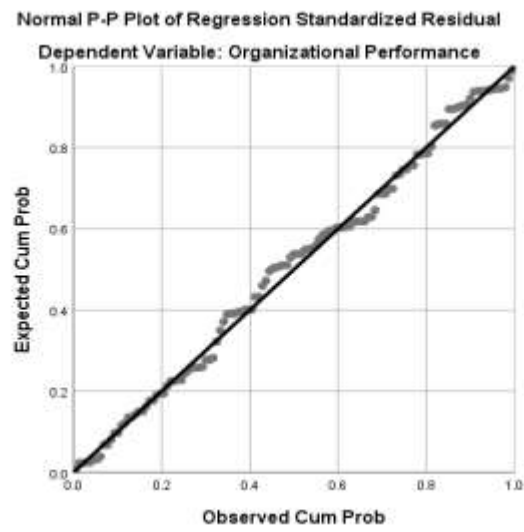
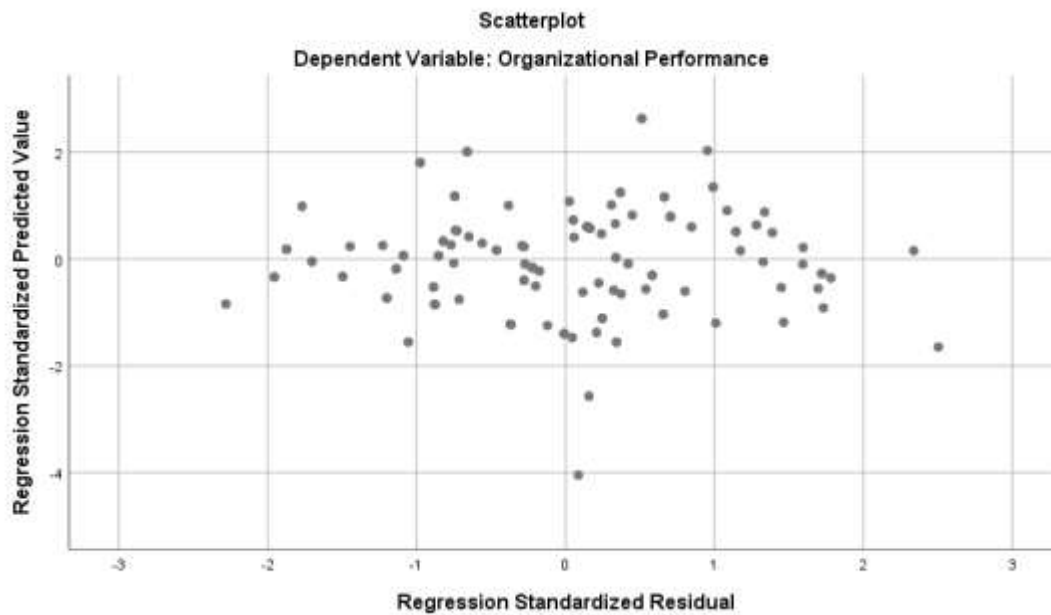


Figure 4.5, Normality distribution histogram

Linearity Test



Homoscedasticity test



Factor Analysis

	Component		
	1	2	3
1. The Hotel/Resort has a working CSR policy?	.718		
2. The Hotel/Resort has a CSR strategy?	.848		
3. The Hotel/Resort has assigned a responsible person for CSR?	.765		
4. The Hotel/Resort staff has received training on CSR Affairs"	.729		
5. The Hotel/Resort staff is actively engaged in CSR Affairs.	.776		
6. Environmental issues are the most dominant CSR issues of the Hotel/Resort?	.708		
7. Socio-cultural issues are the most dominant CSR issues of the Hotel/Resort?	.704		
8. Economic issues are the most dominant CSR issues of the Hotel/Resort?	.700		
1. The Hotel/Resort engages its employees in social campaigns		.643	
2. The Hotel/Resort encourages employees' healthy life practices (e.g., gym)		.794	
3. The Hotel/Resort promotes equal employment opportunity		.723	
4. The Hotel/Resort introduces flexible working hours for employees		.732	
5. The Hotel/Resort maintains the physical well-being of the staff		.820	

6. The Hotel/Resort conducts regular staff performance appraisal		.727	
7. The Hotel/Resort conducts regular staff satisfaction survey		.836	
8. Staff working conditions are consistently inspected and improved		.766	
9. Internship trainees are welcomed and hired when appropriate		.654	
10. There is a clear management succession plan in the hotel		.764	
11. There is an established labour union in the hotel led by employees		.816	
12. The Hotel/Resort has documented HR policy and procedure manual		.686	
13. The Hotel/Resort periodically conducts employee skill gap analysis		.696	
14. The Hotel/Resort offers regular and continuous pieces of training to its employees		.709	
15. The Hotel/Resort commits to maintain the work-life balance of its employees		.713	
16. The Hotel/Resort maintains the job security of its employees		.673	
17. The Hotel/Resort safeguards the well-being of its employees		.791	
18. The Hotel/Resort welcomes ideas from its employees on its service provision		.753	
1. The hotel/resort design integrates local arts and heritage			.692
2. The hotel /resort purchases supplies from the local community/market			.808
3. The hotel /resort promotes local history, culture and traditions			.764

4. The hotel/resort promotes local gastronomy in the menu			.745
5. The hotel /resort supports biodiversity conservation efforts, locally			.752
6. The hotel/resort offers relative preference for local employment			.733
1. The Hotel/Resort engages its customers in social campaigns			.744
2. The Hotel/Resort encourages customers healthy life practices			.762
3. The Hotel/Resort regularly monitors the consumption of water			.868
4. Water saving mechanisms are first priorities for the hotel			.820
5. Water reusing mechanisms are first priorities for the hotel			.864
6. Water recycling mechanisms are first priorities for the hotel			.817
7. The hotel uses groundwater for non-drinking purposes			.699
8. The Hotel/Resort plants drought-resistant and low-water-consuming vegetation			.810
9. Low-flush and high-efficiency toilets are used			.891
10. Low-flow and high-efficiency shower heads are used			.854
11. The hotel installs sensor and timer water taps at all places			.728
12. Self-bottling (refilling) spots are introduced for clients (drinking water)			.754
13. Hotel/Resort guests are encouraged to reuse linens, towels and other items			.826
14. Water-saving tips are introduced to the guests			.722
15. The hotel uses recycled water for other purposes			.723

1. The Hotel/Resort regularly monitors the consumption of energy			.719
2. The Hotel/Resort uses energy-efficient bulbs (such as LED)			.763
3. The Hotel/Resort uses a motion-sensitive sensor lighting system			.745
4. The Hotel/Resort uses in-house solar energy source			.747
5. The Hotel/Resort uses an in-house wind energy source			.806
6. The Hotel/Resort uses in-house bio-fuel energy			.707
7. Strategies are implemented to encourage clients to save energy			.741