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**THE EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON
EMPLOYEE JOB SATISFACTION: THE CASE OF SELECTED
PRIVATE COMMERCIAL BANKS IN ETHIOPIA**

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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June 2023

Addis Ababa, Ethiopia

Declaration

I, the undersigned, declare that this thesis entitled “**The Effects of Corporate Social Responsibility on Employee Job Satisfaction: The Case of Selected Private Commercial Banks in Ethiopia**” is my original work and that all sources have been accurately reported and acknowledged, and that this document has not been submitted for a degree in any other university.

Nathan Wodayehu Demesse



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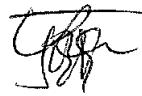
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Statement of Certificate

This is to certify that **Nathan Wondayehu Demesse** has completed his thesis entitled “**The Effects of Corporate Social Responsibility on Employee Job Satisfaction: The Case of Selected Private Commercial Banks in Ethiopia**”, which is his original work and is submitted for examination with my approval as an advisor.

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This is to certify that the thesis entitled, “**The Effects of Corporate Social Responsibility on Employee Job Satisfaction: The Case of Selected Private Commercial Banks in Ethiopia**” was carried out by Nathan Wondayehu Demesse under the supervision of Yohannes Workeaferahu Elifneh (Ph.D.) which is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration and complies with the regulations of the University.

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ABSTRACT

This research study investigated the relationship between corporate social responsibility (CSR) and employee job satisfaction using the Stakeholder Theory of CSR. A mixed methods research approach was used to conduct deductive explanatory research utilizing primary cross-sectional data collected through a questionnaire survey from 351 employees supplemented by qualitative data obtained from interviews with senior managers. The study targeted a total of 2,859 head office employees of three private commercial banks using a two-stage purposive and convenience sampling technique to sort out the participating banks and employees respectively. A sample size of 352 was drawn from the target population with 351 useable responses collected. The desired sample size was determined using Taro Yemane's formula at a confidence level of 95% and 0.05 precision level. Descriptive and inferential analyses were conducted on the collected qualitative data using IBM SPSS v25. The interview data were analyzed using content analysis. The findings indicate that employee-oriented CSR and customer-oriented CSR positively and significantly affect employee job satisfaction. However, natural environment-oriented CSR has a negative and significant effect on employee job satisfaction while community-oriented CSR, supplier-oriented CSR, and shareholder-oriented CSR have a statically insignificant influence on employee job satisfaction. The study concludes that CSR initiatives related to employees and customers play a crucial role in enhancing employee job satisfaction in the studied banks. The main recommendations made include policymakers establishing a comprehensive legal CSR framework, banks establishing a dedicated CSR department, improving crisis response mechanisms, strengthening CSR financial resource management, and future studies exploring industry-specific factors and other employee outcomes related to CSR implementation.

Keywords: Corporate Social Responsibility; Employee Job Satisfaction; Commercial Banks; Ethiopia; Africa; Developing Countries; Sub-Saharan; CSR; Job Satisfaction

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ACRONYMS

CSR – Corporate Social Responsibility

CLRM – Classical Linear Regression Method

FY – Financial Year

ISO - International Organization for Standardization

NGOs – Non-Governmental Organizations

OECD - Organization for Economic Cooperation and Development

TBL – Triple bottom line

UN - United Nations

UNIDO: United Nations Industrial Development Organization

WBCSD – World Business Council for Sustainable Development

CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Corporate social responsibility (CSR) has gained significant attention from both practitioners and researchers in recent decades (Pisani et al., 2017). It has become a high priority for companies, driven by the need to address poor business behavior towards customers, employees, and the environment, as well as supply chain and climate change issues (Aras and Crowther 2011 as cited in Apitsa & Milliot 2021; Žak, 2015). Scholars have increasingly focused on understanding the antecedents and consequences of CSR for firms, particularly in developed countries (Bauman & Skitka, 2012). However there remains a significant gap in CSR research, especially in developing countries, necessitating further investigation at different levels and on theoretical constricts (Visser, 2009).

In Ethiopia, although national and international NGOs widely employ CSR and philanthropic initiatives, the private sector has yet to assume a leadership position. The absence of a formal CSR definition and policy document in the country's largest businesses is due to unclear and disorganized CSR policies, often scattered across various policy instruments that are difficult to locate (Apitsa & Milliot, 2021). Africa, in general, lacks sufficient academic institutions and researches dedicated to corporate citizenship (Visser, 2005). This underscores the need to study CSR in developing countries, as they present distinct challenges compared to developed countries. Developing countries have a rapidly growing economy, face critical social and environmental crises, are more susceptible to the impacts of economic growth and globalization, and encounter unique CSR challenges (Visser, 2009).

There are still significant knowledge gaps in understanding the mechanism linking CSR and its outcomes, particularly at the individual and team levels (Aguinis & Glavas, 2012). There is also a gap in the adoption of different theoretical orientations by researchers studying CSR (Aguinis & Glavas, 2012). CSR is essential for safeguarding a company's financial performance (Epstein & Rejc-Buhovac, 2014 as cited in Galant & Cadez, 2017) and managers should take account of all individuals and groups with a 'stake' in or claim on the company (Melé, 2008 as cited in Galant & Cadez, 2017), not just the shareholders (Ruf, Muralidhar, Brown, Janney, & Paul, 2001 as cited in Galant & Cadez, 2017) as dissatisfaction among any stakeholder group can potentially affect a company's economic rents and even compromise its future (Clarkson, 1995 as cited in Galant & Cadez, 2017). Therefore, if managed properly, CSR

can lead to improved financial performance (Aver & Cadez, 2009 as cited in Galant & Cadez, 2017). When stakeholders like employees, customers, and suppliers are satisfied through CSR initiatives, various positive outcomes can be observed. Satisfied employees are more motivated and productive, while satisfied customers are likely to make repeat purchases and recommend products or services to others. Additionally, satisfied suppliers may offer discounts or favorable items (Galant & Cadez, 2017).

1.2 BACKGROUND OF THE INDUSTRY

According to the Domestic Economic Analysis & Publications Directorate's 2023 report, by the end of the second quarter of the 2022/23 financial year, the Ethiopian banking sector is comprised of a central bank, a state-owned development bank, a state-owned commercial bank, and 28 private commercial banks. These banks have a total of 10,221 bank branches across the country, resulting in a population-to-branch ratio of 10,289.2 and indicating the limited banking service access by the population. 31.9% of the total bank branches are located in Addis Ababa and the remaining spread around the rest of the country. Private commercial banks dominate the banking industry with 78.4% of the total bank branches and 61.9% of the 221.1 billion total banking industry capital, while state-owned banks make up 21.6% and 38.1% of the total capital.

1.3 STATEMENT OF THE PROBLEM

This thesis aims to investigate the relationship between corporate social responsibility (CSR) and employee job satisfaction in the private commercial banking sector in Ethiopia, a developing country. Despite the growing recognition of CSR's importance, there is still a dearth of research on the impact of CSR on employees, particularly in developing country contexts. Existing studies have predominantly focused on the external outcomes of CSR, such as organizational reputation, customer loyalty, and financial performance, neglecting the vital link between CSR and employee attitude and behaviors (C. Kim & Scullion, 2013).

Understanding the impact of CSR on employee job satisfaction is essential for organizations. Job satisfaction plays a critical role in employee well-being, productivity, and organizational performance (Bauman & Skitka, 2012). It influences employee motivation, engagement, and commitment, which, in turn, affects their individual and collective performance. However,

there is a lack of comprehensive research exploring the specific mechanism through which CSR initiatives influence employee job satisfaction.

Moreover, organizations often overlook the potential impact of CSR activities on employee commitment and the attractiveness of the employer to prospective employees (Bauman & Skitka, 2012; Gazzola & Mella, 2016). By investigating how employees perceive and subsequently react to CSR initiatives, organizations can maximize the returns on their CSR investments. This knowledge gap is surprising considering the significant influence of employee attitudes and behaviors on the overall success of organizations (Bauman & Skitka, 2012).

Therefore, this study aims to fill the research gap by examining the effects of CSR on employee job satisfaction in the context of the private commercial banking sector in Ethiopia. By doing so, it seeks to provide valuable insights for organizations in leveraging CSR practices to enhance employee well-being, foster a positive work environment, and ultimately improve organizational performance. Additionally, the study aims to contribute to the theoretical understanding of CSR outcomes at the individual and team levels, particularly in developing country contexts.

1.4 RESEARCH QUESTIONS

1. Is there a significant relationship between CSR and employee job satisfaction in the studied private commercial banks?
2. Which stakeholder-oriented CSR is dominant in the studied private commercial banks?
3. What are the CSR initiatives being undertaken in the studied private commercial banks?
4. What are the challenges faced by the studied private commercial banks in implementing CSR initiatives?

1.5 RESEARCH OBJECTIVES

1.5.1 General Objectives

The general objective of this thesis is to examine the relationship between Corporate Social Responsibility (CSR) and employee job satisfaction in selected private commercial banks in Ethiopia.

1.5.2 Specific Objectives

- a) To determine if there is a significant relationship between CSR and employee job satisfaction in the selected private commercial banks.
- b) To identify the CSR initiatives being undertaken in the selected private commercial banks.
- c) To determine which stakeholder-oriented CSR is dominant in the selected private commercial banks.
- d) To identify the challenges faced by the selected private commercial banks in implementing CSR initiatives.

1.6 SIGNIFICANCE OF THE STUDY

This study holds significance for:

1. **Private Commercial Banks:** The research findings can provide valuable insight into the implementation of CSR initiatives and their impact on the satisfaction of existing and prospective employees. Human resource and marketing officials in private commercial banks can use this information to analyze their current and future CSR plans and activities to make better-informed decisions and action plans. In addition, the recommendations provided can guide banks in establishing dedicated CSR departments.
2. **Investors and Stakeholders:** The results of this study could be of interest to investors and stakeholders, as it will provide insight into the potential impact of CSR initiatives on employee job satisfaction and overall organizational performance, which could affect investment decisions and long-term profitability. The study's recommendations for policymakers to establish a comprehensive legal CSR framework can also enhance transparency and accountability, making it more appealing to investors.
3. **Policy Makers:** The research results and recommendations of this study can be a useful starting point for policymakers to further research and create national CSR policies. The recommendations to policymakers emphasize the importance of establishing a comprehensive legal CSR framework that includes reporting requirements, allocation of profits towards CSR, dedicated CSR committees, eligible CSR activities, and monitoring and enforcement mechanisms. Policymakers can use these

recommendations to develop regulations that promote CSR practices and align with national development priorities.

4. **Researchers:** This study contributes to the existing literature on CSR and employee job satisfaction, specifically in the banking sector and more broadly in Africa. The findings highlight the need for future studies to consider industry-specific factors, explore mediating and moderating factors, and investigate the impact of CSR dimensions on other employee outcomes such as well-being and performance. These recommendations provide potential avenues for further research and contribute to expanding knowledge in the field of CSR.

1.7 SCOPE OF THE STUDY

1.7.1 Conceptual Scope

The study draws on relevant theories and concepts from the fields of CSR and employee job satisfaction to guide the research. However, the research adopted the Stakeholder theory of CSR as a theoretical framework.

1.7.2 Geographic Scope

This study was conducted in three private commercial banks operating in Ethiopia with their head offices located in Addis Ababa.

1.8 LIMITATIONS OF THE STUDY

As stakeholders can vary across industries and contexts, their interests may sometimes conflict with one another. Therefore, the results of this study may not be generalizable and applicable to other industries.

1.9 DEFINITION OF TERMS

- A. **Corporate Social Responsibility (CSR):** are “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance” (Aguinis , 2011, p. 855).
- B. **Employee Job Satisfaction:** this is a measure of how happy workers are with their job and working environment (Sageer, 2012).

- C. **Private Commercial Banks:** refers to financial institutions that are owned by individuals or organizations as opposed to governmental entity banks and licensed by the National Bank of Ethiopia to undertake banking business in Ethiopia as per the Banking Business Proclamation No. 592/2008.
- D. **Ethiopia:** is the second most populous nation in Africa and is located in the Horn of Africa.
- E. **Stakeholders:** an individual, a group, or an organization, who has a vested interest or concern in the behavior, performance, and outcomes of a business (Idowu et al., 2013).
- F. **Good corporate citizen:** refers to a company's responsibility and commitment to its immediate society and the world at large, encompassing ethical practices, respect for human rights, support for local communities, and promotion of sustainability (Ewuru, 2022).
- G. **Competitive Advantage:** refers to attributes that enable a company to outperform its competitors and achieve superior results in the industry (Twin, 2022).

1.10 ORGANIZATION OF THE STUDY

The study is organized into five chapters. Chapter 1 covers the background of the study and industry, problem statement, research questions, objectives, significance, scope, and limitations. It also includes the definition of terms and organization of the study. Chapter 2 encompasses the theoretical, empirical, and conceptual frameworks, as well as the synthesis and research hypothesis. Chapter 3 describes the methodology, including research design, approach, data sources and collection methods, and ethical considerations. Chapter 4 presents the analysis, interpretation, and discussion of the collected data. Finally, Chapter 5 provides a summary of the findings, conclusion, and recommendations.

CHAPTER TWO: LITERATURE REVIEW

This chapter will examine the existing knowledge on CSR and employee job satisfaction, including definitions, key theories, studies, and findings related to the topic.

2.1 THEORETICAL FRAMEWORK

2.1.1 Overview of Corporate Social Responsibility (CSR)

The terms Corporate Code of Conduct, Corporate Ethics, Corporate Citizenship, Corporate Accountability, Corporate Stewardship, Creating Shared Value (CSV), Responsible Entrepreneurship, Corporate Responsibility (CR), Sustainability, Sustainable Development, and Social Responsibility are all terminologies used interchangeably with Corporate Social Responsibility, often abbreviated as “CSR” (Epstein-Reeves, n.d.; Tamiru, 2022),.

Scholars have shown interest in CSR since the 1930s (Carroll, 1979). The publication of *Social Responsibilities of the Businessman*, by Howard R. Bowen in 1953 is considered by many to be the first definitive book on the subject, marking the modern era of social responsibility (Carroll, 1979). CSR generally addresses the proper relationship between business and society and the extent to which firms have responsibilities beyond the pursuit of their economic self-interest and compliance with the law (Bauman & Skitka, 2012).

The definition of Corporate Social Responsibility (CSR) varies among different world bodies and organizations. The European Union (2011) defines it as “the responsibility of enterprises for their impacts on society”. According to the World Bank (2005) CSR entails “the commitment of business to contribute to sustainable development working with employees, their families, local communities, and society at large to improve their quality of life that are both good for business and good for development.” The International Labour Organization (2006) describes CSR as "a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their internal methods and processes and in their interaction with other actors." The WBCSD Stakeholder Dialogue on CSR (1998) characterizes it as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." Nourick & Development (2001) asserts that CSR is "a business's contribution to sustainable development," while UNIDO (n.d.) states that it is "a management concept whereby companies integrate

social and environmental concerns in their business operations and interactions with their stakeholders."

As this research is more concerned with the definition of CSR as it relates to one of the stakeholders (i.e. employees), a widely cited definition by Aguinis (2011, p. 855) is adopted. He defines CSR as "context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance".

2.1.1.1 Theories of Corporate Social Responsibility (CSR)

A substantial body of literature offering several philosophies exists regarding Corporate Social Responsibility (CSR) (Geva, 2008) and there is major contention about how far organizations should take "social responsibility".

Proponents of CSR can generally be divided into those with narrow economic views on CSR and those with more expansive views on CSR (Bauman & Skitka, 2012). Those with a narrow view on CSR (referred to in some literature as Stockholder Theory or Chicago School ideology) cite Noble Prize winner Professor Milton Friedman's 1970 New York Times newspaper essay entitled "*The Social Responsibility of Business is to Increase Its Profits*" (Friedman, 1970). Friedman was against the idea of CSR and disagrees with the notion that corporations and the managers who work for them have a "social responsibility" beyond the bottom line. He argued that in a capitalistic and free-market state, a firm is only "socially responsible" to the extent that it maximizes profits while complying with the law saying that profitable firms deliver the returns that shareholders want, pay salaries that employees need, and provide the services/goods that the customers seek. He states that non-business expenses other than for-profit could lead to inefficiencies in the system and decrease the overall social benefits in addition to limiting personal freedoms and the rights of shareholders to invest their money however they want (Bauman & Skitka, 2012; Freeman & Dmytriiev, 2017; Friedman, 1970). He further argued that if shareholders wanted to use their resources in such a way they could do so themselves privately (Freeman & Dmytriiev, 2017).

Proponents of the more expansive view on CSR argue that organizations have certain responsibilities to society other than just economic and legal and disprove the various critiques

on CSR thrown around by the narrow view proponents. Freeman & Dmytriiev (2017) grouped the critique on CSR into three main arguments, namely:

1. Violating obligation to shareholders: the narrow view proponents believe that shareholders “own” companies are entitled to profits and the Board of Directors are “agents” of the shareholders. Stout (2013) debunks this by saying that legally, companies possess self-ownership similar to that of individuals. The share that shareholders own shares that give them limited legal rights just as employees and creditors who have entered into a contract with the company give them limited legal rights. Shareholders possess a rightful claim not to the profits but to what’s left of after claims of creditors, employees, suppliers, etc. Additionally, legally the right of shareholders is limited to voting on who sits on the board of directors. There is no legal duty on the board to maximize shareholder value, even though most choose to do that they can also pursue any other objectives they choose including taking care of employees, suppliers, customers, benefiting the community, etc. (Stout, 2013).

2. Covering wrongdoing: CSR is criticized for presenting a misleading perception of the business. However, it is important to avoid using CSR as a means to redeem excessive greed within a company and cover up any wrong doing towards other stakeholders. Instead, business executives should genuinely engage in CSR to restore their reputation and fulfill their responsibilities towards all company stakeholders (Freeman & Dmytriiev, 2017).

3. Creating false dichotomies: the narrow view proponents criticize CSR as presenting a separation between economic profitability and social and ethical considerations, however, these distinctions are not accurate and economic aspects cannot be separated from social concerns and business ethics as making profits and benefiting society are not conflicting goals, but rather can go hand in hand (Freeman & Dmytriiev, 2017).

Having addressed the arguments put forth by the narrow proponents of CSR, the three main theories of CSR that align with the more expansive view of CSR, namely: Carroll’s CSR Pyramid Theory, The Triple Bottom Line Theory, and The Stakeholder Theory can be explored.

I. Carroll's Pyramid of Corporate Social Responsibility (CSR)

Carroll's 1979 article laid out the first conceptual model of CSR (Wood, 2010). The model is simple, easy to understand, has an intuitively appealing logic, and has been empirically tested and largely supported by findings (Visser, 2005). The CSR pyramid was developed to encompass the various societal expectations of business responsibilities and categorize them accordingly (Geva, 2008). In his article, Carroll (1991) writes a "corporation has not only economic and legal obligations, but ethical and discretionary (philanthropic) responsibilities as well" (p. 40). The pyramid (see Figure 1) characterizes the social pressures placed on the business sector in descending order of their intensity (Geva, 2008). These four components are not mutually exclusive. They are treated separately for discussion purposes and are overlapping to some extent and are in frequent tension with one another (Carroll, 2004).

Accordingly, each responsibility is described as:

- A. **Economic Responsibility:** According to Carroll (1991), the primary and fundamental social responsibility of the business is its economic role. The business institution holds the fundamental economic role in society, upon which all other business functions are based (Carroll, 1991). Examples of economic responsibility include striving to maximize earnings per share, demonstrating a steadfast commitment to profitability, sustaining a strong competitive position, ensuring operational efficiency, and consistently generating profits (Turker, 2013).
- B. **Legal Responsibility:** Society expects that businesses fulfill their economic mission while operating within the boundaries of legal requirements (Carroll, 1991). According to Turker (2013), examples of legal responsibility include conducting business activities per governmental and legal expectations, adhering to federal, state, and local regulations, serving as a law-abiding member of the corporate community, fulfilling legal obligations and providing goods and services that meet at least the minimum legal requirements.
- C. **Ethical Responsibility:** These are, according to Carroll (1991), "additional behaviors and activities that are not necessarily codified into law but are expected of business by society's members". According to Turker (2013), examples of ethical responsibility include conducting business activities in alignment with societal mores and ethical norms, acknowledging and respecting emerging ethical and moral norms embraced by

society, safeguarding ethical standards from being compromised for the sake of corporate objectives, acting as a responsible corporate citizen by fulfilling moral and ethical expectations, and recognizing that corporate integrity and ethical behavior extend beyond mere compliance with laws and regulations.

D. Philanthropic /Discretionary/ Responsibility: According to Carroll (1991), they are called “Discretionary” because it is inaccurate to call these “Responsibilities” as they are “responsibilities about which society has no clear cut message for business even less so than in the case of ethical responsibilities.” (p. 500). However, a business is anticipated to demonstrate good corporate citizenship by engaging in philanthropic endeavors and allocating financial and human resources to the global community. By doing so, businesses aim to "give back" and contribute to the enhancement and sustainability of the quality of life (Carroll, 2004). According to Turker (2013), examples of philanthropic responsibility include engaging in activities that align with the philanthropic and charitable expectations of society, supporting the fine and performing arts, actively participating in voluntary and charitable initiatives within local communities, providing assistance to both private and public educational institutions, and voluntarily supporting projects that enhance the "quality of life" within a community.

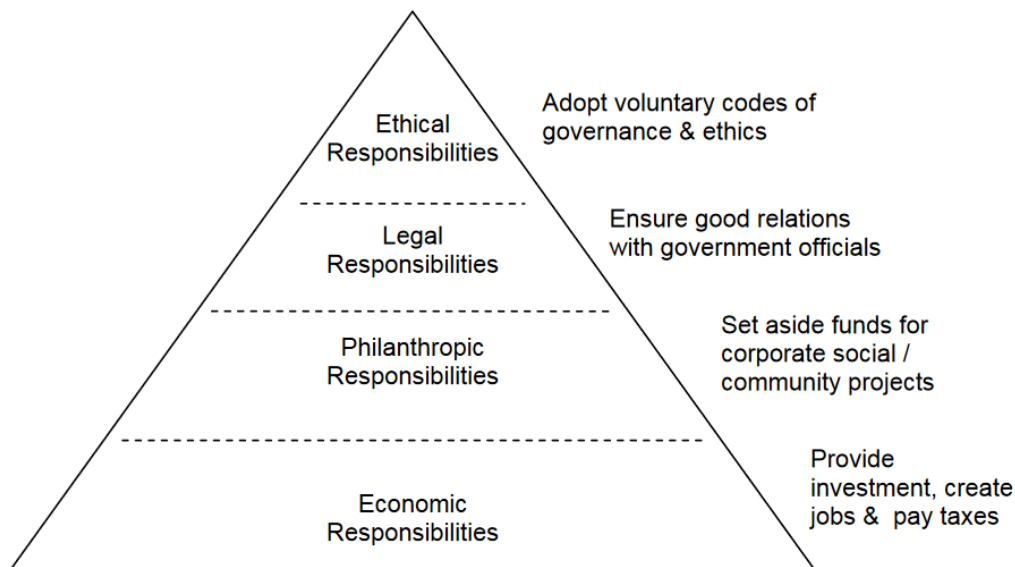
Figure 1: The Pyramid of Corporate Social Responsibility



Source: *The Pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders* (p. 42), Carroll, 1991, Business Horizons.

Some studies suggest that Carroll's framework may be restrictive, in that it overlooks corporate actions that benefit stakeholders external to the firm (Rupp et al., 2013 as cited in El Akremi et al., 2018). Glavas & Godwin (2013) as cited in El Akremi et al. (2018) also argue that Carroll's definition ignores cases in which a corporation engages in the four CSR behaviors but fails to appeal to some internal and external stakeholders. In addition, Visser (2005) notes that the research on Carroll's CSR pyramid has mainly been conducted in an American context and may not be the best model for understanding CSR in other regions of the world. Visser (2009) applies Carroll's pyramid to an African context and presents “Africa's CSR pyramid” (see Figure 2 below), where the highest emphasis is on economic responsibilities, followed by philanthropy, legal, and ethical responsibilities in that order. Poverty and a shortage of foreign direct investment are the primary reasons for the prioritization of economic responsibilities, while reliance on foreign aid and philanthropy is why philanthropic responsibilities are given a higher priority (Apitsa & Milliot, 2021). Additionally, it is important to note that in Africa, the legal infrastructure is often inadequate and lacks effective enforcement, which can lead to lower prioritization of legal responsibilities. Furthermore, ethical responsibilities may be given less priority due to limited enforcement mechanisms and prevalent corruption in the region (Apitsa & Milliot, 2021).

Figure 2: Africa’s Corporate Social Responsibility Pyramid



Source: *Revisiting Carroll's CSR Pyramid: An African Perspective.* (p. 37), Visser, 2005.

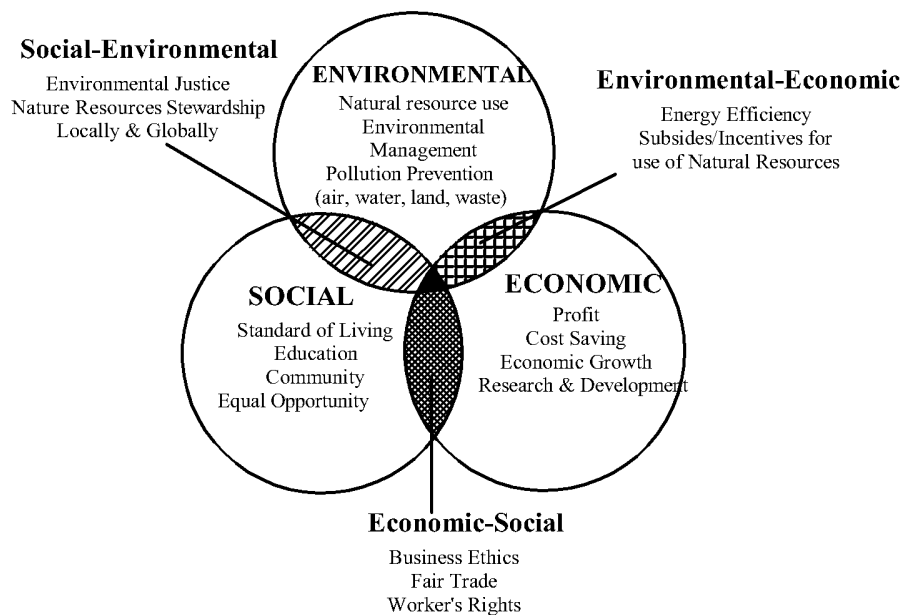
II. The Triple Bottom Line (TBL) Theory

The term “The Triple Bottom Line (TBL)” was coined by John Elkington in the 1990s to describe the economic, environmental, and social value of an investment that goes beyond a company’s financial bottom line (Hammer & Pivo, 2017 as cited in Elkinton, 2004). This theory is also known as the 3Ps, emphasizing the importance of Profit, People, and the Planet (Książak & Fischbach, 2018). The main objective of the TBL theory is sustainability (Brin & Nehme, 2019) and CSR is often identified with the concept of sustainable development (Żak, 2015).

To be truly sustainable, companies must apply all three aspects of the TBL because all of them are extremely closely related and caring for Profit and People, but omitting environmental protection dooms the Planet. On the contrary, neglecting the aspect of profit while solely focusing on the planet and people can render the CSR policy inapplicable and the business unsustainable (Książak & Fischbach, 2018).

Implementing the TBL concept is essential for companies to achieve continuous profits and long-term social and environmental projects (Brin & Nehme, 2019). The strategy of sustainable development serves as the basis for responsibility in modern business (Żak, 2015).

Figure 3: The three spheres of sustainability

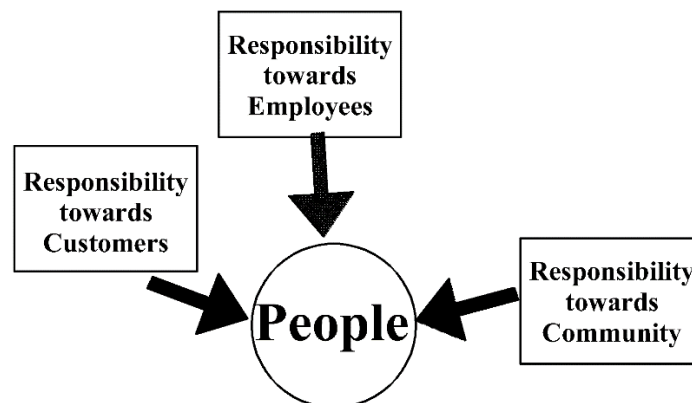


Source: *Triple Bottomline Concept in Theory and Practice*. (p. 253), Żak, 2015. Research papers of Wrocław University of Economics.

Components of the TBH are described individually below.

- A. **Economic Line/Profit:** refers to the impact of the organization's business practices on the economic system (Elkington, 1997). It focuses on the economic value provided by the organization to the surrounding system in a way that prospers it and promotes its capability to support future generations (Lee & Mao, 2015). However, the economic part of CSR is beyond just making a profit, the most important task is to use it well (Książak & Fischbach, 2018).
- B. **Social Line/People:** refers to the idea of social responsibility, which includes considering all the people affected by a company and those who intern affect it (Książak & Fischbach, 2018). It means engaging in business practices that are beneficial and fair for labor, human capital, and the community (Elkington, 1997). The goal is to create value for society and serve to develop and preserve a good relationship between society and the company (Książak & Fischbach, 2018; Lee & Mao, 2015).

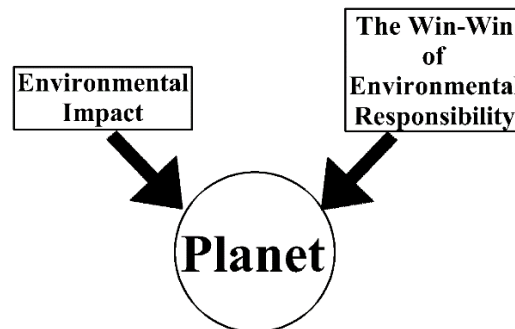
Figure 4: Aspects of social responsibility towards people



Source: *Triple Bottom Line: The Pillars of CSR*. (p. 102), Książak, P., & Fischbach, B., 2018. Journal of Corporate Responsibility and Leadership.

- C. **Environmental Line/Planet:** refers to prioritizing practices that protect and preserve environmental resources for the well-being of future generations (Goel, 2010 as cited in Lee & Mao, 2015). This includes promoting efficient energy usage, reducing greenhouse gas emissions, minimizing ecological impact, and other similar initiatives.

Figure 5: Environmental Responsibility



Source: *Triple Bottom Line: The Pillars of CSR*. (p. 105), Książak, P., & Fischbach, B., 2018. *Journal of Corporate Responsibility and Leadership*.

One limitation of TBH is the challenge of aggregating the three separate components. It is difficult to measure the planet and people components in the same terms as profits, that is, in terms of monetary value (Hindle, 2008 as cited in Książak & Fischbach, 2018).

III. The Stakeholder Theory

The stakeholder theory, proposed by Edward Freeman, emphasizes the significance of establishing strong relationships and generating value for all stakeholders involved in a business (Alemayehu, 2021; Freeman & Dmytriiev, 2017). The connection between CSR and stakeholder theory is that CSR explains what responsibilities a business should have to fulfill, and the stakeholder theory determines the question of to whom (Lee, 2008 as cited in Bimir, 2017).

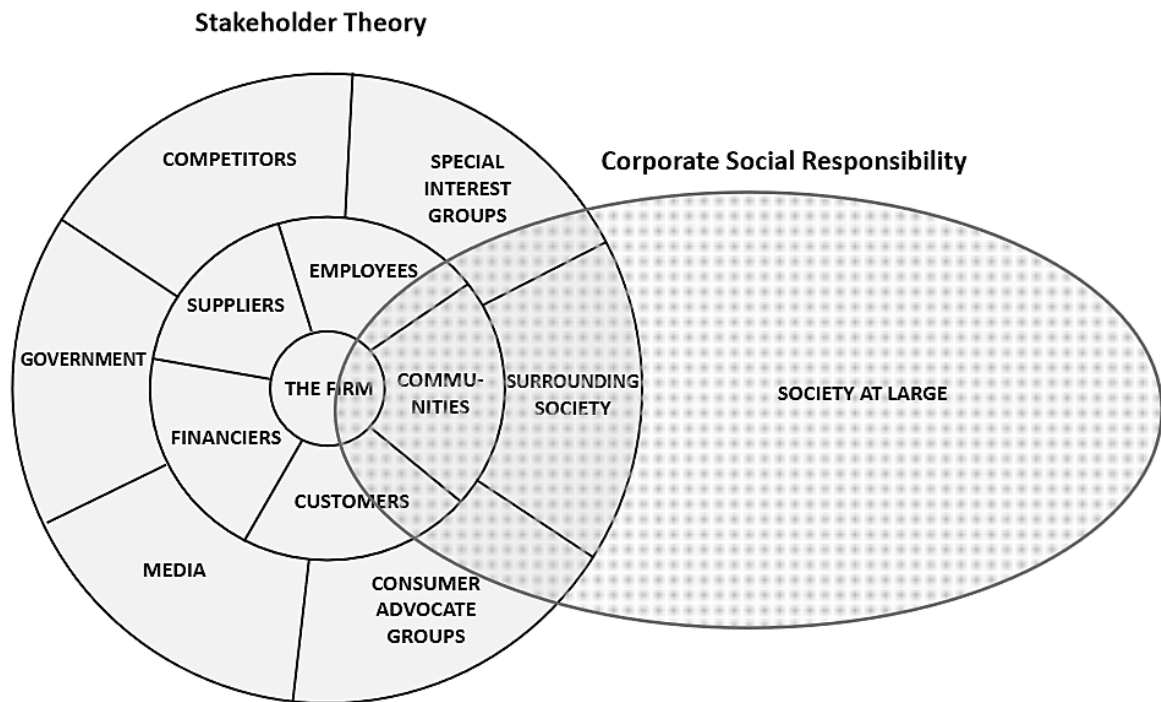
Different stakeholders may exist in different industries, however, the primary stakeholders without whose continuing participation a company cannot survive include employees, customers, the government and communities, suppliers, shareholders, and investors. It is essential to recognize the equal importance of all these stakeholders and avoid any trade-offs among them (Freeman & Dmytriiev, 2017; Idowu et al., 2013). The company must focus on coordinating stakeholder interests, instead of just maximizing shareholder profit (Idowu et al., 2013). One suggestion by Brin & Nehme (2019) is by incorporating stakeholder representation on the corporation's boards of directors.

One of the key challenges of implementing the Stakeholder Theory is identifying and prioritizing stakeholders. Stakeholders can vary across industries and contexts, and their

interests may sometimes conflict with one another. Therefore, companies need to carefully analyze and assess the significance and legitimacy of different stakeholder claims to effectively address their needs and concerns.

Overall, the Stakeholder Theory provides a broader perspective on corporate social responsibility by emphasizing the importance of considering the interests of multiple stakeholders.

Figure 6: The relationship between Stakeholder Theory and CSR



Source: Corporate Social Responsibility and Stakeholder Theory: Learning From Each Other. (p. 11), Freeman, R. E., & Dmytriiev, S.. 2017. Symphonya. Emerging Issues in Management.

Each stakeholder plays an important role in the company and this is described hereunder.

A. Community-oriented CSR

The community plays a crucial role as a stakeholder for companies by providing the markets necessary for their operations (Idowu et al., 2013). Therefore, companies have a responsibility to address societal concerns through collaboration and partnerships. Community-oriented CSR focuses on building strong relationships with local communities, offering various advantages to both the company and the community. One of the primary benefits is improved public perception and reputation, whereby active involvement in the local community can elevate the

company's image and foster trust among stakeholders. This, in turn, can result in increased customer loyalty, improved employee morale, and heightened investor confidence (Sen & Bhattacharya, 2001). Another benefit of community-oriented CSR is increased competitiveness. By understanding and meeting the needs of the local community, companies can tailor their products and services accordingly, leading to higher sales, market share, and enhanced innovation (Porter & Kramer, 2019). Additionally, community-oriented CSR can improve relationships with regulators and other stakeholders, as companies showcasing a commitment to the community are more likely to receive support from local governments and organizations, thus minimizing regulatory risks and improving overall business performance (Carroll & Shabana, 2010). Effective implementation strategies include the development of clear communication and reporting practices (Kolk & Tulder, 2010). Sponsorships, donations, or participation in community development projects, etc. are some examples of community-oriented CSR (Idowu et al., 2013).

Based on previous research, it has been established that community-oriented CSR practices have a notable positive influence on employee job satisfaction (Jie & Hasan, 2018). Moreover, increased engagement in community-oriented initiatives is associated with higher levels of job satisfaction among employees (Appiah, 2019). In particular, community-driven practices within the philanthropic/discretionary dimension of CSR have been identified as significant predictors of employee job satisfaction (Chan, 2019).

In light of these findings, the following hypothesis is proposed:

H1: Community-oriented CSR has a positive and significant effect on employee job satisfaction.

B. Employee Oriented CSR

Employees are essential stakeholders providing valuable services for the effective operation of a company, they have a direct influence on its performance, reputation, and sustainability (Berman et al., 1999; Donaldson & Preston, 1995; Idowu et al., 2013). Therefore, employee-oriented CSR can be understood as a subset of internal CSR, which refers to the social responsibility of an organization towards its internal stakeholders, mainly employees (González-De-la-Rosa et al., 2023). These form of CSR can include various dimensions, such as employee health and safety, work-life balance, diversity and inclusion, training and

development, fair compensation and benefits, employee participation and empowerment, ethical conduct, and labor rights (El Akremi et al., 2018; González-De-la-Rosa et al., 2023). According to Fatima & Elbanna (2023) and González-De-la-Rosa et al. (2023), some of the benefits of employee-oriented CSR for employees include increased motivation, commitment, loyalty, performance, and quality of life. Therefore, engaging in employee-oriented CSR can be seen as a strategic decision that can create value for both employees and organizations.

El Akremi et al. (2018) provide some examples of employee-oriented CSR initiatives as implementing policies that enhance the well-being of employees in the workplace, prioritizing employee safety and health, ensuring non-discriminatory practices in recruitment and promotion, promoting equal opportunities, supporting work-life balance for employees, fostering diversity and inclusivity in the workplace, and providing assistance to employees facing hardship or challenges.

Previous studies have indicated that CSR practices directed toward employees can lead to increased employee job satisfaction (Bahizire & FangLin, 2020). Furthermore, employees' perceptions of CSR initiatives specifically aimed at employees have been found to have a significant positive impact on job satisfaction (Chun-pei, 2012). It has also been observed that employee-centered CSR has the most positive influence on job satisfaction (Krémer, 2019).

In light of these findings, the following hypothesis is proposed:

H2: Employee-oriented CSR has a positive and significant effect on employee job satisfaction

C. Natural Environment-oriented CSR

Natural Environment-oriented CSR encompasses voluntary environmental protection practices undertaken by companies beyond mandatory requirements set by the government (Yankovskaya et al., 2022). This type of CSR focuses on minimizing companies' impact on the environment and is associated with the progress of society, therefore, its prevalence depends on both the tendency of consumers to give preference to companies that practice it and on the internal motivation of businesses to apply it (Yankovskaya et al., 2022). Companies can implement Natural Environment-oriented CSR through various strategies, including creating an environmentally friendly urban environment, green innovations like waste reduction, and co-financing of clean energy development programs (Yankovskaya et al., 2022). Companies

can work with suppliers to ensure supply chain sustainable practices like reducing the amount of packaging used, utilizing recyclable materials, advocating for the adoption of reusable containers, and implementing environmentally-friendly production methods (Bocken et al., 2014; Wu & Pagell, 2011). These strategies can lead to cost savings, improved brand reputation, and reduced environmental impact (Bocken et al., 2014).

Recent research has demonstrated that environmental CSR has a positive significant effect on job satisfaction (Murshed et al., 2021). Additionally, external CSR is associated with increased levels of employee commitment through the enhancement of job satisfaction (Chatzopoulou et al., 2022). Furthermore, environment-oriented CSR can improve employees' perception of and reaction to their company's CSR communication (Schaefer et al., 2020).

In light of these findings, the following hypothesis is proposed:

H3: Natural Environment-oriented CSR has a positive and significant effect on employee job satisfaction

D. Supplier-oriented CSR

Suppliers are essential stakeholders playing a vital role in the production process and the timely delivery of goods and services of companies (Crane and Matten, 2008 as cited in Idowu et al., 2013). The growing awareness and concerns regarding unethical practices in the supply chain have resulted in an increased demand for suppliers that prioritize ethical and socially responsible behavior (Crane and Matten, 2008 as cited in Idowu et al., 2013). Supplier-oriented CSR focuses on the social and environmental impacts of a firm's supply chain activities. It can be seen as a strategic approach to manage the risks and opportunities associated with the suppliers, as well as to enhance the firm's reputation and stakeholder relationships (Quarshie et al., 2016). Investments in supplier-oriented CSR influence customer participation behavior and citizenship behavior, benefiting the firm and other customers (S.-B. Kim & Kim, 2016).

A key challenge in supplier-oriented CSR is ensuring supplier compliance with ethical, social, and environmental standards established by the company or external regulations (Quarshie et al., 2016). This may involve monitoring, auditing, training, incentivizing, and sanctioning suppliers based on their commitment and collaboration. It also includes engaging with suppliers to co-create value, support development, and build capacity (Quarshie et al., 2016).

El Akremi et al. (2018) outline several examples of supplier-oriented practices. These include enforcing compliance with labor laws among all suppliers, ensuring that suppliers adhere to fair and just practices in their workplaces, monitoring and promoting the application of labor laws by suppliers, and assisting suppliers in enhancing working conditions for their employees, such as providing a safe working environment.

Research has demonstrated that CSR activities both on a firm and on a supra-organizational level have a positive impact on intrinsic motivation (Kunz, 2020) and thus on employee job satisfaction. Additionally, external CSR is associated with increased levels of employee commitment through the enhancement of job satisfaction (Chatzopoulou et al., 2022). Moreover, it has also been found that supplier-oriented CSR has positive effects on both the firm and its customers (S.-B. Kim & Kim, 2016) and therefore has a positive effect on employee job satisfaction.

In light of these findings, the following hypothesis is proposed:

H4: Supplier-oriented CSR has a positive and significant effect on employee job satisfaction

E. Customer-oriented CSR

Customers play a pivotal role in the survival of a company, as their willingness to purchase the company's products or services is crucial (Idowu et al., 2013). Customer-oriented CSR refers to the degree to which a company participates in CSR initiatives that are relevant and beneficial to its target customers (van Doorn et al., 2017). A customer-oriented approach to CSR focuses on identifying and prioritizing CSR activities from the consumer perspective (Li et al., 2019). Specifically, CSR plays a crucial role in creating value for consumers by enhancing the trade-off between various aspects of their needs, including social, environmental, and ethical considerations (Servera-Francés & Piqueras-Tomás, 2019). Consumers have a favorable reaction toward companies that actively participate in CSR (Bhattacharya & Sen, 2004; Sen & Bhattacharya, 2001), however, the impact depends on factors such as the type of initiative and the level of commitment from the company. For example, a company that engages in CSR initiatives solely to improve its image without a genuine commitment to social responsibility may be perceived as insincere and may not lead to increased customer loyalty (Bhattacharya & Sen, 2004).

El Akremi et al. (2018) provide examples of customer-oriented CSR practices, which include conducting quality checks on goods and/or services to ensure they meet customer expectations, providing assistance and guidance to customers, offering advice and information about products and/or services, honoring commitments and delivering on promises made to customers, investing in innovations that enhance the value and benefits provided to customers and ensuring that products and/or services are accessible and available to all customers.

Employee perceptions of corporate responsibility to customers have a significant positive effect on job satisfaction (Chun-pei, 2012).

Recent research has indicated that customer-oriented CSR enhances employees' perceptions of customer satisfaction and loyalty, which in turn increases their satisfaction and commitment (H. Kim et al., 2018). Additionally, job satisfaction is related to customer satisfaction (Eneizan et al., 2021) and customer CSR affects job satisfaction and organizational commitment positively (Nguyen et al., 2019). Furthermore, the absence of CSR toward customers is a cause for low employee commitment (Hammouda & Junoh, 2019).

In light of these, the following hypothesis is proposed:

H5: Customer-oriented CSR has a positive and significant effect on employee job satisfaction

F. Shareholder-oriented CSR

Shareholders and investors provide the risk capital to business enterprises without which a business cannot come into existence (Idowu et al., 2013). Therefore, shareholder-oriented CSR is an approach to CSR that aims to maximize shareholder value while also participating in socially responsible activities. According to a study by Orlitzky et al. (2003), shareholder-oriented CSR is based on the belief that "firms can do well by doing good" and that companies can improve their financial performance by investing in socially responsible initiatives. This is supported by other research as well, including a study by Margolis & Walsh (2003), who found that firms that engage in CSR activities can experience positive financial outcomes such as increased market value and higher stock prices. As noted by Carroll & Shabana (2010), this approach can lead to a narrow interpretation of CSR that ignores the broader societal impacts of a company's operations.

El Akremi et al. (2018) provide examples of shareholder-oriented CSR practices that include maintaining transparent and accurate communication with shareholders, taking steps to ensure long-term profitability and sustainability for shareholders' investment, and enabling effective shareholder influence over strategic decisions.

One of the main factors that affect employee job satisfaction as discussed in 2.1.2 is compensation and benefit policies and promoting opportunities for career development. These would not be possible unless the firm is taking steps to ensure long-term profitability and sustainability of shareholders' investment which is one of the major shareholder-oriented CSR activities El Akremi et al. (2018).

In light of these, the following hypothesis is proposed:

H6: Shareholder-oriented CSR has a positive and significant effect on employee job satisfaction

2.1.1.2 Implementing and Measuring CSR

I. Implementing CSR

The implementation of CSR is still an area that is being actively explored (Fatima & Elbanna, 2023). However, in general, the process can be classified as Internal and External (Fatima & Elbanna, 2023). Internally companies need to invest in their own CSR capacities, which includes aligning CSR with their corporate goals and strategies, dedicating personnel and sub-organizational units, allocating budgets, and establishing procedures. Moreover, the organization of CSR also involves external stakeholders such as other business partners and civil society groups who bring new forms of organization, norms, incentives, and roles (Fatima & Elbanna, 2023), collaborating with NGOs and businesses, adhering to CSR standards, and complying with government policies on environmental, social, and governance reporting (Bala, 2015). Additionally, there are international standards available to support companies in implementing CSR. These standards serve as guiding frameworks and companies can choose the one that best suits their needs, such as the UN Global Compact, OECD guidelines for multinational enterprises, ISO 26000, or the European Commission guideline (Książak & Fischbach, 2018). Bala (2015) also identified and summarized five methods of CSR implementation:

1. Establishing a separate CSR Project Management Department
2. Collaborating with partner NGOs
3. Establishing a trust, foundation, or society
4. Collaborating with other companies
5. Providing funding to the Government

II. Measuring CSR

To effectively measure the multidimensional construct of CSR, it is important to have a robust and psychometrically strong scale (El Akremi et al., 2018). The complexity of measuring CSR arises from two main reasons: the lack of consensus on its theoretical meaning and its multidimensional nature (Galant & Cadez, 2017). Galant & Cadez (2017) summarized the different approaches into the following groups.

1. **Questionnaire-based surveys:** This method is suitable when specific companies are not rated by rating agencies and corporate reports are either unavailable or insufficient for meaningful content analysis. Researchers collect primary data on CSR by distributing questionnaires to knowledgeable respondents or conducting interviews.
2. **Reputation Indices:** These indices recognize the multidimensional nature of CSR and, although they may vary in the number of dimensions used, they generally cover similar key themes such as the natural environment, employees, and society. Examples of major reputation indices include the MSCI KLD 400 social index, Fortune Magazine's Most Admirable, Vigeo index, and Dow Jones Sustainability Index.
3. **Content Analysis:** This method involves identifying the constructs of interest, seeking information about these constructs, and codifying qualitative information to derive quantitative scales that can be used in subsequent statistical analyses.
4. **One-dimensional measures:** This approach focuses on assessing only a single dimension of CSR, such as environmental management or philanthropy. One-dimensional indices offer advantages in terms of data availability and comparability across firms, but they are theoretically limited as CSR is a multidimensional concept.
5. **Review of approaches for measuring financial performance:** Although not directly related to CSR measurement, this method is relevant for examining the relationship between CSR and financial performance. Financial performance is typically measured using accounting-based or market-based indicators.

2.1.1.3 CSR Drivers

The concept of Corporate Social Responsibility (CSR) is based on the idea that businesses have ethical and social obligations to their stakeholders and society as a whole and businesses operate with the license granted by society, which grants society the right to expect responsibilities (Jones, 1980 as cited in Bauman & Skitka, 2012). One compelling driver for CSR is the positive association between CSR and a firm's reputation and financial performance, supported by extensive empirical evidence (Bauman & Skitka, 2012). Additionally, external pressure from stakeholders such as the general public and non-governmental organizations (NGOs) prompts companies to engage in CSR activities to enhance reputation and stakeholder relationships (Gazzola & Mella, 2016).

Furthermore, studies demonstrate a link between high environmental performance and better financial performance in companies (Orlitzky et al., 2003). By adopting sustainable practices, companies not only achieve better financial outcomes but also foster innovation and employee engagement, ultimately contributing to overall performance (Eccles & Serafeim, 2013).

Moreover, Implementing CSR policies also enhances customer value, satisfaction, and loyalty (Servera-Francés & Piqueras-Tomás, 2019). Building trust and identification with the firm through CSR activities leads to greater customer loyalty (Vlachos et al., 2009). CSR is increasingly acknowledged as vital for achieving competitive success, as it enables companies to inspire trust and reliability among customers, business partners, suppliers, employees, and NGOs (C. Kim & Scullion, 2013). Consumers prefer to support companies that care for them, making CSR particularly important to customer perceptions and loyalty (Książak & Fischbach, 2018). The image a company presents to the local society is crucial in maintaining a competitive position against rivals, often involving actions that benefit local communities (Idowu, Louche, and Filho, 2010 as cited in Książak & Fischbach, 2018).

These driving factors emphasize the significance of CSR in achieving competitive success, fulfilling ethical obligations, and fostering positive stakeholder relationships.

2.1.1.4 CSR: Globally and in Ethiopia

While social responsibility is not universally mandatory, it is noteworthy that as of 2004, over 80% of Fortune 500 companies explicitly highlighted various aspects of CSR on their websites

(Bhattacharya & Sen, 2004 as cited in Bauman & Skitka, 2012; Księżak & Fischbach, 2018). CSR has emerged as a prominent concern, prompting companies to consider how they should address it rather than whether they should address it (Bauman & Skitka, 2012 as cited in Smith, 2003). In the European Union, regulations surrounding CSR have become stringent since 2018, with the implementation of a new requirement for non-financial reporting per Directive 2014/95/EU. Under this directive, companies are obligated to include CSR-related information in their financial reports as non-financial statements. This information should cover policies about environmental protection, social responsibility, employee treatment, human rights, anti-corruption and bribery measures, as well as diversity on company boards in terms of age, gender, education, and professional background (Księżak & Fischbach, 2018).

According to research done by Robertson (2009), firms in Ethiopia do not think in terms of CSR, but instead, for the most part, are concerned with economic survival. The ones that do, particularly the big ones to some extent mainly practice the philanthropic dimension with the different stakeholders having a low awareness of the firms' CSR practice indicating a narrow interpretation of the concept (Alemayehu, 2021). Mezgobo (2013) made similar determinations in his essay on the nature of CSR in the Ethiopian Business Context. He found that Legal and Ethical Responsibilities were the least practiced with most firms mainly concerned with their Economic Responsibilities. The findings keep in line with the literature on CSR in Africa discussed in the above sections of this paper. Another study reviewed by Kesto & Ravi (2017) of research made to identify Ethiopian firms of their understanding of the benefits of CSR resulted in 20% of the respondents saying CSR would decrease their profitability, 30% believed practicing CSR had no impact on profitability and 50% the respondents believed that CSR had no significant effect on financial performance. When asked which stakeholder was most important to them, 50% of the respondents said it was their customers, 20% said it was their employees, and the remaining 30% said their suppliers, the government, and their community.

Mouly Potluri & Temesgen (2008) also researched the attitude of the Ethiopian corporate sector toward CSR with in-depth interviews with 50 Ethiopian companies and cross-validating the research with the views of 100 employees, 200 customers, and 200 from the general public. The study revealed that Ethiopian companies exhibited a 100% positive attitude towards implementing CSR for customers, creditors and suppliers, the general public, and the government. However, only 40% of the companies were positive about regularly disclosing information to their shareholders. Additionally, 80% of the companies believed in fair wages

and job security, while only 10% expressed negative sentiments regarding meaningful freedom, job satisfaction, and humane treatment. In the cross-validation section, approximately 69% of employees expressed dissatisfaction with the companies' policies, 71% of customers felt manipulated, and 75% of the general public was not pleased with CSR initiatives in the Ethiopian corporate sector. Rao & Hailu (2016) also conducted a study on employees' awareness of Environmental CSR (ECSR) initiatives in five Brewery firms in Ethiopia. The study found that employees generally had a positive perception of the ECSR initiatives undertaken by the brewery firms. However, the firms were found to have limited efforts in regularly and voluntarily providing information about their environmental management practices to external stakeholders. The study also concluded that gender and position did not have an impact on employees' perception of the ECSR initiatives, but employees' years of experience influenced their perception of the firms' ECSR activities. Another research conducted by Tilaye (2019) on the current practice of CSR in Ethiopia, taking Hilton Hotel as the study organization found that even though the hotel had been implementing CSR with different stakeholders, the overall CSR programs were not planned with no regularity, budget, and standard with decisions being made reactively. The findings keep in line with the results of the other studies in other sectors discussed earlier.

The Ethiopian government has not been enthusiastic about adopting CSR guidelines and has not encouraged the business sector to adopt them (Nigatu, 2018). Despite Ethiopia having signed around 34 bilateral investment treaties (BITs) of which 23 have been ratified and are enforceable, most of them do not contain environmental obligations towards the investors (Tamiru, 2022). However, those signed with, for example, Belgium-Luxembourg Economic Union and Brazil explicitly require or encourage investors to discharge their environmental CSR (Alemayehu, 2021; Tamiru, 2022).

There is no specific law that directly mentions and specifies the concept of CSR (Demamu, 2020), and the private sector, on its part, has not been forthcoming in integrating CSR into its business model (Nigatu, 2018). The newly passed revised Commercial Code just like its predecessor the 1960 Commercial Code, exhibits the traditional shareholder-centric approach of corporate governance, disregarding the interests and involvement of other stakeholders and excluding any legal obligation for the company's management to consider the interests of employees, the community, customers or people in the supply chain (Demamu, 2020; Tamiru, 2022). The provisions of the Code do not explicitly mention CSR as a mandatory duty for

companies. However, certain provisions imply that CSR is a discretionary matter within the authority of company directors. The new Income Tax Proclamation provides more explicit recognition of CSR by allowing charitable donations to Ethiopian Charities and Ethiopian Societies, as well as donations in response to government-issued calls for development or emergencies, to be deductible expenses. (Demamu, 2020). The new Investment Proclamation takes a comprehensive approach to the concept by requiring investors to adhere to laws and consider social and environmental sustainability values. This includes promoting environmental protection and social inclusion as important aspects of investment activities (Demamu, 2020; Tamiru, 2022). Another initiative in Ethiopia is the implementation of Socially Responsible Labor Practices (SRLPs) as part of a broader national employment and social protection strategy. This strategy, developed by the Ethiopian government, aims to promote and protect workers' rights within the country (Kesto & Ravi, 2017). However, the lack of emphasis on the development and implementation of an employment and social protection strategy has resulted in insufficient integration of CSR into core business strategies and decision-making in Ethiopia. Many companies do not prioritize occupational safety and health measures beyond the minimum legal requirements. They also do not strive to exceed customer expectations in terms of product quality. Efforts to implement additional measures for treating and disposing of chemicals and hazardous waste, and safeguarding the environment and surrounding ecosystems, are limited to legal compliance rather than going above and beyond regulatory requirements. (Demamu, 2020).

Therefore, it can generally be said that both Ethiopia and the Ethiopian business sphere are not yet developed in terms of CSR activities (Nigatu, 2018) and Multinational large corporations take the lead in CSR contributions across Ethiopia. For example, ZTE has provided training for engineers and free-of-charge social training opportunities for thousands of people in Ethiopia (Kesto & Ravi, 2017). East African Bottling Company (EABC) spends at least 1% of its EBIT (Earnings before Income Tax) making a significant impact on high-value projects like the Provision of Water, Women Empowerment, Active Healthy Living (Coca-Cola Road Race), Local Community Development Programs, Environmental Protection, and Health Sector (periodical blood donation). Similarly, Total Share Company Ethiopia considers and participates in the following activities: Road & Safety, Tackling Malaria & HIV AIDS, Planting trees every year, sponsoring health-related programs, and Access to Energy (Abeba, 2014 as cited in Kesto & Ravi, 2017).

2.1.1.5 CSR in the Ethiopian Banking Industry

Several studies have been conducted on CSR in the Ethiopian banking industry, examining their practices and impacts on different topics.

1. Bimir (2017) conducted research on CSR in the banking sector, taking the state-owned Commercial Bank of Ethiopia as a case study. He found that the bank had included CSR in its operation, as reflected in one of its values “*Corporate Citizenship*”. The study analyzed the bank's CSR practices and found that donations were the principal way in which CBE exercised CSR. Donations made up the bank’s philanthropic part of its CSR responsibility by having implemented a working procedure for incoming donation requests that have appropriate proposals from applicants to be forwarded to the Corporate Communication sub-process. It was determined that despite some donations being given to Community Development, Health, and Education projects by various NGOs, a significant amount (more than half in some years) of its donations were given to different government ministries going against the bank’s CSR policy of not allowing donations to go to individuals, political parties/candidates, lobbying organizations and religious organizations. As for Environment Protection, the bank spent zero amounts and only had a yearly tree planting session. Overall, the bank’s CSR practices were found to be reactive to donation requests and not proactive.
2. Teklemariam (2020) investigated “*The Practice of CSR performed by Private Commercial Banks in Ethiopia*” and determined that Private Commercial banks were largely familiar with the concept of CSR and more than half of the employees surveyed became aware of the concept through formal education and personal readings. The study revealed that only 4.4% became aware of it through training provided by their banks about CSR. This indicated that Private Commercial banks did not give attention to creating awareness for one of their most important stakeholders. The top three (ranked from 1 to 3) CSR engagement areas the banks were involved in were Health, Rehabilitation, and Environmental Protection. The majority of the community-related CSR activities of the banks were through donations. As to the customer-related CSR activities, the study found that the banks had a high engagement in communicating with clients, following up with client suggestions and complaints, and providing transparent information to them. The study also determined that, even though they all claim to have one, the banks were not willing to disclose their CSR policies. The research also found

that private commercial banks in Ethiopia gave high attention to Employee-related CSR activities, particularly to the health and safety of employees and promotion & incentive policies. As to the engagement of stakeholders in planning and implementing CSR, it found that they rarely engaged customers while highly engaging their employees in that aspect.

3. Eyasu & Arefayne (2020) researched the effects of CSR on a bank's competitive advantage by taking one private commercial bank in Ethiopia. The results showed that separate implementation of CSR on all stakeholders (customer, community, employee, and environment) had a positive influence on the bank's attached elements of competitive advantage. They also found that the banks were more concerned about customer-based CSR and gave the least emphasis on environmental-related CSR.
4. Tadesse (2015) researched "*The Role of Private Commercial Banks on Corporate Social Responsibility in Ethiopia*", and the result was that private commercial banks were lacking in giving their frontline staff the proper training in complex financial services & risk assessment, lacking a proper testing mechanism before launching new products to customers, lacking in financial community development actions such as providing lending options to low-income individuals and small business, lacking in having a sound understanding of the CSR concepts in their banking policies and procedure, having a loose attitude towards green industries.
5. G/Mariam (2012)'s study on selected banks in Ethiopia explored the impact of CSR on the firms' financial performance. The CSR measure in this study included employee turnover and the number of branches opened, while financial performance was measured using return on equity (ROE) and return on assets (ROA). The models used in the study had a goodness of fit of approximately 27.5% and 51.6%. The findings revealed an inverse relationship between employee turnover and both ROE and ROA, indicating a positive overall relationship between CSR and financial performance.
6. In their 2021 study, Elifneh et al examined the relationship between CSR practices and profitability in the private banking industry in Ethiopia. The study utilized the four dimensions of CSR (Economic, Legal, Philanthropic, and Ethical responsibilities) proposed by Carroll (1979). The findings indicated that all four dimensions of CSR were being practiced by the selected private banks, with Legal Responsibility being the most performed, followed by Ethical, Economic, and Philanthropic Responsibilities. The study further revealed a positive and significant relationship between each

dimension of CSR and profitability. Notably, Ethical Responsibility had the greatest impact on profitability, followed by Philanthropic, Legal, and Economic Responsibilities. The CSR practices of the banks explained nearly half of the variability in their profitability.

In conclusion, CSR has become important in the Ethiopian banking industry, with both state-owned and private commercial banks engaging in various CSR activities. However, there are still areas for improvement, such as creating more awareness of CSR among employees and stakeholders, developing and implementing more proactive CSR policies, and giving more attention to environmental-related CSR activities.

2.1.2 Overview of Employee Job Satisfaction

Employee job satisfaction has been the focus of significant attention in recent years, with many companies investing resources in programs to monitor and increase it (Matzler & Renzl, 2007). The Ethiopian Labour Proclamation No. 1156/2019 defines a "Worker"/"Employee" as a person who has an employment relationship with an employer under Article 4 of the proclamation that states the "Elements of a Contract of Employment". Satisfaction is a subjective and value-laden concept influenced by various factors, including personal expectations, cherished values, and beliefs. It is based on individual or collective standards that may vary among different individuals or groups (Sirgy, 2012 as cited in Elegba & Adah, 2015). The Oxford English Dictionary defines it as "the good feeling that you have when you have achieved something or when something that you wanted to happen does happen and the act of fulfilling a need or desire, an acceptable way of dealing with a complaint, a debt, an injury, etc.". For this study the definition of the phrase as stated by (Sageer, 2012) is adopted, he defined it as being a measure of how happy workers are with their job and working environment.

Employee job satisfaction is believed to result in motivated and committed employees who work more effectively and efficiently, leading to higher process and product quality. This, in turn, is expected to result in higher customer satisfaction and improved firm performance, with studies in the service industry showing a positive relationship between these factors (Matzler & Renzl, 2007). Through a review of literature, Sageer (2012) classified the variables on which employee job satisfaction depends into two categories.

1. Organizational Variables, and
2. Personal Variables

Organizational variables play a significant role in shaping employee job satisfaction. Organization development, an interdisciplinary field, focuses on enhancing organizational adaptability and effectiveness by creating motivating elements beyond compensation and benefits (Carucci, 2019; Conway, 2021; Vulpen, 2019). Compensation and benefits policies, encompassing both monetary and non-monetary rewards, hold the utmost importance for employee job satisfaction (*Compensation*, 2023; Sageer, 2012). Promoting opportunities for career development and advancement empowers employees to manage their professional growth (Betz, 2021; Indeed Editorial Team, 2022). Other crucial factors include job security, and the assurance of retaining one's position (Wikipedia contributors, 2023). A conducive working environment and favorable working conditions, encompassing factors such as work organization, training, health and safety, and work-life balance, significantly contribute to employee job satisfaction and well-being (EurWORK, 2011). Positive relationships with supervisors, characterized by openness, honesty, respect, and effective communication, play a vital role in fostering employee job satisfaction (SCIE Guide 50, 2017). Effective work group dynamics, where individuals collaborate, leverage their unique skills, and work towards shared goals, foster a sense of belonging, teamwork, and accomplishment (Indeed Editorial Team, 2023). Leadership styles that consider stakeholder expectations, team well-being, and effective communication and motivation strategies can enhance employee job satisfaction and engagement (CFI Team, 2022). Additionally, factors such as group outings and team-building activities promote a positive work culture and stronger interpersonal relationships among employees (Sageer, 2012). Adequate accessibility to technology resources and tools further supports employee productivity and job satisfaction (Sageer, 2012). Taken together, these variables collectively shape employees' satisfaction and well-being within an organization.

Personal variables encompass psychological factors that can influence employee job satisfaction. Personality traits, such as extraversion and emotional stability, play a role in predisposing individuals to either job satisfaction or dissatisfaction (Thompson, 2020). The level of employee job satisfaction is also influenced by the extent to which their expectations are fulfilled. When employees perceive that their expectations are being met, it generally leads to higher levels of satisfaction (Spacey, 2018). Age-related expectations can also impact employee job satisfaction, with satisfaction generally increasing with age. Older employees

may prioritize different factors, such as job security and work-life balance, compared to younger employees (Burks, n.d.). Education is another personal variable that can influence job satisfaction. Higher levels of education are associated with a greater likelihood of obtaining desirable and fulfilling jobs, as educated individuals are more likely to find jobs that meet their expectations in terms of factors like salaries, work environment, and career opportunities (*Impact of Educational Attainment on Job Satisfaction*, 2021). Gender differences have been explored in relation to job satisfaction, with mixed findings. Some studies have reported higher levels of job satisfaction among women compared to men, while others found no significant difference once other factors were considered (Westover & Peterson, 2019). These personal variables highlight the importance of individual characteristics in relation to employee job satisfaction.

2.1.2.1 Common Employee Job Satisfaction Metrics

Some common metrics used to measure employee job satisfaction are the Employee Net Promoter Score (eNPS), the Employee Satisfaction Index (ESI), turnover rate, and absenteeism rate. The eNPS assesses the likelihood of employees recommending their organization as a workplace, with a higher score indicating greater satisfaction and loyalty. The ESI evaluates overall employee job satisfaction through survey questions about job satisfaction, specific job aspects, and intention to remain with the company. A higher ESI indicates higher satisfaction levels. Turnover rate measures the number of employees leaving the organization within a specific period, with a lower rate indicating higher satisfaction and retention. Absenteeism rate measures the frequency of employee absences, and a lower rate suggests higher satisfaction and engagement (BasuMallick, 2021; Lebed, 2017; Legerstee, n.d.; Marketing, 2014; *Measuring Employee Engagement*, 2023; Vulpen, 2021).

2.2 EMPIRICAL FRAMEWORK

2.2.1 The Relationship between CSR and Employee Job Satisfaction

Bauman & Skitka (2012) highlighted that people employ the same psychological processes they use to appraise individuals when evaluating organizations and often conceptualize companies as social actors with traits, motives, and intentions. These processes involve evaluating organizational character in terms of both ability and morality and therefore, CSR may influence people's evaluations of the organization in much the same way it influences

people's evaluations of an individual. In the context of CSR, a firm's failure to comply with the law or adhere to widely-accepted ethical standards for conduct, such as a serious scandal, will usually draw more attention and have a stronger influence on people's perceptions than positive discretionary activities, such as philanthropy and community outreach efforts (Lange & Washburn, 2012 as cited in Bauman & Skitka, 2012). Despite the difficulty in evaluating corporate morality due to the complexity of corporations, employees' perceptions of corporate morality may influence their attitudes and behavior toward their company (Bradley et al., 2008 as cited in Bauman & Skitka, 2012).

Turker (2009) classified previous studies in identifying the impact of CSR on employees into two broad categories.

- a) Those that analyzed the effect of CSR activities on prospective employees and,
- b) Those that analyzed the effect of CSR activities on current employees

Studies conducted in the first category found that CSR increases a firm's attractiveness to prospective employees. A company's social performance serves as a signal to potential job applicants regarding the work environment and culture they can expect if they join the firm (Turker, 2009). Recent surveys also revealed that CSR is a significant factor in attracting and retaining a talented and diverse workforce (Globescan, 2005 as cited in Hailu, 2018).

Studies in the second category indicated that working for socially responsible companies leads to increased organizational identification, employee engagement, retention, organizational citizenship behavior, employee commitment, in-role performance, employee creative involvement, and improved employee relations (Aguinis & Glavas, 2012). By creating a good working environment and developing internal marketing strategies, companies can stimulate productivity and satisfaction among employees (Gazzola & Mella, 2016 as cited in Stancu, Grigore and Rosca, 2011). If employees are satisfied and attached to the company, they will recommend it to friends and family as a good employer (Gazzola & Mella, 2016 as cited in Bhattacharya, Korschun and Sen, 2008). People come to organizations with some needs, skills, and expectations. They hope to work in an environment where they can use their abilities and satisfy their needs. If an organization provides these opportunities to its employees, the level of organizational commitment can increase as well (Turker, 2009 as cited in Vakola and Nikolaou, 2005). A link can be expected between organizational commitment and corporate social activities which are directly satisfying the needs of employees (Turker, 2009 as cited in

Peterson, 2004). Other studies examined the impact of socially responsible behavior on organizational commitment and suggested that external CSR is positively related to organizational commitment (Turker, 2009). Książak & Fischbach (2018) also said that if a company focuses solely on profit and the planet, neglecting the well-being of its employees (people), it may achieve short-term viability and profitability. However, in the long run, this approach can negatively impact employee morale and result in a breach of the social contract between the company and its workforce. When a company has CSR initiatives, employees are prouder of and committed to the organization (Kesto & Ravi, 2017 as cited in Bramme et al., 2007). That is, the higher an employee rates their organization's corporate citizenship, the more committed they are to the organization (Kesto & Ravi, 2017 as cited in Sarah Stawiski et al., 2011). This implies the more the employees become committed, the higher the firms' efficiency in the production of goods and services. Hailu (2018) conducted research on the business advantages of CSR initiatives and found that 71.3% of the respondents said that it improves employee morale and motivation, 69.2% said it Enhances employee loyalty, and 73.9% said it attracts new quality employees. Kesto & Ravi's (2017) research found that being aware of the positive actions and good deeds of an organization can enhance an employee's willingness to engage in discussions about the company and increase their commitment to the organization as a result. If employees perceive their organization as being a socially responsible member of society, the sense of belongingness to this favorable reputable organization can enhance their self-concepts (Turker, 2009). If an employee starts to be proud of being a member of a socially responsible organization, his or her work attitude can be influenced positively (Turker, 2009). Briefly, it can be claimed that an employee's enhancing social identity, as a result of being a member of a reputable organization, will affect his or her work attitude (Turker, 2009). Data collected from hotel employees in upscale hotels in South Korea, show that hotel employees' CSR perception of the firm positively influences their QWL (Quality of life at work), affective commitment, and organizational citizenship behavior, which, in turn, enhance their job performance (H. Kim et al., 2017). CSR contributes to the internal communications of an organization and can potentially underpin competitive advantage through synergetic action with employee motivation (C. Kim & Scullion, 2013). The results of the study indicate that while businesses may not initially initiate CSR activities with the primary goal of enhancing staff motivation, the evaluation of these efforts reveals that individual motivation becomes one of the key benefits associated with engaging in CSR (C. Kim & Scullion, 2013).

Moreover, employees are considered relevant stakeholders to management and can influence a company's competitive advantage by adopting CSR in a more holistic way (C. H. Kim & Scullion, 2013). CSR efforts can address the promotion of employee morale, motivation, commitment, and performance (Tuffrey, 2003 as cited in Gazzola & Mella, 2016). If employees are satisfied with their work environment and attach to the company, they will recommend it to their friends and family as a good employer (Bhattacharya, Korschun and Sen, 2008 as cited in Gazzola & Mella, 2016). Therefore, creating a good working environment and developing internal marketing strategies can stimulate productivity and satisfaction among employees (Stancu, Grigore and Rosca, 2011 as cited in Gazzola & Mella, 2016). People come to organizations with some needs, skills, and expectations. They hope to work in an environment where they can use their abilities and satisfy their needs. If an organization provides these opportunities to its employees, the level of organizational commitment can increase (Vakola and Nikolaou, 2005 as cited in Turker, 2009).

Overall, CSR represents one source of information employees can use to judge corporate morality, and discretionary CSR activities, in particular, may contribute positively to overall impressions of corporate morality, over and above what can be achieved through compliance with legal and ethical standards alone (Bauman & Skitka, 2012).

2.3 SYNTHESIS

This subchapter synthesizes the findings from the literature review, highlighting the significance of adopting the Stakeholder Theory of CSR and implementing Corporate Social Responsibility (CSR) initiatives in businesses. It emphasizes the inclusive approach of Stakeholder Theory, which focuses on engaging with stakeholders, understanding their diverse interests, and addressing their needs while achieving business objectives.

Unlike Carroll's framework and the Triple Bottom Line theory, which primarily categorizes responsibilities based on economic, legal, ethical, and environmental dimensions, the Stakeholder Theory of CSR takes a more inclusive approach recognizing the varying levels of influence and importance of stakeholders to the organization. By considering stakeholders' needs in a balanced and ethical manner, businesses can develop strategies and practices that promote positive stakeholder relationships, enhance reputation, manage risks, and contribute to the overall well-being of society.

The literature review demonstrates the positive and significant effects of various CSR approaches on employee job satisfaction. Community-oriented, employee-oriented, natural environment-oriented, supplier-oriented, customer-oriented, and shareholder-oriented CSR initiatives not only benefit different stakeholders but also contribute to the overall success and sustainability of the business. Implementing CSR requires internal alignment of goals, resource dedication, and establishment of procedures, as well as external collaboration with stakeholders, adherence to standards, and compliance with government policies.

To effectively measure CSR, a robust and multidimensional scale is necessary. Methods such as questionnaire-based surveys, reputation indices, content analysis, one-dimensional measures, and examining the relationship between CSR and financial performance can be employed. The review acknowledges that CSR is not yet widely embraced in Ethiopia but highlights the growing recognition of its importance in achieving competitive success, fulfilling ethical obligations, and fostering positive stakeholder relationships.

The Ethiopian banking industry, comprising both state-owned and private commercial banks, has started engaging in various CSR activities. However, there is room for improvement, including creating more awareness of CSR among employees and stakeholders, developing proactive CSR policies, and prioritizing environmental-related CSR activities. The synthesis underscores the importance of understanding organizational and personal variables that contribute to employee job satisfaction and investing in programs and practices that promote it. Employee job satisfaction, influenced by CSR initiatives, leads to more motivated, engaged, and productive employees.

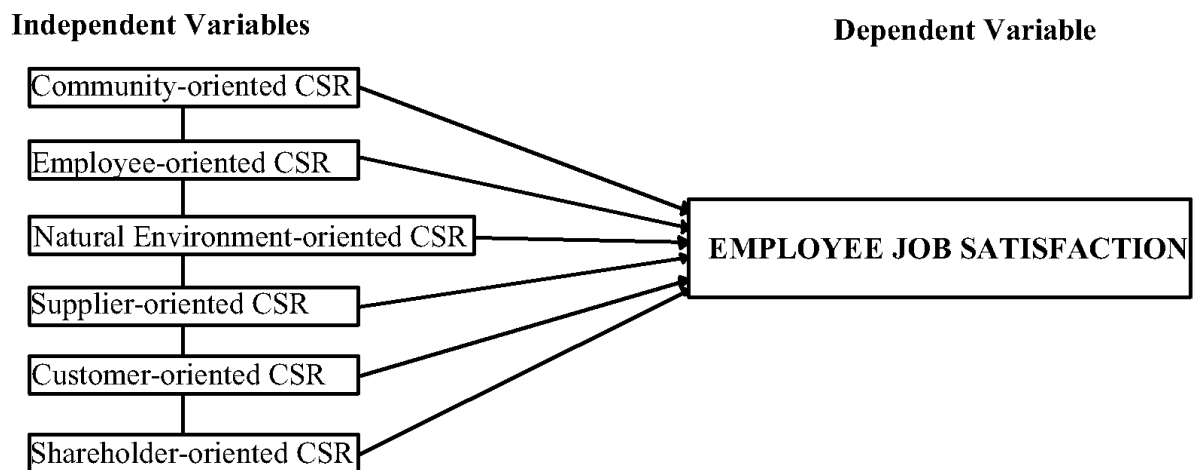
Overall, the empirical research indicates that CSR initiatives have a significant impact on employee job satisfaction, influencing their attitudes, behaviors, commitment, and performance within the organization. Understanding the relationship between CSR and employee job satisfaction is crucial for organizations seeking to enhance workforce engagement, motivation, and retention. Further efforts are needed in Ethiopia to raise awareness, develop proactive CSR policies, and promote sustainable practices across sectors, ensuring the integration of CSR principles into core business strategies and decision-making processes.

2.4 CONCEPTUAL FRAMEWORK

A conceptual framework, as described by Swaen & George (2022), is a representation, either written or visual, that illustrates the anticipated relationships between variables or the essential characteristics to be examined in a study. These frameworks are typically constructed based on an extensive review of existing literature related to the research topic.

The conceptual framework of this study is developed from The Stakeholder theory of CSR (presented above), specifically Community-oriented CSR, Employee-oriented CSR, Natural Environment-oriented CSR, Supplier-oriented CSR, Customer-oriented CSR, Shareholder-oriented CSR are the independent variables and Employee job satisfaction is the dependent variable.

Figure 7: Conceptual Framework of the Study



2.5 RESEARCH HYPOTHESIS

Based on the justification developed for each hypothesis in part III of section 2.1.1.1, the hypothesis can be summarized as:

H1: Community-oriented CSR has a positive and significant effect on employee job satisfaction

H2: Employee-oriented CSR has a positive and significant effect on employee job satisfaction

H3: Natural Environment-oriented CSR has a positive and significant effect on employee job satisfaction

H4: Supplier-oriented CSR has a positive and significant effect on employee job satisfaction

H5: Customer-oriented CSR has a positive and significant effect on employee job satisfaction

H6: Shareholder-oriented CSR has a positive and significant effect on employee job satisfaction

CHAPTER THREE: RESEARCH METHODOLOGY

This chapter outlines the research methodology used in this study. It describes the research design, the research approach, the data collection methods, and the data analysis techniques employed in the study.

3.1 RESEARCH DESIGN

A research design is a plan outlining how a study will be conducted to answer the research questions and achieve the research objectives (Creswell & Creswell, 2018). It includes details such as the type of data to be collected, the methods of data collection, the methods of data analysis, the sample size determination, the sampling techniques, and the time frame for the study (Bryman et al., 2021). A well-designed research design can help ensure that the study is conducted systematically and that the results are valid and reliable (Maxwell, 2013).

For this study, an explanatory deductive research design was employed, using primary cross-sectional data collected through a questionnaire survey from a sample of employees working at three selected private commercial banks. Additional qualitative data was collected from interviews conducted with senior managers of the banks. The data collection took place within four weeks. The validity and reliability of the data were ensured through the use of standardized questionnaires, pilot tests, and a scale reliability test. Ethical considerations, including voluntary participation, anonymity, and confidentiality of respondents were addressed throughout the data collection stage. Therefore, this research design is deemed suitable for conducting the research and understanding the relationship between CSR and Employee Job Satisfaction in the selected banks.

3.1.1 Research Approach

A research approach is one part of the research design used to collect and analyze data (Creswell & Creswell, 2018). There are three main research approaches, namely, qualitative, quantitative, and mixed methods (Creswell & Creswell, 2018).

In this study, the mixed-methods approach was used. It was chosen because it allows for the collection of both quantitative and qualitative data. This enables a more complete understanding of the research problem. Quantitative data was collected using a structured questionnaire and analyzed using IBM SPSS version 25. Qualitative data was gathered through

semi-structured interviews with senior managers of the three banks and the data was analyzed using content analysis.

3.2 TARGET POPULATION, SAMPLE SIZE DETERMINATION, AND SAMPLING TECHNIQUE

3.2.1 Target Population

According to the National Bank of Ethiopia, private commercial banks in Ethiopia are categorized into four generations based on their establishment dates. The first generation comprises six banks established between 1994 and 1999, the second generation four banks established between 2004 and 2008, the third generation six banks established between 2009 and 2012 and the fourth generation comprises thirteen banks established within the past two years.

Table 1: List of private commercial banks in Ethiopia (First to Third Generation) with their three-year annual CSR expenditure

No.	Bank	Established Date (E.C)]	ANNUAL CSR CONTRIBUTIONS		
			2021/22 F.Y (mill)	2020/21 F.Y (mill)	2019/2020 F.Y (mill)
First Generation Banks					
1	Awash International Bank	1994	118	17.9	10
2	Dashen Bank	1995	44.9	59	92.4
3	Wegagen Bank	1997	N.S	5	31
4	Bank of Abyssinia	1996	30.32	45.71	31.374415
5	Hibret Bank	1998	N.S	22	5.58
6	Nib International Bank	1999	19.1	N.A	N.A
Second Generation Banks					
7	Cooperative Bank of Oromia	2004	70	N.S	8
8	Lion International Bank	2006	N.S	42	N.A
9	Zemen Bank	2008	9.4	17.2	N.S
10	Oromia Bank	2008	18.1	19	N.A
Third Generation Banks					
11	Bunna International Bank	2009	25	19	N.A

12	Berhan International Bank	2009	22	30	29
13	Abay Bank	2010	N.S	33.5	N.S
14	Addis International Bank	2011	N.S	N.S	N.S
15	Dehub Global Bank	2012	N.S	7	4.1
16	Enat Bank	2012	N.S	10	2

* NS = CSR expenditure amount not Stated but activities specified & N.A = Data not available

Source: The National Bank of Ethiopia and Annual Reports of Each Bank

To select the banks that would participate in the study from each generation, the following inclusion and exclusion criteria that align with the research questions and objectives were used:

1. Banks that have a proven track record of significant and consistent engagement in CSR.
2. Banks that are willing to participate in the study.

After applying these criteria, Bank of Abyssinia S.C, Cooperative Bank of Oromia S.C, and Berhan International Bank S.C were selected from the first, second, and third generation of banks, respectively. The fourth generation of banks were excluded from participation in the study since they did not meet the first criterion, with most of them having received their operational license from the National Bank of Ethiopia within the past two years and only a few being operational for just over a year.

As accessing the entire staff of the selected banks is not feasible, the target population for this study was head office employees. As per the information provided by the HR departments of the selected banks, the number of Head office employees of Bank of Abyssinia S.C, Cooperative Bank of Oromia S.C, and Berhan International Bank S.C were 1303, 796, and 760 respectively, making the total target population 2,859. Key informants from the banks, such as senior managers, were also included in the study.

3.2.2 Sampling Technique

The study employed a sampling technique that combined Purposive/Judgmental sampling and Convenience sampling. Given the infeasibility of including every Private Commercial Bank, in Ethiopia, purposive sampling was used to identify and select participating banks that met the specific criteria outlined in section 3.2.1. This method ensured that the selected banks had the relevant experience and expertise to provide valuable insights into the research topic. To

collect data from employees of the selected three banks, convenience sampling was used due to practical constraints such as limited full accessibility of the target population and lack of resources. However, to minimize potential biases as a result of using this method and enhance the reliability and validity of the study, several measures were taken. Firstly, the appropriate sample size was determined to represent the target population (see 3.2.3). Secondly, to minimize sampling bias, efforts were made to include respondents from a wide range of departments and demographic groups by distributing the survey questionnaire electronically to employees' Outlook addresses and online staff groups of the targeted departments. This was in addition to distributing the physical hardcopy survey questionnaires. Thirdly, a standardized questionnaire was adopted to ensure that the data collected was relevant to the research questions and consistent across respondents (see 3.5.1). Fourthly, a pilot study was conducted to test the questionnaire for any confusing statements before administering it to the larger sample (see 3.5.2). Lastly, interviews were conducted with senior managers of the banks to supplement the survey data where possible.

Other probability sampling techniques, such as stratified random sampling or cluster sampling could have increased the generalizability of the findings, however, this was not feasible for this study due to the limited full access to all the departments at the head office of the banks. Therefore, the sampling technique used was appropriate for this study given the constraints mentioned earlier and the measures taken to ensure the reliability and validity of the findings.

3.2.3 Sample Size Determination

In quantitative research, it can be challenging for researchers to access a large population size. Therefore, they need to reduce the population size to a correct, adequate, and appropriate sample size for data collection (Uakarn et al., 2021). One method that can be used to determine the sample size for survey research with a finite population is Taro Yamane's (1967) formula (Uakarn et al., 2021).

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

Equation 1: Taro Yamane's (1967) formula

Where n= Desired sample size

N= Population of the study, and

e= precision of sampling error (0.05-0.1 is recommended for research in Social Sciences)

At a 95% confidence level and 0.05 precision level, the desired sample size is

$$n = \frac{2,859}{1 + 2,859(0.05^2)}$$

$$n = 350.9 \approx 351$$

When proportioned to each bank, the desired sample size is

Table 2: Proportionate Sampling Determination

No.	Banks	Sample Size	
		Sampling Frame	Proportion of sample
1	Bank of Abyssinia S.C	1,303	$351 \times \frac{1303}{2,859} \approx 160$
2	Cooperative Bank of Oromia S.C	796	$351 \times \frac{796}{2,859} \approx 98$
3	Berhan International Bank S.C	760	$351 \times \frac{760}{2,859} \approx 94$
	Total	2,859	352

Source: Human Resource Departments of the banks and Own computation, 2023

3.3 DATA SOURCE AND COLLECTION METHODS

3.3.1 Data Source

Primary data are data that are collected firsthand and are original (Kothari, 2004), while secondary data are data that have been collected by others for another purpose than the purpose of the current study (Sekaran & Bougie, 2016).

For this study, the primary data source were questionnaire surveys and interviews while the secondary data was collected from Journal Articles, Books, Annual Reports, Thesis Papers, and various Websites.

3.3.2 Data Collection Methods

The data collection method for this study involved the use of a structured questionnaire and semi-structured interviews. The questionnaire included closed-ended statements to collect quantitative data. The semi-structured interviews were conducted with key informants from the three private commercial banks to collect more in-depth qualitative data.

3.3.2.1 Questionnaire

A questionnaire is a primary means of gathering firsthand data by posing a standardized series of questions to respondents (DeVaus, 2014 as cited in Saunders et al., 2009). It is a widely used method within the survey strategy because it provides an efficient way of collecting responses from a large sample before quantitative analysis (Saunders et al., 2009).

The scale used to measure the CSR variables is a well-published instrument developed and validated by El Akremi et al. (2018) using a comprehensive literature review with multiple, independent, and relatively large sample size of 332 pilot study respondents and 3,772 distinct working employees across a broad spectrum of industries on varying times. The scale used to measure Employee Job Satisfaction is a repeatedly cited and well-established instrument called the JSS (Job Satisfaction Survey) developed by Spector (1985). The scale has been extensively researched and investigated for reliability and validity (Gholami-Fesharaki et al., 2012; *Job Satisfaction Survey (JSS)*, n.d.; Van Saane, 2003). Both questionnaires are presented in Appendix A.

3.3.2.2 Interviews

The interview method of collecting data entails the use of oral-verbal stimuli and receiving oral-verbal responses from participants (Kothari, 2004). This approach typically involves conducting face-to-face interviews, and when feasible, interviews over the telephone may also be employed.

For this study, specific Interview Guide questions deemed to help in achieving the research objectives were developed from the questionnaires used to collect the quantitative data (see Appendix B & C).

3.4 DATA ANALYSIS TECHNIQUES

IBM SPSS Statistics 25 was used to perform a reliability analysis was performed to ensure the reliability of the scale, a descriptive analysis was employed to summarize and describe the data, correlation analysis was performed to identify the strength and direction of the relationship between the variables, linear regression analysis to determine the cause and effect relationship between the dependent variable and the independent variables and content analysis was performed to identify patterns and themes within the data collected through interviews.

3.5 VALIDITY AND RELIABILITY OF DATA AND SCALE

To ensure the validity and reliability of the data collected, a standardized questionnaire, a pilot test, and a scale reliability test were utilized, including a pilot test of the questionnaire.

3.5.1 Standardized Questionnaire

Using a previously validated and published questionnaire will save time and resources and enables the researcher to compare their findings with those from other studies (Boynton & Greenhalgh, 2004).

For this study, both the questionnaires used were standardized questionnaires previously validated and tested for reliability as detailed in section 3.3.2.1.

3.5.2 Pilot Study

A pilot study is a pre-testing of a particular research instrument (Baker 1994 as cited in van Teijlingen & Hundley, 2002). A pilot study is a small-scale quantitative study aimed at developing and testing research instruments, assessing the feasibility of a full study, designing and testing protocols for the larger study, and establishing and testing sampling (Connelly, 2008; Polit & Hungler, 2003 as cited in Connelly, 2008). As suggested by Connelly (2008), a pilot study should include a sample of 10% of the projected sample size for the larger study.

Accordingly, the questionnaire was administered to the pilot study sample size determined in Table 3 to ensure that it was being understood as intended and was accurately measuring the constructs of interest. After receiving positive feedback, the adopted questionnaire was left

unchanged and administered to the remaining respondents. This step helped ensure the validity of the data collected.

Table 3: Pilot Study Sample Size for each private commercial bank

Bank of Abyssinia S.C	$160 \times 10\% = 16$
Cooperative Bank of Oromia S.C	$98 \times 10\% = 9.8 \approx 10$
Berhan International Bank S.C	$94 \times 10\% = 9.4 \approx 10$
Total	36

Source: Own computation

3.5.3 Scale Reliability

Reliability pertains to the consistency of results obtained from an instrument when administered to the same individual in the same context (George & Mallery, 2019). Cronbach's alpha is a widely used measure of internal consistency, which falls within the range of 0 to 1 (George & Mallery, 2019). While negative values are technically possible, they indicate that certain items measure the opposite of others. A higher alpha value, closer to 1.00, indicates greater internal consistency among the items in the instrument under evaluation (George & Mallery, 2019).

Table 4 below presents the results of the reliability analysis conducted for this study using IMB SPSS v25.

Table 4: Reliability Analysis

Scale	Cronbach's Alpha
Community-oriented CSR	0.889
Employee-oriented CSR	0.891
Natural Environment-oriented CSR	0.928
Supplier-oriented CSR	0.906
Customer-oriented CSR	0.923
Shareholder-oriented CSR	0.929
Employee Job Satisfaction	0.866

Source: Survey Results and SPSS output, 2023

The results above indicate that all the values are close to 1.00, meaning that the scale used to measure all the variables exhibited high internal consistency.

3.6 ETHICAL CONSIDERATION

Babbie (1973) identified three ethical principles in conducting survey research:

- i. Voluntary Participation: respondents should not be coerced or deceived into participating;
- ii. No Harm to Respondents: respondents should not be exposed to any physical, psychological, or social risks; and
- iii. Anonymity and Confidentiality: respondents' identities and responses should be protected from unauthorized disclosure.

These principles guided the conduct of this study. The Human Resource departments of each bank gave their permission to collect data from their employees (see Appendix C for data collection permission grant letters), additionally, department heads of the employees were made aware. The distributed questionnaire also informed the respondents about the academic purpose and the anonymity and confidentiality of their responses.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

This chapter includes the data presentation, analysis, interpretation, and discussion part of the research.

4.1 DATA PRESENTATION

4.1.1 Questionnaire Response Rate

A total of 1,231 questionnaires were distributed to respondents across the three banks. Of these, 1,031 were distributed via electronic mail, and 200 were distributed as printouts. A total of 361 responses were collected and 10 were rejected either due to incompleteness of the response or being an extreme outlier in which the outliers were filtered and eliminated using Z-scores (i.e. the Z score in a normal distribution is between -3 and 3). This resulted in a net sample size of 351 for analysis and interpretation.

Table 5: Summary of Respondents' Response Rate

Bank	Desired Sample Size	Received	Rejected	Net	Net as Percentage of Desired Sample Size
Bank of Abyssinia S.C	160	199	3	196	122.50%
Cooperative Bank of Oromia S.C	98	90	2	88	89.80%
Berhan International Bank S.C	94	72	5	67	71.28%
Total	352	361	10	351	99.72%

Source: Survey results and own computation, 2023

According to R. Babbie (2008), a response rate of 50% is considered adequate for analysis and reporting, 60% is considered good and a response rate of 70% and above is considered very good. Therefore, as compared to the desired sample size required from each bank as well as the total, a very good response rate was received.

4.1.2 Interview Responses from Each Bank

Semi-structured interviews using the interview guide questions developed (see Appendix B and C) for the study from the two questionnaires were conducted with a total of six senior managers, two from each bank to gather qualitative information about the banks' CSR

initiatives and employee job satisfaction practices. The responses from each bank are presented below.

BANK 1

1. Does the bank have a designated Corporate Social Responsibility (CSR) department, manager, or officer? How does the bank prioritize and define its CSR activities? Is there a procedure or manual for it?

The bank does not have a specific CSR department, manager, or officer. Instead, CSR responsibilities are managed by the Communication Manager, who reports to the Marketing Vice President. The bank's CSR activities are aligned and prioritized with its core value of "Caring for our community". There is no specific CSR procedure however, donation requests as well as other promotion expenses are approved using an internal guideline whereby it is approved by the president, the vice presidents, or the manager depending on the expenditure amount.

2. What specific CSR initiatives is the bank currently undertaking?

The bank is involved in donating money for Government Development Programs, Education and Health Programs, Cultural, Art, and Environmental Programs, NGOs, rehabilitation of IDPs, etc.

3. What level of investment has the bank made in its CSR activities, and what has been the total annual expenditure for the past three years?

The bank has expended close to 110 million in its CSR activities this past three years.

4. How does the bank monitor and evaluate its CSR practices?

The bank monitors and evaluated its CSR practices through a decentralized approach. The nearby districts and branch managers take responsibility for ongoing CSR activities with oversight from the head office if needed. However, there is no specific manual or guideline for it.

5. What challenges does the bank face in implementing CSR activities? How have these challenges been addressed?

CSR activities require financial resources and allocating funds for these initiatives can be challenging especially when the bank is operating in a highly competitive market. Additionally, irregular donation requests from the government sometimes deplete or slow down planned CSR activities.

6. Is the bank involved in any of the following Community-oriented CSR activities (providing financial support for humanitarian causes and charities, providing help for schools, sporting events, etc. in the areas where it operates, investing in the health of populations, assisting populations and local residents in case of natural disasters and/or accidents)? If so, can you provide an example?

Yes, it does. It conducts an annual event like the “I Can” event, which recognizes and awards women entrepreneurs and upcoming music and poem artists. The bank also collaborates with NGOs on regular donation programs to assist people in need. Additionally, the bank invests in the health of populations by being a platinum sponsor of organizations like the Parkinson's Patients Support Organization. In times of natural disasters, the bank provides support to the affected population by donating food and other essential items. Moreover, the bank promotes entrepreneurship through initiatives such as the “Amin Award” which involves conducting entrepreneurship competitions and awarding a significant amount of money to the winners. The bank also recognizes and supports high-achieving students in various schools through awards and gifts. Furthermore, the bank has made donations to populations affected by recent conflicts in the norther part of the country.

7. Is the bank involved in any of the following Natural environment-oriented CSR activities (taking action to reduce pollution related to the company’s activities, contributing toward saving resources and energy, respecting and promoting the protection of biodiversity, measuring the impact of activities on the natural environment, encouraging members to adopt eco-friendly behavior to protect the natural environment)? If so, can you provide an example?

The bank conducts annual tree-planting activities.

8. Is the bank involved in any of the following Supplier-oriented CSR activities (Helping suppliers and subcontractors to improve the working conditions of their own workers

and Ensuring that all suppliers and subcontractors respect and apply current labor laws, respect justice rules in their own workplaces)? If so, can you provide an example?

Suppliers are chosen as per their previous track record and fulfilling the procurement department's technical requirements for the required product or service.

9. Is the bank involved in any of the following Customer-oriented CSR (checking the quality of services provided to customers, being helpful to customers and advising them about products and/or services, commitments to customers, investing in innovations which are to the advantage of customers, ensuring that products and/or services are accessible for all customers)? If so, can you provide an example

Yes, the bank has made significant investments in digital technology, including being the first and only one to offer Virtual Banking Centers that work 24/7 across the country. It has also launched a platform that allows customers to open bank accounts entirely through a mobile app, eliminating the need to visit branches. The bank has established an extensive network of ATMs and branches throughout the country. Internet and mobile banking platforms are also provided. The bank regularly conducts panel discussions with customers in various locations to introduce new products, gather feedback, and improve services. Additionally, the bank promotes its banking products through dedicated TV and radio programs. Furthermore, the bank acknowledges and rewards customers with high deposits, demonstrating its commitment to customer appreciation and satisfaction.

10. Is the bank involved in any of the following Shareholder-oriented CSR activities (respecting the financial interests of all shareholders, ensuring that communication with shareholders is transparent and accurate, taking action to ensure that shareholders' investments are profitable and perennial in the long-term, making sure that shareholders exert effective influence over strategic decisions.)? If so, can you provide an example?

Yes, the bank communicates transparently with its shareholders and holds both its regular and emergency shareholders meetings to discuss and decide on matters of importance. Additionally, the Directors Board keeps a close eye on the bank's activities and ensures the financial interest of the shareholders are respected in decisions that matter. Our shareholders' profitability has been demonstrated by the bank's financial standings in recent financial years and its offering of great Earnings per Share.

11. Is the bank involved in any of the following Employee-oriented CSR activities (implementing and promoting policies that improve the well-being, safety, and health of employees, avoiding all forms of discrimination in its recruitment and promotion policies, supporting equal opportunities at work, supporting employees' work and life balance, encouraging employees' diversity in the workplace, helping employees in case of hardship)? If so, can you provide an example?

Yes, the bank has developed an online system for posting job openings and accepting applications. This has enabled the bank to avoid any kind of discrimination in its recruitment process and encourage employee diversity. The bank also uses a PMS (performance measurement system) for its promotion processes and awarding bonuses. Additionally, the bank provides 100% free health coverage to employees along with their spouses. The bank also provides various pieces of training to employees on how to improve their work-life balance, especially concerning stress. Furthermore, the bank follows a "Competency-based Human Resource Development" and administers annual competency exams to its staff to assess their job competency levels. Conducts regular quizzes on the internal portal to improve the knowledge base of staff. The bank provides mortgage loans and emergency loans to staff.

12. How does the bank measure and track employee job satisfaction levels? How important is employee job satisfaction to the bank's overall performance?

Employee job satisfaction levels are measured using a Google form questionnaire distributed to employees through the bank's Outlook system at regular intervals usually semi-annually. The results of the findings are used by the Human Resources department to gauge and improve as well as make decisions on various things from salary increments to other incentives. Employee job satisfaction has a huge impact on the overall performance of the bank as the majority of our employees have a direct interaction with our customers.

13. What measures has the bank taken to improve employee job satisfaction?

- The bank provides one of the best salaries and benefits packages in our industry.
- The bank has an eLearning platform where employees take various training and developmental courses both directly related to their jobs and generally to help them personally in their day-to-day lives.
- The bank has implemented a weekly employee recognition program for branches and employees that perform well and meet the set performance goals.

- The bank prepares knowledge transfer events called “Knowledge Café” and experience-sharing events like the “Dine with the CEO”
- The bank has implemented a feedback platform on the internal portal.
- The bank provides sponsored free education to its employees

14. In your opinion, how does CSR impact employee job satisfaction in the bank?

Working for a bank that has a positive image amongst the community and hearing of the great things it does has a direct impact on employee job satisfaction.

BANK 2

1. Does the bank have a designated Corporate Social Responsibility (CSR) department, manager, or officer? How does the bank prioritize and define its CSR activities? Is there a procedure or manual for it?

The bank does not have a separate CSR department to handle CSR activities. The bank originates from the farming community and as such defines its CSR activities mainly with “Concern for Community” and brand promotion objectives. “Concern for Community” is one of its six Core Values. The bank performs various donation and sponsorship CSR activities to its community to help its brand and promotion objectives with a commitment and dedication to providing banking solutions rooted in communities and building an inclusive rural-urban linkage.

The bank does not have a separately prepared CSR procedure. Sponsorship or donation requests must directly be submitted to the president’s office where they are then directed to the Strategy and Marketing Vice President’s Office which is then directed to a sub-committee to be sorted according to their relevance to the bank’s brand image and promotion prospective with serious attention given to rejecting any politically motivated or related requests. It is then presented back to the president for approval and then to the finance department for the dispersion of the funds. In critical cases such as if the donation/expenditure amount is very large, the president will also present the decision to the Board of Directors for approval.

2. What specific CSR initiatives is the bank currently undertaking?
 - Donation to the military and “Gebeta le Hager” initiatives as per the government’s requests.

- Sponsoring Cultural Affairs, Events, Books, Music, and Films to elevate the cultural language and art of the society.
 - Donations to Drought and famine-affected areas, NGOs, the Red Cross Society, and other Educational endeavors.
 - Annual tree planting activities and expansion of Eco-friendly branches that rely mainly on power from Solar Energy.
3. What level of investment has the bank made in its CSR activities, and what has been the total annual expenditure for the past three years?

The bank budgets a varying amount of donation and sponsorship expenditure along with its Marketing and Brand promotion budget at the beginning of the financial year, however, since most of the donation and sponsorship activities are reactive additional and unexpected amounts are always expedited. As a result, approximated cumulative figures are specified on the annual reports published at the end of each year.

4. How does the bank monitor and evaluate its CSR practices?

Receivers of donations and sponsorship are mainly left on their own to report on their progress to the bank. Guidance and follow-up if ever needed are left to the closest Branch Managers who will be in contact with the head office. Awards and Thank You events and certificates are received by Branch Managers from the nearest location.

5. What challenges does the bank face in implementing CSR activities? How have these challenges been addressed?

One of the main challenges the bank faces in implementing CSR activities is donation and sponsorship requests coming from the government. These requests are more or less considered obligatory and this causes an unexpected financial strain and concern on planned and on-going CSR activities. Another challenge is unexpected natural disasters in areas where the huge customer base of the bank is located. This causes expectations from the community there by resulting in the bank usually expediting large sums of money as a donation to satisfy those expectations and keep up its positive brand image.

6. Is the bank involved in any of the following Community-oriented CSR activities (providing financial support for humanitarian causes and charities, providing help for

schools, sporting events, etc. in the areas where it operates, investing in the health of populations, assisting populations and local residents in case of natural disasters and/or accidents)? If so, can you provide an example?

Yes, the bank is involved in various Community-oriented CSR activities. It sponsors outstanding students, contributes to the government school feeding program, and supports a local NGO that helps children with down syndrome. It also provides support to both local and international NGOs, such as the Ethiopian Red Cross Society and the Oromia Development Association, in their efforts to provide quality education and humanitarian aid. During the COVID-19 pandemic, the bank took several measures to protect its employees, customers, and the community at large, such as by distributing facemasks and hygiene materials, providing transportation services, waiving ATM commission fees, rescheduling loan repayments, and reducing loan interest rates and temporarily giving away its buildings in Naqamte and Kuyu towns to be used as quarantine centers. Moreover, the bank consistently makes generous donations to municipalities and local committees, as well as to drought and famine-affected areas in Southern and South-eastern areas of Ethiopia. We have also implemented 50 “Eco-branches” in remote areas to enhance the financial inclusion of the rural community lacking electricity and connectivity infrastructures.

7. Is the bank involved in any of the following Natural environment-oriented CSR activities (taking action to reduce pollution related to the company’s activities, contributing toward saving resources and energy, respecting and promoting the protection of biodiversity, measuring the impact of activities on the natural environment, encouraging members to adopt eco-friendly behavior to protect the natural environment)? If so, can you provide an example?

We have around 50 “Eco-branches” that are powered by solar power. Additionally, we are participating in the nationwide tree-planting campaign every year.

8. Is the bank involved in any of the following Supplier-oriented CSR activities (helping suppliers and subcontractors to improve the working conditions of their own workers and ensuring that all suppliers and subcontractors respect and apply current labor laws, respect justice rules in their own workplaces)? If so, can you provide an example?

The bank does a proper vetting of its supplier’s legality before working with them.

9. Is the bank involved in any of the following Customer-oriented CSR (checking the quality of services provided to customers, being helpful to customers and advising them about products and/or services, commitments to customers, investing in innovations which are to the advantage of customers, ensuring that products and/or services are accessible for all customers)? If so, can you provide an example

Yes, “Customer Satisfaction” is one of our core values and the bank offers various deposit products, trade services, E-banking services as well as loans and guaranties to our customers. These products are also extended to our cooperative customers which are the bank’s main customer base. The quality of these products and services is regularly tracked and feedback is gathered for improvement and addition.

10. Is the bank involved in any of the following Shareholder-oriented CSR activities (respecting the financial interests of all shareholders, ensuring that communication with shareholders is transparent and accurate, taking action to ensure that shareholders’ investments are profitable and perennial in the long-term, making sure that shareholders exert effective influence over strategic decisions.)? If so, can you provide an example?

Maximizing stakeholders’ value including our shareholders is our mission statement therefore the bank endeavors to ensure our shareholders’ investments are profitable in the long term. The bank also holds regular shareholders meetings to ensure transparent and accurate communication as well as gather their feedback through the board of directors.

11. Is the bank involved in any of the following Employee-oriented CSR activities (implementing and promoting policies that improve the well-being, safety, and health of employees, avoiding all forms of discrimination in its recruitment and promotion policies, supporting equal opportunities at work, supporting employees’ work and life balance, encouraging employees’ diversity in the workplace, helping employees in case of hardship)? If so, can you provide an example?

Yes, the bank offers free medical health care to its employees, including transportation during the pandemic, has a PMS (performance management system) to track performance, and uses it for promotion, demotion, and bonus dispersion, the bank also offers emergency staff loans and mortgage loans. Additionally, the bank also offers a very competitive salary and benefits package to its employees.

12. How does the bank measure and track employee job satisfaction levels? How important is employee job satisfaction to the bank's overall performance?

The bank conducts an annual online survey of employees.

13. What measures has the bank taken to improve employee job satisfaction?

- Regular bonus and salary increments
- Regular revision of procedures to make them in line with employee expectations
- Training and development programs

14. In your opinion, how does CSR impact employee job satisfaction in the bank?

In my opinion, CSR activities have a positive impact on employee job satisfaction in the bank. Actively involving employees in CSR initiatives, such as the 80/20 proportion donation programs (with employees covering 20% of the donations while 80% of it is covered by the bank), creates a sense of closeness and engagement among employees. Knowing that their bank is involved in meaningful community activities and making a difference enhances employees' sense of purpose and pride in their work and employer.

BANK 3

1. Does the bank have a designated Corporate Social Responsibility (CSR) department, manager, or officer? How does the bank prioritize and define its CSR activities? Is there a procedure or manual for it?

No, the bank does not have a designated CSR department/manager, instructions for donation and sponsorship activities come to the Promotion and Corporate Communication department from the President and the Strategy and Marketing Vice-president's office which is then forwarded to the finance department to release the necessary funds. The bank defines its CSR activities as those that have a Promotional, Image Building, and Customer Retention relevance. There is no procedure or manual specifically prepared to deal with CSR.

2. What specific CSR initiatives is the bank currently undertaking?

- Sponsoring Schools
- Donations to elderly people on holidays in partnership with local NGOs, donations to internally displaced people

- The bank sponsors different events at Schools that use the bank’s School Management System which enables parents and the schools to easily manage school tuition fees and expenses.
3. What level of investment has the bank made in its CSR activities, and what has been the total annual expenditure for the past three years?

CSR donation and contribution requests coming from the government are given the highest priority and are processed as an order rather than as a request. These requests are processed through the direction of the president of the bank and the funds are released by the Finance Department. Close to 81 million birr has been dispersed in the past 3 years

4. How does the bank monitor and evaluate its CSR practices?

There is no monitoring and evaluation system in place.

5. What challenges does the bank face in implementing CSR activities? How have these challenges been addressed?

The challenges are the increasingly large amounts of money that are being requested from the government as donations to developmental programs. Even though the bank does support the causes, it puts a strain on our capital and other activities planned. There is no way to avoid it but process the requested amount as a donation.

6. Is the bank involved in any of the following Community-oriented CSR activities (Providing financial support for humanitarian causes and charities, providing help for schools, sporting events, etc. in the areas where it operates, investing in the health of populations, Assisting populations and local residents in case of natural disasters and/or accidents)? If so, can you provide an example?

Yes, the bank is actively involved in community-oriented CSR activities. It supports developmental projects initiated by the government, such as the “Gebeta le hager” and “Beatify Sheger” projects. Additionally, the bank engages in philanthropic activities, including donating to hospitals, especially during the COVID-19 pandemic. The bank also provides financial support to schools by purchasing school materials and sponsors events at schools that utilize our school payment system. Furthermore, the bank donates to internally displaced populations in different parts of the country.

7. Is the bank involved in any of the following Natural environment-oriented CSR activities (Taking action to reduce pollution related to the company's activities, Contributing toward saving resources and energy, Respecting and promoting the protection of biodiversity, Measuring the impact of activities on the natural environment, Encouraging members to adopt eco-friendly behavior to protect the natural environment)? If so, can you provide an example?

The bank conducts an annual tree-planting event.

8. Is the bank involved in any of the following Supplier-oriented CSR activities (Helping suppliers and subcontractors to improve the working conditions of their own workers and Ensuring that all suppliers and subcontractors respect and apply current labor laws, respect justice rules in their own workplaces)? If so, can you provide an example?

The bank ensures that proper legal due diligence is conducted before working with suppliers.

9. Is the bank involved in any of the following Customer-oriented CSR (checking the quality of services provided to customers, being helpful to customers and advising them about products and/or services, commitments to customers, investing in innovations which are to the advantage of customers, ensuring that products and/or services are accessible for all customers)? If so, can you provide an example

Yes, the bank is involved in customer-oriented CSR activities. One example is the implementation of the Berhan School Pay system, which makes it easier for customers to pay their school fees. This demonstrates the bank's commitment to providing convenient and accessible financial solutions for its customers. Furthermore, the bank offers a wide range of products and services, including mobile, internet, and card banking, personal and business accounts as well as different types of loans to its customers.

10. Is the bank involved in any of the following Shareholder-oriented CSR activities (respecting the financial interests of all shareholders, ensuring that communication with shareholders is transparent and accurate, taking action to ensure that shareholders' investments are profitable and perennial in the long-term, making sure that shareholders exert effective influence over strategic decisions.)? If so, can you provide an example?

The bank conducts periodic shareholders meetings as well as represents various stakeholders on its board of directors. Creating maximum value for our shareholders is in our mission statement.

11. Is the bank involved in any of the following Employee-oriented CSR activities (implementing and promoting policies that improve the well-being, safety, and health of employees, avoiding all forms of discrimination in its recruitment and promotion policies, supporting equal opportunities at work, supporting employees' work and life balance, encouraging employees' diversity in the workplace, helping employees in case of hardship)? If so, can you provide an example?

Yes, the bank is involved in employee-oriented CSR activities. The board of directors regularly addresses employees' issues in their meetings. The bank strives to provide a competitive salary and benefits package to ensure employees are fairly compensated in line with industry standards. Our promotion and bonus awarding policy are strictly based on the PMS (performance measuring system) results of our employees. Additionally, the bank offers a cash-based free healthcare package to its employees. to ensure that our employees have medical services. Furthermore, the bank supports its employees by offering mortgage loans.

12. How does the bank measure and track employee job satisfaction levels?

The bank measures and tracks employee job satisfaction levels through a semi-annual web-based survey conducted by the Talent Development Department. These surveys are distributed to employees using the bank's Outlook mailing system. The collected data is then analyzed by the Human Resources sub-commit, which presents the findings to the Bank's Board of Directors. The document will also usually contain potential solutions like salary increment amounts, bonus amounts, and other benefits packages. The Bank's Board of Directors will then review, discuss and forward their decisions to the president for implementation.

13. What measures has the bank taken to improve employee job satisfaction?

- creating training programs for employees
- benefit package incentives such as regular salary increments
- improving PMS monitoring systems
- working to handle complaints coming from employees as soon as possible
- improving working procedures and products

14. In your opinion, how does CSR impact employee job satisfaction in the bank?

Working for a bank that engages in CSR will make employees feel connected to the bank more and thus increase the overall performance and image of the bank.

4.1.3 Descriptive Analysis

4.1.3.1 Demographic Information of Respondents

Table 6: Summary of the Demographic Information of Respondents

Demography	Category	Frequency	Percent
Name of Bank	Bank of Abyssinia S.C	196	55.8
	Cooperative Bank of Oromia S.C	88	25.1
	Berhan International Bank S.C	67	19.1
	Total	351	100
Sex	Male	265	75.5
	Female	86	24.5
	Total	351	100
Age of Respondent	25 and below	44	12.5
	26-30	131	37.3
	31-35	80	22.8
	36-40	52	14.8
	41-45	28	8
	Above 45	16	4.6
	Total	351	100
Marital Status of Respondent	Single	163	46.4
	Married	182	51.9
	Divorced	5	1.4
	Widowed	1	0.3
	Total	351	100
Education Level of Respondent	High school Education & below	2	0.6
	College Diploma	5	1.4
	Bachelor's Degree	171	48.7
	Master's Degree & above	173	49.3
	Total	351	100
Job Position of Respondent	Managerial	109	31.1
	Clerical	212	60.4
	Non-clerical	30	8.5
	Total	351	100
Banking Experience	1-5 Years	147	41.9
	6-10 Years	117	33.3

of Respondent	11-15 Years	52	14.8
	16-20 Years	18	5.1
	Above 20 Years	17	4.8
	Total	351	100

Source: Survey Data and own computation

The above table shows that the majority of the respondents were from Bank of Abyssinia S.C (55.8%), were male (75.5%), belonged to the 26-30 age group (37.3%), were married (51.9%), held a Master's Degree and above (49.3%), had clerical jobs (60.4%), and had more than 5 years of banking experience (58%).

4.1.3.2 Descriptive Statistics of Variables

A. Community-oriented CSR

Table 7: Descriptive Statistics of Community-oriented CSR

<i>N=351</i>	Mean	SD
The bank invests in humanitarian projects in poor areas/territories	3.71	1.031
The bank provides financial support for humanitarian causes and charities	4.00	0.910
The bank contributes to improving the well-being of populations in the areas where it operates by providing help for schools, sporting events, etc.	3.74	0.924
The bank invests in the health of populations of developing countries (e.g., vaccination, fight against AIDS).	3.31	0.946
The bank helps NGOs and similar associations such as UNICEF, the Red Cross, and emergency medical services for the poor.	3.51	1.000
The bank gives financial assistance to the poor and deprived in the areas where it operates.	3.75	0.978
The bank assists populations and local residents in case of natural disasters and/or accidents	3.97	0.939

Source: Survey results and own computation, 2023

The table presents the descriptive statistics from 351 respondents for activities related to Community-oriented CSR. The mean scores range from 3.31 to 4.00, with standard deviations ranging from 0.910 to 1.031. The highest mean score is observed in providing financial support for humanitarian causes and charities (4.00, SD=0.910), while the lowest mean score is observed in investing in the health of populations in developing countries (3.31, SD=0.946). These results suggest that the banks' involvement in humanitarian projects, financial assistance

to the poor, and support for NGOs and associations are generally well-regarded, but there is room for improvement in addressing health-related initiatives and improving the well-being of the population in the areas where the banks operate.

B. Employee-oriented CSR

Table 8: Descriptive Statistics of Employee-oriented CSR

<i>N=351</i>	Mean	SD
The bank implements policies that improve the well-being of its employees at work	3.97	0.941
The bank promotes the safety and health of its employees.	3.97	0.945
The bank avoids all forms of discrimination (age, sex, handicap, ethnic or religious origin) in its recruitment and promotion policies	3.90	1.000
The bank supports equal opportunities at work (e.g., gender equality policies)	4.01	0.929
The bank supports its employees’ work and life balance (e.g., flextime, part-time work, flexible working arrangements).	3.35	1.116
The bank encourages employees’ diversity in the workplace.	3.85	0.956
The bank helps its employees in case of hardship (e.g., medical care, social assistance).	4.21	0.813

Source: Survey results and own computation, 2023

The table presents the descriptive statistics from 351 respondents for activities related to Employee-oriented CSR. The mean scores range from 3.35 to 4.21, with standard deviations ranging from 0.813 to 1.116. The highest mean scores are observed in helping employees in case of hardship (4.21, SD=0.813). However, the banks’ support for work-life balance received a relatively lower mean score of 3.35 (SD =1.116), suggesting that there is room for improvement. These results indicate that overall, the banks are viewed positively in terms of promoting employee well-being, diversity, and equal opportunities, but attention should be given to enhancing work-life balance initiatives.

C. Natural Environment-oriented CSR

Table 9: Descriptive Statistics of Natural Environment-oriented CSR

<i>N=351</i>	Mean	SD
The bank takes action to reduce pollution related to its activities (e.g., choice of materials, eco-design, and dematerialization)	3.50	0.900
The bank contributes toward saving resources and energy (e.g., recycling, waste management).	3.47	0.922

The bank makes investments to improve the ecological quality of its products and services.	3.62	0.930
The bank respects and promotes the protection of biodiversity (i.e., the variety and diversity of species)	3.54	0.903
The bank invests in clean technologies and renewable energies.	3.56	0.957
The bank measures the impact of its activities on the natural environment (e.g., carbon audit, reduction of greenhouse gas emissions, global warming)	3.32	0.975
The bank encourages its members to adopt eco-friendly behavior (sort trash, save water and electricity) to protect the natural environment.	3.42	0.925

Source: Survey results and own computation, 2023

The table presents the descriptive statistics from 351 respondents for activities related to Natural Environment-oriented CSR. The mean scores range from 3.32 to 3.62, with standard deviations ranging from 0.900 to 0.975. The highest mean score is observed in making investments to improve the ecological quality of products and services (3.62, SD=0.930), while the lowest mean score is for measuring the impact of activities on the natural environment (3.32, SD=0.975). These results suggest that the banks' actions to reduce pollution, save resources, and promote bio diversity are generally recognized but there are opportunities to enhance environmental impact measurement and increase investments in clean technologies and renewable energies.

D. Supplier-oriented CSR

Table 10: Descriptive Statistics of Supplier-oriented CSR

<i>N=351</i>	Mean	SD
The bank endeavors to ensure that all its suppliers (and subcontractors), wherever they may be, respect and apply current labor laws	3.69	0.820
The bank makes sure that its suppliers (and subcontractors) respect justice rules in their workplaces.	3.77	0.802
The bank cares that labor laws are applied by all its suppliers (and subcontractors) wherever they may be	3.65	0.901
The bank would not continue to deal with a supplier (or subcontractor) who failed to respect labor laws.	3.50	0.947
The bank helps its suppliers (and subcontractors) to improve the working conditions of their own workers (e.g., safe working environment, etc.).	3.62	0.898

Source: Survey results and own computation, 2023

The table presents the descriptive statistics from 351 respondents for activities related to Supplier-oriented CSR. The mean scores range from 3.50 to 3.77, with standard deviations ranging from 0.802 to 0.947. The highest mean score is observed in ensuring suppliers' respect that justice rules in their workplace (3.77, SD=0.802), while the lowest mean score is for not continuing to deal with a supplier who fails to respect labor laws (3.50, SD = 0.947). These results suggest that there is a moderately high perception that the banks contract suppliers that respect the rule of justice and there is a moderately low perception that the banks do not care about a supplier who fails to respect labor laws.

E. Customer-oriented CSR

Table 11: Descriptive Statistics of Customer-oriented CSR

<i>N=351</i>	Mean	SD
The bank checks the quality of goods and/or services provided to customers.	4.20	0.837
The bank is helpful to customers and advises them about its products and/or services.	4.23	0.774
The bank respects its commitments to customers	4.24	0.815
The bank invests in innovations which are to the advantage of customers.	4.21	0.882
The bank ensures that its products and/or services are accessible for all its customers	4.20	0.854

Source: Survey results and own computation, 2023

The table presents the descriptive statistics from 351 respondents for activities related to Customer-oriented CSR. The mean scores range from 4.20 to 4.24, indicating on average a positive perception of the banks' commitment to customers' interests. The standard deviations range from 0.774 to 0.882. The highest mean score is observed for the banks' commitment to respecting their commitment to customers (4.24, SD=0.815), closely followed by being helpful to customers and advising them about products (4.23, SD=0.774) and investing in innovations that are to the benefits customers (4.21, SD=0.882). Additionally, high mean scores were received for checking the quality of goods and services provided to customers (4.20, SD=0.837) and ensuring that the banks' products and/or services were accessible to all customers (4.20, 0.854). These results indicate that the banks are actively engaged in customer-oriented CSR practices.

F. Shareholder-oriented CSR

Table 12: Descriptive Statistics of Shareholder-oriented CSR

<i>N=351</i>	Mean	SD
The bank respects the financial interests of all its shareholders.	4.15	0.871
The bank ensures that communication with shareholders is transparent and accurate	4.06	0.870
The bank takes action to ensure that shareholders' investments are profitable and perennial in the longterm.	4.16	0.880
The bank makes sure that shareholders exert effective influence over strategic decisions.	3.99	0.904

Source: Survey results and own computation, 2023

The table presents the descriptive statistics from 351 respondents for activities related to Shareholder-oriented CSR. The mean scores range from 3.99 to 4.16, indicating on average a positive perception of the bank's commitment to shareholder interest. The standard deviations range from 0.870 to 0.904. The highest mean score is observed for ensuring that shareholders' investments are profitable and perennial in the long term (4.16, SD=0.808) and closely followed by respecting the financial interests of all shareholders (4.15, SD=0.871). Additionally, high mean scores were received for ensuring transparent and accurate communication with shareholders (4.06, Sd=0.870) and enabling shareholders to exert effective influence over strategic decisions (3.99, Sd=0.904). These findings highlight the banks' high commitment to shareholder-oriented CSR activities with room for improvement in terms of shareholders exerting effective influence over strategic decisions.

G. Descriptive Statistics of CSR Dimensions

Table 13: Summary of descriptive statistics of CSR Dimensions

CSR Dimension	Mean	SD
Community-oriented CSR	3.7131	0.74478
Employee-oriented CSR	3.8974	0.74720
Natural Environment-oriented CSR	3.4917	0.77830
Supplier-oriented CSR	3.6456	0.74602
Customer-oriented CSR	4.2148	0.72884
Shareholder-oriented CSR	4.0876	0.80066
Average	3.8417	0.75763

Source: Survey results and own computation, 2023

The table presents the summary of descriptive statistics from 351 respondents for the different dimensions of CSR. The mean scores range from 3.4917 to 4.2148, indicating on average a positive overall perception of the banks' CSR initiatives. The standard deviations range from

0.72884 to 0.80066. The highest mean score is observed for Customer-oriented CSR (4.2148, SD=0.72884), followed by Shareholder-oriented CSR (4.0876, SD=0.80066). The Employee-oriented CSR dimension received the third highest mean score of 3.8974 (SD=0.74720), while Community-oriented CSR, Supplier-oriented CSR, and Natural Environment oriented CSR received mean scores of 3.7131 (SD=0.74478), 3.6456 (SD=0.74602) and 3.4917 (SD=0.77830) respectively. These results indicate that the banks have given significant emphasis to Customers, Shareholders, Employees, and the Community in their CSR activities with relatively lesser attention given to the Natural Environment. The dominant CSR dimension in practice is therefore, Customer-oriented CSR followed by Shareholder-oriented CSR, Employee-oriented CSR, Community-oriented CSR, Supplier-oriented CSR, and Natural Environment-oriented CSR consecutively.

H. Descriptive Statistics of Employee Job Satisfaction Factors

Table 14: Summary of descriptive statistics for Employee Job Satisfaction factors

Employee Job Satisfaction dimensions	Mean	SD
Pay	3.2899	0.62722
Promotion	3.1425	0.76974
Supervision	3.6709	0.77528
Fringe Benefit	3.1788	0.75705
Contingent Reward	3.0499	0.69102
Operating Procedures	2.8882	0.49620
Coworkers	3.6923	0.67564
Nature of Work	3.7600	0.77384
Communication	3.6161	0.86698
Average	3.3654	0.71477

Source: Survey results and own computation, 2023

The table presents the summary of descriptive statistics from 351 respondents for factors influencing employee job satisfaction. The mean scores range from 2.8882 to 3.7600 indicating varying levels of satisfaction among employees. The standard deviations, ranging from 0.49620 to 0.86698 indicate the level of variation in responses. Among the factors, the highest mean score was received for the Nature of Work (3.7600, SD=0.77384) indicating that employees generally enjoy the nature of their work. This is followed by Coworkers with a mean score of 3.6923 (SD=0.67564), indicating on average the positive working relationship among employees. Supervision and Communication also received a relatively high mean score of 3.6709 (SD=0.77528) and 3.6161 (SD=0.86698). The lowest mean score was received by

Operating Procedures (2.8882, SD=0.49620) indicating the need for improvement in the clarity and effectiveness of operating procedures. These results provide insights into the various factors that affect employee job satisfaction and indicate areas of strength and weaknesses within the banks.

4.2 DATA ANALYSIS AND INTERPRETATION

4.2.1 Diagnostic Tests of Assumptions of Correlation Analysis and Classical Linear Regression Model (CLRM)

In CLRM, the Ordinary Least Squares (OLS) method is the commonly used method to determine the Best Linear Unbiased Estimators (BLUE) and fit a linear line to the data (Brooks, 2014). To ensure that OLS provides the BLUE, assumptions underpinning CLRM must be fulfilled (Brooks, 2014; C. Fein et al., 2022; Gujarati & Porter, 2009). Some of these assumptions are also important to perform Correlation Analysis (C. Fein et al., 2022).

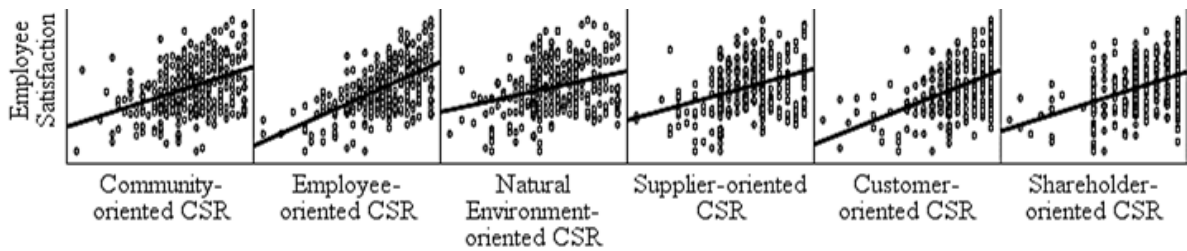
Assumption 1: The dependent and independent variables are measured using a continuous scale

In this study, both the dependent and independent variables which were measured using a 5-point Likert scale were analyzed as continuous using composite means. Therefore, this assumption is considered satisfied.

Assumption 2: Linearity

To use OLS, a linear model is required. This means that the relationship between x and y must be capable of being expressed using a straight line. (Brooks, 2014). For this study, this assumption was checked using a Scatterplot, since, the scatter plot of the dependent variable against each independent variable forms a straight line, the relationship is considered linear and this assumption has been satisfied.

Figure 8: Scatter plot matrix between the dependent variable and each independent variable



Source: Survey results and own computation, 2023

Assumption 3: The errors have zero mean ($E(U_t) = 0$)

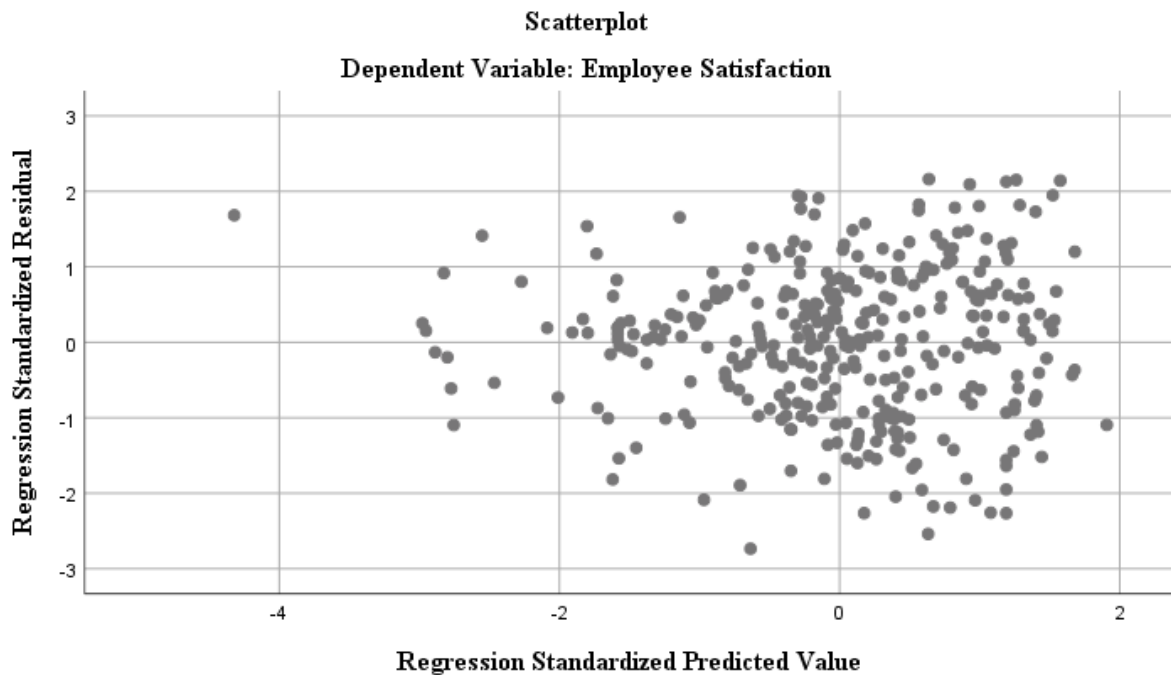
The inclusion of the intercept (constant term) in the model, ensures the errors have zero mean assumption (Wooldridge, 2013). This happens because the constant term captures all factors that may affect the dependent variable but are not included in the model ensuring the errors have an expected value of zero. This assumption is crucial for unbiased and efficient estimation of the regression coefficients (Brooks, 2014). Therefore, this assumption is considered satisfied for this study as a constant term already exists in the model equation.

Assumption 4: Homoskedasticity - The variance of the errors is constant and finite over all values of x ($Var(U_t) = \sigma^2 < \infty$)

In practice, one can do the regression analysis on the assumption that there is no heteroscedasticity and then do a postmortem examination of the residuals to see if they exhibit any systematic pattern (Gujarati & Porter, 2009).

For this study, a scatter plot between the Regression Standardized Predicted Value and the Regression Standardized Residual was made and it appears that there is no clear pattern or trend in the spread of the residuals, therefore, it was concluded that heteroskedasticity is not a problem and the assumption of homoskedasticity is considered satisfied.

Figure 9: Scatter plot between the Regression Standardized Predicted Value and the Regression Standardized Residual



Source: Survey results and own computation, 2023

Assumption 5: No Autocorrelation - The errors are linearly independent of one another (i.e. no correlation between the residuals) ($Cov(U_i, U_j) = 0$)

The most celebrated test for detecting serial correlation is the Durbin-Watson test (Gujarati & Porter, 2009). A DW value of 0 to 0.95 means there is positive autocorrelation, a value of 0.95 to 1.15 means inconclusive, 1.15 to 2.85 means there is no autocorrelation, a value of 2.85 to 3.05 means inconclusive and a value of 3.05 to 4 means there is negative autocorrelation in the residuals (Brooks, 2014).

For this study, the Durbin-Watson result was 1.927 (see Table 19) meaning the null hypothesis that says there no there is no autocorrelation will not be rejected and there is no autocorrelation of the residuals. Therefore, this assumption is considered satisfied.

Assumption 6: Normality - The errors are normally distributed ($U_t \sim N(0, \sigma^2)$)

For this study, the Kolmogorov-Smirnova and Shapiro-Wilk results indicate a p-value greater than 0.05 meaning, the null hypothesis of both tests which states that the distribution of the studentized residuals follows a normal distribution is not rejected. Therefore, this assumption is considered satisfied for this study.

Table 15: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Studentized Residual	0.046	351	0.073	0.992	351	0.059
a. Lilliefors Significance Correction						

Source: Survey results and own computation, 2023

Assumption 7: No perfect multicollinearity among the independent variables.

VIF shows how the variance of an estimator is inflated by the presence of multicollinearity (Gujarati & Porter, 2009). The inverse of the VIF is called “Tolerance” (Gujarati & Porter, 2009). A value of VIF greater than 10 or a value of Tolerance greater than 0.1 means there is no multicollinearity.

The results for this study indicate that all the VIF values are less than 10, and all the Tolerance values are greater than 0.1, therefore we reject the null hypothesis that says there is multicollinearity between the independent variables and conclude that there is no multicollinearity between the independent variables.

Table 16: Collinearity Statistics of the Independent Variables

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Community-oriented CSR	0.479	2.087
	Employee-oriented CSR	0.404	2.476
	Natural Environment-oriented CSR	0.442	2.262
	Supplier-oriented CSR	0.438	2.283
	Customer-oriented CSR	0.412	2.426
	Shareholder-oriented CSR	0.442	2.260

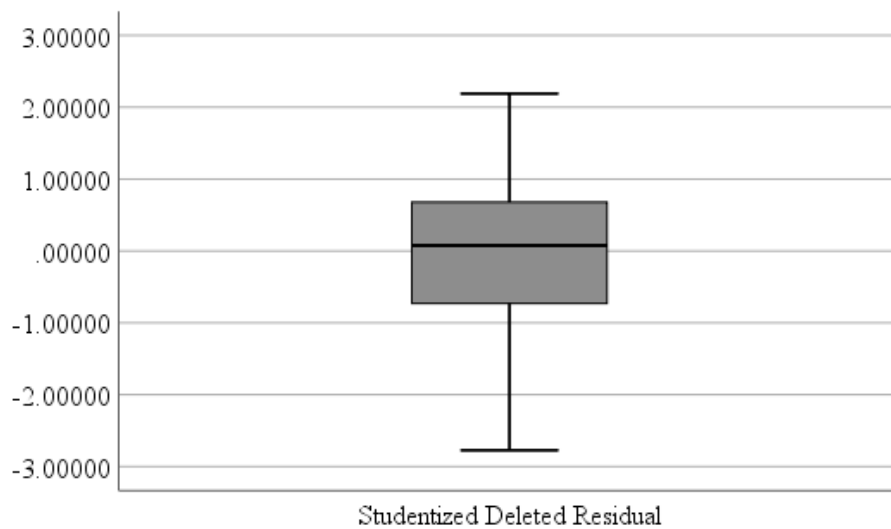
Assumption 8: The number of observations must be greater than the number of parameters to be estimated

The number of observations in this study is 351 which is greater than the 7 variables under consideration. Therefore, this assumption is considered satisfied.

Assumption 10: No significant Outliners

The boxplot for the studentized deleted residual below shows no asterisks on either end, this is an indication that no outliers are present. Therefore, this assumption is considered satisfied for this study.

Figure 10: Boxplot of Studentized Deleted Residual



Source: Survey results and own computation, 2023

4.2.2 Correlation Analysis

Correlation analysis is a statistical method that measures the degree of linear association between two variables (Bluman, 2008). It is used to determine if a relationship exists between them (Bluman, 2008). The strength of this relationship is measured by a single number called the correlation coefficient (Walpole et al., 2017). The Pearson product-moment correlation coefficient (PPMC) is one type of correlation coefficient that measures the strength and direction of a linear relationship between two variables (Bluman, 2008). The value of the correlation coefficient ranges from -1 to 1. A value close to 1 indicates a strong positive linear

relationship while a value close to -1 indicates a strong negative linear relationship. A value close to 0 indicates no or only a weak linear relationship (Bluman, 2008).

Table 17: Correlation between CSR and Employee Job Satisfaction

Correlations							
	Community-oriented CSR	Employee-oriented CSR	Natural Environment-oriented CSR	Supplier-oriented CSR	Customer-oriented CSR	Shareholder-oriented CSR	Employee Job Satisfaction
Community-oriented CSR	1						
Employee-oriented CSR	.641**	1					
Natural Environment-oriented CSR	.641**	.642**	1				
Supplier-oriented CSR	.591**	.639**	.647**	1			
Customer-oriented CSR	.492**	.601**	.465**	.583**	1		
Shareholder-oriented CSR	.449**	.573**	.489**	.551**	.715**	1	
Employee Job Satisfaction	.403**	.564**	.286**	.346**	.488**	.428**	1

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

Source: Survey results and own computation, 2023

The results indicate that all the variables are correlated with each other (sig. level $P < 0.01$) and there is a significant positive correlation between most dimensions of CSR and employee job satisfaction. Specifically, Employee-oriented CSR has the highest correlation coefficient (0.564), indicating a relatively stronger relationship with Employee Job Satisfaction followed by Customer-oriented CSR (0.488), and Shareholder-oriented CSR (0.428). On the contrary, the correlation coefficients between Community-oriented CSR, Natural Environment-oriented CSR, and Supplier-oriented CSR with Employee job satisfaction are relatively lower (0.403, 0.286, and 0.346 respectively), suggesting a weaker relationship.

4.2.3 Regression Analysis

Regression analysis is a statistical technique that examines the relationship between a dependent variable and one or more independent variables. The primary objective is to estimate the population mean of the dependent variable based on the known values of the independent variables (Gujarati & Porter, 2009). The regression analysis results for this study are given below.

4.2.3.1 Model Specification and Interpretation

The model specification to test the hypothesis is given as follows:

Table 18: Model Specification

Where	EJS	Employee Job Satisfaction
	ComCSR	Community-oriented CSR
	EmpCSR	Employee-oriented CSR
	NatCSR	Natural Environment-oriented CSR
	SuppCSR	Supplier-oriented CSR
	CustCSR	Customer-oriented CSR
	SharCSR	Shareholder-oriented CSR
	β	Coefficient of the slope of regression model
	α	Constant term
	ϵ_i	Error term

Table 19: Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.615 ^a	0.378	0.367	0.35421	1.916
a. Predictors: (Constant), Shareholder-oriented CSR, Community-oriented CSR, Supplier-oriented CSR, Natural Environment-oriented CSR, Customer-oriented CSR, Employee-oriented CSR					
b. Dependent Variable: Employee job satisfaction					

Source: Survey result and own computation, 2023

The above model summary showed that the Adjusted R Squared value of 0.367 which takes into account the number of independent variables is a more accurate measure of the Goodness of fit and indicates that 36.7% of the variance in Employee job satisfaction can be explained by the six independent variable CSR dimensions. However, 63.3% of the variance is explained by other factors not covered in this study.

Table 20: ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.259	6	4.376	34.881	.000 ^b
	Residual	43.161	344	0.125		
	Total	69.420	350			
a. Dependent Variable: Employee job satisfaction						
b. Predictors: (Constant), Shareholder-oriented CSR, Community-oriented CSR, Supplier-oriented CSR, Natural Environment-oriented CSR, Customer-oriented CSR, Employee-oriented CSR						

Source: Survey result and own computation, 2023

The above table shows the analysis of variance (ANOVA) result of the Model, which indicates the model's adequacy as a whole. The resulting F ratio, $F(6, 344) = 34.881$, $P = 0.000 < 0.05$ indicates that the p-value is less than the test significance level of 0.05, meaning the null hypothesis which states that all the independent variables are jointly insignificant (i.e. the coefficients of the independent variable are zero) is rejected and it can be concluded that the regression model used is adequate.

Table 21: Model Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	β	Std. Error	Beta			
1	(Constant)	1.792	0.124		14.493	0.000
	Community-oriented CSR	0.071	0.037	0.118	1.926	0.055
	Employee-oriented CSR	0.289	0.040	0.485	7.245	0.000
	Natural Environment-oriented CSR	-0.106	0.037	-0.186	-2.906	0.004
	Supplier-oriented CSR	-0.050	0.038	-0.084	-1.302	0.194
	Customer-oriented CSR	0.132	0.040	0.217	3.274	0.001
	Shareholder-oriented CSR	0.044	0.036	0.079	1.239	0.216
Dependent Variable: Employee job satisfaction						

Source: Survey results and own computation, 2023

The above table provides the regression analysis results for the model, the constant term value 1.792 suggests that if all other variables held a value of zero, on average, the value of Employee job satisfaction would be 1.792. The p-value for Community-oriented CSR is greater than the test significance levels of 5% indicating an insignificant relationship with Employee job satisfaction. The unstandardized coefficient Beta of Employee-oriented CSR (0.289) indicates

that holding all other variables constant, a unity increase in Employee-oriented CSR means on average, a 0.289 unit increase in Employee job satisfaction, and the relationship is statistically significant at 1%. The unstandardized coefficient Beta of Natural Environment-oriented CSR (-0.106) indicates that holding all other variables constant, a unity increases in Natural Environment-oriented means on average, a 0.106 unit decrease in Employee job satisfaction, and the relationship is statistically significant at 5%. The p-value for Supplier-oriented CSR is greater than the test significance levels of 5% indicating an insignificant relationship with Employee job satisfaction. The unstandardized coefficient Beta of Customer-oriented CSR (0.132) indicates that holding all other variables constant, a unity increases in Customer-oriented CSR means on average, a 0.132 unit increase in Employee job satisfaction, and the relationship is statistically significant at 1%. The p-value of Shareholder-oriented CSR is greater than the test significance level of 10% indicating an insignificant relationship with employee job satisfaction.

In summary, among the statistically significant CSR dimensions, Employee-oriented CSR has the highest standardized coefficient (0.485), indicating the strongest positive effect on employee job satisfaction followed by Customer-oriented CSR (0.217) while Natural Environment-oriented CSR with a standardized coefficient of -0.186 has a negative relationship with employee job satisfaction.

Therefore, based on the regression model coefficients shown in Table 21, the Model Equation can be specified as:

$$EJS = 1.792 + 0.071ComCSR + 0.289EmpCSR - 0.106 NatCSR - 0.05SuppCSR + 0.132CustCSR + 0.044 SharCSR + \varepsilon$$

4.3 DISCUSSION, HYPOTHESIS TESTING, AND ANSWERS TO RESEARCH QUESTIONS

Community-oriented CSR initiatives, such as involvement in humanitarian projects, financial assistance to the poor, and support for NGOs and associations, were positively regarded by employees. The correlation analysis demonstrated a positive but relatively weaker correlation between community-oriented CSR and employee job satisfaction (Correlation: $r=0.403$). The regression analysis showed the insignificant impact of community-oriented CSR on employee job satisfaction (Regression: $\beta=0.071$, $p>0.05$). One way of explaining this result is by taking

previous local research done by Teklemariam (2020) and Bimir (2017) in Ethiopia commercial banks suggesting that the community-oriented CSR activities in practice were focused on reactive donation responses to crises and natural disasters and not proactive engagements. This was also attested in the interview data gathered from the three banks in this study showing the banks were reactively engaging in donation with the majority of the recipient being the government for its developmental projects.

Employee-oriented CSR measures, including promoting well-being, diversity, equal opportunities, and work-life balance initiatives, received positive feedback from employees. The correlation analysis showed a relatively stronger positive correlation between employee-oriented CSR and employee job satisfaction (Correlation: $r=0.564$). The regression analysis further reiterated this by indicating that this dimension of CSR had the strongest positive effect on employee job satisfaction relative to any other CSR dimension (Regression: $\beta=0.289$, $p<0.05$). This is in line with previous research done by Fatima & Elbanna (2023) and Hailu (2018) indicating that employee-oriented CSR activities such as those done by the studied banks have a direct positive impact on employees' job satisfaction. The employee-oriented CSR activities provided by the banks are also in line with previous research by Teklemariam (2020) and Eyasu & Arefayne (2020) indicating that commercial banks in Ethiopia give high attention to employee-related CSR activities.

Natural environment-oriented CSR actions, such as pollution reduction and resource conservation, were recognized by employees. However, the correlation analysis revealed a relatively lower positive correlation coefficient between natural environment-oriented CSR and employee job satisfaction (Correlation: $r=-0.286$). The regression analysis indicated a negative but significant relationship (Regression: $\beta=-0.106$, $p<0.05$). One explanation for the negative relationship between natural environment-oriented CSR and employee job satisfaction in the banking industry is indicated by (Yankovskaya et al., 2022), this type of CSR was associated with the progress of society and that it depends on both the tendency of customers to give preferences to companies that practice it and on the internal motivation of businesses to apply it. Neither of these is evident in Ethiopia. Another one is the limited directly observable impact the industry has on the natural environment as compared to other industries like the manufacturing sector. As a result, employees may perceive that their individual or collective efforts within the banking sector to reduce environmental impact have limited influence. Moreover, since this CSR falls under the ethical responsibility of CSR and according

to Visser's (2005) African CSR Pyramid (discussed in section I of 2.1.1.1 of this study) ethical responsibilities are the least prioritized in Africa due to low enforcement mechanisms and corruption and thus employees in the banking industry may prioritize other dimensions of CSR, such as employee-oriented initiatives or customer-oriented practices as being relevant. The natural environment-oriented CSR practices of the studied private commercial banks were also limited to annual tree-planting activities with only one of the studied banks engaging in sustainable power generation and material sourcing. This is in line with other research done on government-owned and private commercial banks operating in Ethiopia by Eyasu & Arefayne (2020), Teklemariam (2020), Bimir (2017), and (Tadesse, 2015) which suggested that engagement in natural environment-oriented was very low.

The perception of supplier-oriented CSR indicated that the banks contracted suppliers who respected labor laws. However, the correlation analysis revealed a relatively lower positive correlation coefficient between supplier-oriented CSR and employee job satisfaction (Correlation: $r=0.346$). The regression analysis further indicated an insignificant relationship with Employee job satisfaction (Regression: $\beta=-0.05$, $p>0.05$). One explanation for the insignificant relationship between supplier-oriented CSR and employee job satisfaction is that employees may not directly perceive the impacts of supplier-oriented CSR practices on their job satisfaction. While they do positively perceive that the banks contract suppliers who respect labor laws, it may not be directly linked to employees' day-to-day work experience and their overall job satisfaction. Rather giving primary focus on dimensions of CSR that affect their well-being such as employee-oriented and customer-oriented CSR practices (Visser, 2005, 2009). This is also reflected in the studied bank's practice on supplier-oriented CSR, as they do not go beyond ensuring suppliers adhere to the necessary procurement legal requirements.

Customer-oriented CSR practices, such as quality checks, helpfulness, commitment, customer-oriented innovations, and accessibility, were positively perceived by employees. The correlation analysis demonstrated a significant positive correlation between customer-oriented CSR and employee job satisfaction (Correlation: $r=0.488$). The regression analysis further indicated that customer-oriented CSR had the second-highest positive significant effect on employee job satisfaction after employee-oriented CSR (Regression: $\beta=0.132$, $p<0.05$). One explanation for this is that customers are the lifeline of a business with studies conducted by the likes of Teklemariam (2020), Kesto & Ravi (2017), and Mouly Potluri & Temesgen (2008) indicating that the Ethiopian corporate sector considers their customers to be the most

important and target a majority of their CSR activities towards them. As a result, when employees witness the organization's commitment to serving customers and meeting their needs through Customer-oriented CSR practices, they feel a sense of pride and purpose in their work. This, in turn, contributes to a higher level of employee job satisfaction.

Shareholder-oriented CSR, including respect for shareholders' financial interests, transparent communication, profitable investments, and shareholder influence over strategic decisions, was viewed favorably by employees. The correlation analysis showed a moderately positive correlation between shareholder-oriented CSR and employee job satisfaction (Correlation: $r=0.428$). However, the regression analysis results indicated that the relationship between the two was insignificant (Regression: $\beta=0.044$, $p>0.05$). This indicates that employees generally perceive activities about shareholder-oriented CSR positively however shareholder-oriented CSR alone is not enough to yield a significant effect on employee job satisfaction and shows that other dimensions such as employee-oriented CSR and customer-oriented CSR interact to shape employee job satisfaction.

Table 22: Summary of Hypotheses testing and results

S.N	Hypotheses	Result	Reason
1	H1: Community-oriented CSR has a positive and significant effect on Employee job satisfaction	H1: Rejected	$B>0$ and Sig = 0.055, $P>0.05$
2	H2: Employee-oriented CSR has a positive and significant effect on Employee job satisfaction	H2: Not Rejected	$B>0$ and Sig = 0.000, $P<0.05$
3	H3: Natural Environment-oriented CSR has a positive and significant effect on Employee job satisfaction	H3: Rejected	$B<0$
4	H4: Supplier-oriented CSR has a positive and significant effect on Employee job satisfaction	H4: Rejected	Sig = 0.194, $P>0.05$
5	H5: Customer-oriented CSR has a positive and significant effect on Employee job satisfaction	H5: Not Rejected	Sig = 0.001, $P<0.05$
6	H6: Shareholder-oriented CSR has a positive and significant effect on Employee job satisfaction	H6: Rejected	Sig = 0.216, $P>0.05$

Source: SPSS output and own compilation

In light of the analyzed data, the research questions are therefore answered as:

1. Is there a significant relationship between CSR and employee job satisfaction in the studied private commercial banks?

The findings indicate that there is a significant relationship between CSR and employee job satisfaction in the studied private commercial banks. Employee-oriented CSR and Customer-oriented CSR positively and significantly affect employee job satisfaction. However, natural environment-oriented CSR negatively and significantly affects employee job satisfaction. On the other hand, community-oriented CSR, Supplier-oriented CSR, and Shareholder-oriented CSR have a statically insignificant influence on employee job satisfaction.

2. Which stakeholder-oriented CSR is dominant in the studied private commercial banks?

The descriptive analysis and the content analysis of the interviews showed that customer-oriented CSR is the dominant stakeholder-oriented CSR practiced in the studied private commercial banks with a mean score of (4.2148, SD=0.72884) followed by Shareholder-oriented CSR (4.0876, SD=0.80066), Employee-oriented CSR (3.8974, SD=0.7472), Community-oriented CSR (3.7131, SD=0.74478), Supplier-oriented CSR (3.6456, SD=0.74602) and the least dominant was Natural-oriented CSR (3.4917, 0.7783). This finding was reflected in the content analysis of the interview data where the banks made significant investments in areas concerning customers with its intensity decreasing for the others.

3. What are the CSR initiatives being undertaken in the studied private commercial banks?

The CSR initiatives being undertaken by the banks are:

a. Community-oriented CSR: The banks donate funds to government development programs, support educational and health programs, sponsor cultural and art events, provide assistance to populations affected by natural disasters and conflicts, and offer financial support to humanitarian causes and charities.

b. Employee-oriented CSR: The banks prioritize employee well-being, equal opportunity, and job satisfaction. They offer benefits such as free medical healthcare and competitive salaries. They conduct annual employee job satisfaction surveys to gather feedback and improve working conditions. The banks invest in training programs, employee recognition initiatives,

and knowledge transfer events to support professional development and growth opportunities for their employees.

c. Natural Environmental-oriented CSR: The banks conduct annual tree-planting activities with one going as far as opening 50 “Eco-branches” in rural areas fully powered by solar power.

d. Supplier-oriented CSR: The banks ensure that their suppliers adhere to legal requirements.

e. Customer-oriented CSR: The banks engage in customer-oriented CSR practices to ensure customer satisfaction. They invest in various types of digital technologies to enhance their services and convenience for customers. They also conduct panel discussions and programs to gather customer feedback and improve their offerings based on customer preferences and needs.

f. Shareholder-oriented CSR: The banks engage in shareholder-oriented CSR by holding regular and emergency shareholders meetings. These meetings aim to keep shareholders well-informed about the banks' operations, financial performance, and plans. Additionally, the banks strive to achieve a competitive EPS (earnings per share) to enhance shareholder value.

4. What are the challenges faced by the studied private commercial banks in implementing CSR initiatives?

The main challenges faced while implementing CSR initiatives by the studied banks include managing financial resources for CSR, handling irregular government donation requests to whom the majority of their social responsibility expenses goes to, and responding to unexpected natural disasters.

CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS

This chapter includes a summary of the study findings, the conclusions drawn, and the recommendations made.

5.1 SUMMARY OF FINDINGS

The banks were generally viewed positively in several dimensions. In community-oriented CSR, their involvement in humanitarian projects, financial assistance to the poor, and support for NGOs and associations were well-regarded. However, there was room for improvement in addressing health-related initiatives and improving the well-being of the local population. Employee-oriented CSR received positive feedback, particularly in terms of promoting well-being, diversity, and equal opportunities, but there was a need to enhance work-life balance initiatives. Natural environment-oriented CSR actions, such as pollution reduction and resource conservation, were recognized, but opportunities existed to improve environmental impact measurement and invest in clean technologies. Supplier-oriented CSR perceptions indicated that the banks contracted suppliers who respected labor laws, but there was room for improvement in dealing with suppliers who did not comply. Customer-oriented CSR was positively perceived, including aspects such as quality checks, helpfulness, commitment, customer-oriented innovations, and accessibility. Lastly, shareholder-oriented CSR was viewed favorably, including respect for shareholders' financial interests, transparent communication, profitable investments, and shareholder influence over strategic decisions.

The correlation analysis revealed a significant positive correlation between most CSR dimensions and employee job satisfaction. Employee-oriented CSR showed the highest correlation coefficient, indicating a strong relationship with employee job satisfaction. Shareholder-oriented CSR and Customer-oriented CSR also demonstrated significant positive correlations, though slightly weaker. Community-oriented CSR, Natural Environment-oriented CSR, and Supplier-oriented CSR exhibited relatively lower correlation coefficients, suggesting a weaker relationship. Regression analysis further confirmed the varying effects of CSR dimensions on employee job satisfaction. Employee-oriented CSR had the strongest positive effect, followed by Customer-oriented CSR. However, Natural Environment-oriented CSR showed a negative relationship with employee job satisfaction while Community-oriented CS,

Supplier-oriented and Shareholder-oriented CSR showed an insignificant relationship with employee job satisfaction.

The three banks involved in the study demonstrated their commitment to CSR across various dimensions. Even though the banks do not have a dedicated CSR department they integrated CSR into their operations. Their CSR initiatives encompass multiple dimensions of CSR including community, employees, the natural environment, customers, suppliers, and shareholders in varying levels. In terms of community-oriented CSR, the banks' initiatives include donating funds to government development programs, supporting educational and health programs, sponsoring cultural and art events, extending aid to populations affected by natural disasters and conflicts, and financial support for humanitarian causes and charities. Employee-oriented CSR measures are also an important aspect of the bank's operations. The banks prioritize employee well-being, equal opportunity, and job satisfaction through benefits such as free medical healthcare, offering competitive salaries, conducting annual employee job satisfaction surveys, investing in training programs, employee recognition initiatives, and knowledge transfer events to support professional development. They also emphasize environmental responsibility through annual tree-planting activities. Supplier selection is based on adherence to fulfillment of legal requirements. The banks engage in customer-oriented CSR practices to keep their customers satisfied by investing in various types of digital technologies, they also conduct panel discussions and programs to improve their services based on customer feedback. Furthermore, the banks engage in shareholder-oriented CSR by holding regular and emergency shareholders meetings to ensure shareholders are well-informed about the banks' operations, financial performance, and plans in addition to earning a very competitive EPS (earnings per share).

Challenges faced by these banks in implementing CSR initiatives include managing financial resources, handling irregular government donation requests to whom the majority of their social responsibility expenses goes to, and responding to unexpected natural disasters. Overall, the banks believe that CSR positively impacts employee job satisfaction and enhances their image within the community and their customer base.

5.2 CONCLUSION

This thesis aimed to investigate the relationship between corporate social responsibility (CSR) and employee job satisfaction in three private commercial banks. The study also explored the dominant stakeholder-oriented CSR dimension, identified the CSR initiatives undertaken by the banks, and examined the challenges they faced in implementing CSR initiatives.

The findings of the study revealed several important insights. Firstly, Employee-oriented CSR, showed the strongest positive effect on job satisfaction, followed by customer-oriented CSR. Natural environment-oriented CSR exhibited a negative relationship while Community-oriented CSR, Supplier-oriented CSR, and Shareholder-oriented CSR had insignificant effects on employee job satisfaction. These findings emphasize the importance of considering different dimensions of CSR in promoting employee job satisfaction.

Secondly, the studied banks demonstrated their commitment to CSR across multiple CSR dimensions. They integrated CSR into their operations, despite the absence of a dedicated CSR department. The banks engaged in community-oriented CSR by supporting humanitarian projects, providing financial assistance to the poor, and collaborating with NGOs and associations. Employee-oriented CSR measures prioritized employee well-being, equal opportunities, and job satisfaction. The banks also emphasized their environmental responsibility through annual tree-planting activities. Customer-oriented CSR practices focused on improving service quality, innovation, and accessibility. Furthermore, shareholder-oriented CSR efforts aimed to respect shareholders' financial interests, ensure transparent communication, and provide opportunities for shareholder influence.

However, despite these positive findings, the study identified several challenges faced by the banks in implementing CSR initiatives. These challenges included managing financial resources for CSR, handling irregular government donation requests to whom a majority of their social responsibility expense goes, and responding to unexpected natural disasters and conflicts.

In conclusion, this study highlights the importance of CSR in private commercial banks and its positive impact on employee job satisfaction. The findings emphasize the need for banks to prioritize employee-oriented CSR initiatives to promote the well-being and job satisfaction of their workforce. The integration of CSR into various dimensions, such as community,

environment, customers, suppliers, and shareholders, is crucial for banks to enhance their reputation, build strong relationships with stakeholders, and contribute to sustainable development. Additionally, the finding on Supplier-oriented CSR and Shareholder-oriented CSR further pointed out the need for understanding CSR research results in the African context.

5.3 RECOMMENDATIONS

5.3.1 Recommendations to Policymakers

Policymakers in Ethiopia should establish a comprehensive legal CSR framework. This framework should include the following key elements: (1) Mandate the publication of detailed CSR reports in companies' annual reports, (2) Require companies to allocate a certain percentage of their net profits towards CSR initiatives, taking inspiration from countries like India and Nigeria, (3) Encourage the formation of dedicated CSR committees within companies to oversee CSR activities and ensure compliance, (4) Define a list of eligible CSR activities that align with national development priorities, (5) Implement monitoring and enforcement mechanisms to ensure compliance with CSR regulations and promote transparency and accountability.

5.3.2 Recommendations to the Studied Banks

- *Establish a Dedicated CSR Department:* Even though the studied banks' practices in varying degrees the different CSR dimensions, establishing a dedicated CSR department can centralize the planning, implementation, and monitoring of CSR activities and ensures a more systematic approach. It can also facilitate the allocation of financial resources and collaboration with external CSR stakeholders such as NGOs.
- *Establish Crisis Response Mechanisms:* to effectively respond to natural disasters and conflicts the banks should develop a clear crisis response mechanism where they can swiftly collaborate with relevant government agencies and NGOs to strengthen their ability to provide timely support and assistance during crises.
- *Strengthen Financial Resource Management:* the challenges faced by the banks in managing financial resources for CSR initiatives highlights the need for effective resource allocation and management.
- *Improve Natural Environment-oriented CSR practices:* the relatively weaker correlation between natural environment-oriented CSR and employee job satisfaction

as well as the negative relationship between the two variables does not mean that the banks should not improve their Natural Environment-orientated CSR practices. This result was just on one variable (i.e. employee job satisfaction) and the results could vary when considering its effect on other stakeholders including customers, suppliers, shareholders, etc. Therefore, the banks should engage in such activities and demonstrate sustainable business practices.

- *Improve Community-oriented CSR, Natural Environment-oriented CSR, and Supplier-oriented CSR practices:* the insignificant relationship between community-oriented CSR and supplier-oriented CSR activities and employee job satisfaction as well as the negative effect of Natural Environment-oriented CSR on employee job satisfaction does not mean that the banks stop implementing these CSR dimension as this result was just considering their effect on one variable (i.e. employee job satisfaction). The results could vary when considering their effect on other stakeholders including customers, shareholders, suppliers, etc.

5.3.3 Recommendations for Future Studies

Drawing upon the research conducted, future studies should:

- Consider conducting comparative studies across industries to identify factors specific to each industry that influence the impact of CSR on employee job satisfaction.
- Investigate potential mediating and moderating factors such as organizational culture, leadership styles, and job characteristics that may influence the relationship between CSR and employee job satisfaction.
- Investigation beyond employee job satisfaction and explore the link between CSR dimensions and other employee outcomes, such as well-being and performance This broader examination will provide a more comprehensive understanding of the benefits associated with CSR implementation and its impact on employees and organizational performance.

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APPENDIX A: QUESTIONNAIRE FOR THE STUDY

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

Dear Sir/Madam,

I am a postgraduate student at Addis Ababa University pursuing a Master of Business Administration Degree (MBA). I am researching "**The Effects of Corporate Social Responsibility (CSR) on Employee job satisfaction: The Case of Selected Private Commercial Banks in Ethiopia**".

The purpose of this study is to explore how CSR practices influence the satisfaction of employees in the workplace. The theoretical framework for this study is based on the Stakeholder Theory of CSR, which suggests that businesses should consider the interests of all stakeholders in their operations.

Your participation in this study is voluntary and all responses will be kept confidential. The questionnaire will take approximately 2-3 minutes to complete.

If you have any questions, concerns, or additional information about the study, please feel free to contact me using the information provided below.

Thank you for your time and participation.

Sincerely,

Nathan Wondayehu

Mobile: +251-922-36-27-34

Email: nwondayehu@gmail.com

Instructions: -

- There's no need to include your name.
- Put the (√) mark in the box provided for your answer.

PART I: DEMOGRAPHIC INFORMATION:

1. Select the bank you work at /Optional/:

Bank of Abyssinia S.C Cooperative Bank of Oromia S.C Berhan International Bank S.C

2. Gender: Male Female

3. Age: 25 & below 26-30 31-35 36-40 41-45 Above 45

4. Marital Status: Single Married Divorced Widowed

5. Education level:

High school Education & below

College Diploma

Bachelor's Degree

Master's Degree & above

6. Job Position: Managerial Clerical Non-clerical

7. Banking Experience: 1-5 6-10 11-15 16-20 Above 20

PART II: MULTIDIMENSIONAL CORPORATE STAKEHOLDER RESPONSIBILITY SCALE

For each of the following statements below, please indicate with a (√) mark the extent to which you agree or disagree. This scale was adopted from El Akremi et al. (2018)

No	MULTIDIMENSIONAL CORPORATE STAKEHOLDER RESPONSIBILITY SCALE	Wording direction	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
	Community-oriented CSR						
1.	The bank invests in humanitarian projects in poor areas/territories/countries.	+					
2.	The bank provides financial support for humanitarian causes and charities.	+					

3.	The bank contributes to improving the well-being of populations in the areas where it operates by providing help for schools, sporting events, etc.	+					
4.	The bank invests in the health of populations of developing countries (e.g., vaccination, fight against AIDS).	+					
5.	The bank helps NGOs and similar associations such as UNICEF, the Red Cross, and emergency medical services for the poor.	+					
6.	The bank gives financial assistance to the poor and deprived in the areas where it operates.	+					
7.	The bank assists populations and local residents in case of natural disasters and/or accidents.	+					
Employee-oriented CSR							
1.	The bank implements policies that improve the well-being of its employees at work.	+					
2.	The bank promotes the safety and health of its employees.	+					
3.	The bank avoids all forms of discrimination (age, sex, handicap, ethnic or religious origin) in its recruitment and promotion policies.	+					
4.	The bank supports equal opportunities at work (e.g., gender equality policies).	+					
5.	The bank supports its employees' work and life balance (e.g., flextime, part-time work, flexible working arrangements).	+					
6.	The bank encourages employees' diversity in the workplace.	+					
7.	The bank helps its employees in case of hardship (e.g., medical care, social assistance).	+					
Natural Environment-oriented CSR							
1.	The bank takes action to reduce pollution related to its activities (e.g., choice of materials, eco-design, and dematerialization).	+					
2.	The bank contributes toward saving resources and energy (e.g., recycling, waste management).	+					

3.	The bank makes investments to improve the ecological quality of its products and services.	+					
4.	The bank respects and promotes the protection of biodiversity (i.e., the variety and diversity of species).	+					
5.	The bank invests in clean technologies and renewable energies.	+					
6.	The bank measures the impact of its activities on the natural environment (e.g., carbon audit, reduction of greenhouse gas emissions, global warming).	+					
7.	The bank encourages its members to adopt eco-friendly behavior (sort trash, save water and electricity) to protect the natural environment.	+					
Supplier-oriented CSR							
1	The bank endeavors to ensure that all its suppliers (and subcontractors), wherever they may be, respect and apply current labor laws.	+					
2.	The bank makes sure that its suppliers (and subcontractors) respect justice rules in their own workplaces.	+					
3.	The bank cares that labor laws are applied by all its suppliers (and subcontractors) wherever they may be.	+					
4.	The bank would not continue to deal with a supplier (or subcontractor) who failed to respect labor laws.	+					
5.	The bank helps its suppliers (and subcontractors) to improve the working conditions of their own workers (e.g., safe working environment, etc.).	+					
Customer-oriented CSR							
1.	The bank checks the quality of goods and/or services provided to customers.	+					
2.	The bank is helpful to customers and advises them about its products and/or services.	+					
3.	The bank respects its commitments to customers.	+					
4.	The bank invests in innovations which are to the advantage of customers.	+					

5.	The bank ensures that its products and/or services are accessible for all its customers.	+					
Shareholder-oriented CSR							
1.	The bank respects the financial interests of all its shareholders.	+					
2.	The bank ensures that communication with shareholders is transparent and accurate.	+					
3.	The bank takes action to ensure that shareholders' investments are profitable and perennial in the long-term.	+					
4.	The bank makes sure that shareholders exert effective influence over strategic decisions.	+					

Part III: EMPLOYEE JOB SATISFACTION SURVEY

For each of the following statements below, please indicate with a (√) mark the extent to which you agree or disagree. This scale was adopted from Spector's (1985) Job Satisfaction Survey.

No	ITEM	Wording direction	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Pay							
1	I feel I am being paid a fair amount for the work I do.	+					
2	Raises are too few and far between.	-					
3	I feel unappreciated by the organization when I think about what they pay me.	-					
4	I feel satisfied with my chances for salary increases.	+					
Promotion							
1	There is really too little chance for promotion on my job.	-					
2	Those who do well on the job stand a fair chance of being promoted.	+					
3	People get ahead as fast here as they do in other places.	+					
4	I am satisfied with my chances for promotion.	+					
Supervision							

1	My supervisor is quite competent in doing his/her job.	+					
2	My supervisor is unfair to me.	-					
3	My supervisor shows too little interest in the feelings of subordinates.	-					
4	I like my supervisor.	+					
Fringe Benefits							
1	I am not satisfied with the benefits I receive.	-					
2	The benefits we receive are as good as most other organizations offer.	+					
3	The benefit package we have is equitable.	+					
4	There are benefits we do not have which we should have.	-					
Contingent rewards							
1	When I do a good job, I receive the recognition for it that I should receive.	+					
2	I do not feel that the work I do is appreciated.	-					
3	There are few rewards for those who work here.	-					
4	I don't feel my efforts are rewarded the way they should be.	-					
Operating conditions							
1	Many of our rules and procedures make doing a good job difficult.	-					
2	My efforts to do a good job are seldom blocked by red tape.	+					
3	I have too much to do at work.	-					
4	I have too much paperwork.	-					
Coworkers							
1	I like the people I work with.	+					
2	I find I have to work harder at my job because of the incompetence of people I work with.	-					
3	I enjoy my coworkers.	+					
4	There is too much bickering and fighting at work.	-					
Nature of work							
1	I sometimes feel my job is meaningless.	-					
2	I like doing the things I do at work.	+					
3	I feel a sense of pride in doing my job.	+					
4	My job is enjoyable.	+					

Communication							
1	Communications seem good within this organization.	+					
2	The goals of this organization are not clear to me.	-					
3	I often feel that I do not know what is going on with the organization.	-					
4	Work assignments are not fully explained.	-					

N.B The negatively worded items should be reverse scored during analysis

APPENDIX B: INTERVIEW GUIDE QUESTIONS [English]

1. Does the bank have a designated Corporate Social Responsibility (CSR) department, manager, or officer? How does the bank prioritize and define its CSR activities? Is there a procedure or manual for it?
2. What specific CSR initiatives is the bank currently undertaking?
3. What level of investment has the bank made in its CSR activities, and what has been the total annual expenditure for the past three years?
4. How does the bank monitor and evaluate its CSR practices?
5. What challenges does the bank face in implementing CSR activities? How have these challenges been addressed?
6. Is the bank involved in any of the following Community-oriented CSR activities (providing financial support for humanitarian causes and charities, providing help for schools, sporting events, etc. in the areas where it operates, investing in the health of populations, Assisting populations and local residents in case of natural disasters and/or accidents)? If so, can you provide an example?
7. Is the bank involved in any of the following Natural environment-oriented CSR activities (taking action to reduce pollution related to the company's activities, Contributing toward saving resources and energy, Respecting and promoting the protection of biodiversity, Measuring the impact of activities on the natural environment, Encouraging members to adopt eco-friendly behavior to protect the natural environment)? If so, can you provide an example?
8. Is the bank involved in any of the following Supplier-oriented CSR activities (helping suppliers and subcontractors to improve the working conditions of their own workers and ensuring that all suppliers and subcontractors respect and apply current labor laws, respect justice rules in their own workplaces)? If so, can you provide an example?
9. Is the bank involved in any of the following Customer-oriented CSR (Checking the quality of services provided to customers, being helpful to customers and advising them about products and/or services, Commitments to customers, investing innovations which are to the advantage of customers, ensuring that products and/or services are accessible for all customers)? If so, can you provide an example?
10. Is the bank involved in any of the following Shareholder-oriented CSR activities (Respecting the financial interests of all shareholders, ensuring that communication

with shareholders is transparent and accurate, taking action to ensure that shareholders' investments are profitable and perennial in the long-term, making sure that shareholders exert effective influence over strategic decisions.)? If so, can you provide an example?

11. Is the bank involved in any of the following Employee-oriented CSR activities (Implementing and promoting policies that improve the well-being, safety, and health of employees, Avoiding all forms of discrimination in its recruitment and promotion policies, Supporting equal opportunities at work, Supporting employees' work and life balance, Encouraging employees' diversity in the workplace, Helping employees in case of hardship)? If so, can you provide an example?
12. How does the bank measure and track employee job satisfaction levels? How important is employee job satisfaction to the bank's overall performance?
13. What measures has the bank taken to improve employee job satisfaction?
14. In your opinion, how does CSR impact employee job satisfaction in the bank?

APPENDIX C: INTERVIEW GUIDE QUESTIONS [Amharic]

1. ባንኩ ውስጥ የማህበራዊ ሃላፊነትን የሚመለከት የሥራ ክፍል፣ ሥራ አስኪያጅ ወይንም መኮነን አለ? ባንኩ የማህበራዊ ሃላፊነት እንቅስቃሴዎቹን እንዴት አድርጎ ነው ቅደም ተከተል የሚሰጠው? እንዴትስ ነው የሚረዳው? ለዚህ ተብሎ የተዘጋጀ መመሪያስ አለ?
2. በባንኩ ውስጥ የማህበራዊ ሃላፊነትን በመወጣት አኳያ በአሁን ሰዓት ምን አይነት እንቅስቃሴዎች እየተካሄዱ ነው?
3. የማህበራዊ ሃላፊነትን ለመወጣት ባንኩ በአመት ምን ያክል ያወጣል? ላለፉት ሶስት አመታት ምን ያክል አውጥቷል?
4. የማህበራዊ ሃላፊነትን እንቅስቃሴዎቹን እንዴት ነው የሚገመግመው እና የሚቆጣጠረው?
5. የኮርፖሬት ማህበራዊ ሃላፊነት በመወጣት እንቅስቃሴው ውስጥ የገጠሙ/የሚያጋጥሙ ተግዳሮቶች? እነዚህን ተግዳሮቶችን ለመወጣት የተሄደበት የመፍትሄ መንገድ?
6. በሚከተሉት ማህበረሰብ ተኮር የማህበራዊ ሃላፊነቶች ውስጥ ባንኩ ይሳተፋል (ለእርዳታ ድርጅቶች የገንዘብ ድጋፍ፣ ባንኩ በሚገኝባቸው አካባቢዎች ለት/ቤቶች፣ ለስፖርታዊ እንቅስቃሴዎች ድጋፍ ማድረግ፣ የማህበረሰቡ ጤና ላይ ኢንቨስት ማድረግ፣ በተፈጥሮዎቹ አድጋ ጊዜ ማህበረሰቡን መርዳት)? ከተሳተፈ የተሳተፈባቸውን ምሳሌዎች ቢገልጹ?
7. በሚከተሉት ተፈጥሮ እና ከባቢያዊ ተኮር የማህበራዊ ሃላፊነቶች ውስጥ ባንኩ ይሳተፋል (በባንኩ የሥራ እንቅስቃሴ ውስጥ ብክለቶችን በመቀነስ፣ ሃይልን እና እቃዎችን በቁጠባ ለመጠቀም በመሞከር፣ የከባቢ ጥበቃ ላይ ተሳትፎ በማድረግ፣ ከባቢ ላይ ያለውን ተጽኖ በመለካት፣ ተገልጋዮች ከባቢ ተስማሚ የሆነ አመለካከት እንዲኖራቸው በማበረታታት) ከተሳተፈ የተሳተፈባቸውን ምሳሌዎች ቢገልጹ?
8. በሚከተሉት እቃ ወይም አገልግሎት አቅራቢ ተኮር የማህበራዊ ሃላፊነቶች ውስጥ ባንኩ ይሳተፋል (ሁሉም እቃ ወይም አገልግሎት አቅራቢዎች የሰራተኛ አዋጅ ህጋዊነትን እንደሚከተሉ በማረጋገጥ እና የህግ የበላይነትን እንደሚያከብሩ በማረጋገጥ፣ እቃ ወይም አገልግሎት አቅራቢዎች የሥራ ስፍራቸውን እንዲያሻሽሉ በማገዝ)? ከተሳተፈ የተሳተፈባቸውን ምሳሌዎች ቢገልጹ?
9. በሚከተሉት ደንበኛ ተኮር የማህበራዊ ሃላፊነቶች ውስጥ ባንኩ ይሳተፋል (ለደንበኞች የሚሰጡ አገልግሎቶች ጥራትን በማረጋገጥ፣ ስለ ባንኩ አገልግሎቶች ለደንበኞች እርዳታ እና ምክር መስጠት፣ ለደንበኞች ክብር መስጠት፣ ለደንበኞች ጥቅም ያላቸው ነገሮች ላይ ኢንቨስት ማድረግ፣ ሁሉም አገልግሎቶች ለደንበኞች ክፍት እንዲሆኑ ማድረግ)? ከተሳተፈ የተሳተፈባቸውን ምሳሌዎች ቢገልጹ?
10. በሚከተሉት ባለአክሲዮን ተኮር የኮርፖሬት ማህበራዊ ሃላፊነቶች ውስጥ ባንኩ ይሳተፋል (የባለአክሲዮኑን የፋይናንስ ፍላጎት በመጠበቅ፣ ለባለአክሲዮኑ የሚደርስ መረጃ ወቅታዊ፣ ነጻ እና ግልጽ መሆኑን ማረጋገጥ፣ የባለአክሲዮኑን ኢንቨስትመንት ትርፋማ እንዲሆን ማድረግ፣ በባንኩ ስትራቴጂያዊ ውሳኔዎች ላይ ባለአክሲዮኑን ተገቢ የሆነ ተጽኖ እንዲያደርግ ማረጋገጥ) ከተሳተፈ የተሳተፈባቸውን ምሳሌዎች ቢገልጹ?
11. በሚከተሉት ሠራተኛ ተኮር የማህበራዊ ሃላፊነቶች ውስጥ ባንኩ ይሳተፋል (የሠራተኛውን ደህንነት እና ጤናማነት የሚደግፉ ፖሊሲዎችን በመተግበር፣ በቅጥር እና እድገት አደጣጥ ላይ ማንኛውንም አይነት መድሎ በማስቀረት፣

በሥራ ቦታ የጾታ እኩልነትን በማስፈን፣ሠራተኞችን በሥራ እና የግል ሂወት ምጣኔ ላይ በማገዝ፣የሠራተኛ ብዝሃነትን በመደገፍ፣በችግር ጊዜ ሠራተኛውን መደገፍ)? ከተሳተፈ የተሳተፈባቸውን ምሳሌዎች ቢገልጹ?

12. ባንኩ የሠራተኞችን እርካታን እንዴት ይለካል?የሠራተኞች እርካታን ለባንኩ አጠቃላይ ስኬት ምን ዓይነት ተዋጽኦ አለው?
13. ባንኩ የሠራተኞችን እርካታን ለማሻሻል ምን ዓይነት እንቅስቃሴዎች አድርጓል/ያደርጋል?
14. ማህበራዊ ሃላፊነትን መወጣት በሰራተኞች እርካታ ላይ ምን ዓይነት ተጽዕኖ አለው ብለው ያምናሉ?

APPENDIX D: PERMISSION GRANTS FROM THE THREE BANKS

ቀን: ሚያዝያ 04 2015 ዓ.ም

ለ: ብርሃኑ ገንዘብ አ.ማ

ከ: ናታን ወንጃየሁ

ጉዳይ: ፈቃድ ስለመጠየቅ

እኔ ናታን ወንጃየሁ በአዲስ አበባ ዩኒቨርሲቲ የMaster of Business Administration (MBA) ተማሪ ስሆን የመመሪያ ጽሑፍን "The Effects of Corporate Social Responsibility on Employee Satisfaction: The Case of Selected Private Commercial Banks in Ethiopia" (ሚል ርዕስ አየሰራሁ የምገኝ ሲሆን በባንኩ መጠይቅ "Questionnaire" ለማሰባሰብ ስለራሴን እንዲፈቀድልኝ ስለ በአኩሪት አጠይቃለሁ። የዩኒቨርሲቲውን የትብብር ደብዳቤ ከዚህ ደብዳቤ ጋር አያይዥለሁ።

ከሠላምታ ጋር:

ስልክ ቁጥር : 0922-36-27-34

Handwritten notes:
 1399: የሚሆንበት ሰዓት ለማሰባሰብ ስለራሴን እንዲፈቀድልኝ ስለ በአኩሪት አጠይቃለሁ። የዩኒቨርሲቲውን የትብብር ደብዳቤ ከዚህ ደብዳቤ ጋር አያይዥለሁ።
 10/08/20
 To: Talbot Mppal, Marketing and Communications, Research and Business Dev, Bank of Abyssinia
 Facility Mppal Department
 Please, assist student Nathan Wondayehu with his research and provide him the data for the academic purpose only



አቢሲንያ ባንክ
Bank of Abyssinia

HRM/3-1158 /2023
 April 12, 2023

To: Concerned Departments
From: Bantalem Taye
 Director- Human Resource Management
Subject: Cooperation letter

Ato Nathan Wondayehu, a student at Addis Ababa University is doing his thesis on the topic entitled "The effects of Corporate Social Responsibility on Employee Satisfaction": in the case of bank of Abyssinia.

Accordingly, the University has requested us to assist the student by offering the necessary information which is relevant to his study.

This is, therefore, to kindly request your good office to offer the necessary assistance to the student.

Regards,

13 APR 2023

ቀን: ሚያዝያ 04 2015 ዓ.ም

ለ: ኦሮሚያ ህብረት ሥራ ባንክ አ.ማ

ከ: ናታን ወንጃየሁ



ጉዳይ: ፈቃድ ስለመጠየቅ

እኔ ናታን ወንጃየሁ በአዲስ አበባ ዩኒቨርሲቲ የMaster of Business Administration (MBA) ተማሪ ስሆን የመመሪያ ጽሑፍን "The Effects of Corporate Social Responsibility on Employee Satisfaction: The Case of Selected Private Commercial Banks in Ethiopia" (ሚል ርዕስ አየሰራሁ የምገኝ ሲሆን በባንኩ መጠይቅ "Questionnaire" ለማሰባሰብ ስለራሴን እንዲፈቀድልኝ ስለ በአኩሪት አጠይቃለሁ። የዩኒቨርሲቲውን የትብብር ደብዳቤ ከዚህ ደብዳቤ ጋር አያይዥለሁ።

ከሠላምታ ጋር:

ስልክ ቁጥር : 0922-36 27-34

Handwritten notes:
 To: Staff Home Director-HCS for your support
 Please cooperate
 13/4/23
 2023

የሁሉም ምርጫ!
The Choice for All!