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**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS**

**Effect of Corporate Social Responsibility Practices on Corporate Image  
in case of Ethiopian Airlines, Turkish Air, Egypt Air  
(Customers' Perception)**

**A thesis submitted to Addis Ababa University College of Business and  
Economics in Partial Fulfilment of the Requirements for Degree of Master  
of Business Administration Program, Specialization in Management**

**By  
Fitsemt Dejene**

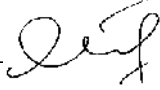
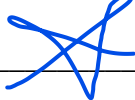
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As examining Board members of the Final MBA thesis open defense, we certify that we have read and evaluated the thesis prepared by Fitsemt Dejene under the title "*Effect of Corporate Social Responsibility Practices on Corporate Image in case of Ethiopian Airlines, Turkish Air, Egypt Air (Customers' Perception)*", and recommend that a thesis accepted as fulfilling the research thesis requirement for the of Master of Business Administration (MBA).

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## **ABBREVIATIONS**

<b>ANOVA</b>	Analysist of Variance
<b>CSR</b>	Corporate Social Responsibility
<b>ESG</b>	Environmental, Social, and Governance
<b>GRI</b>	Global Reporting Initiatives
<b>IATA</b>	International Air Transport Association
<b>ICAO</b>	International Civil Aviation Organization
<b>SDG</b>	Sustainable Development Goals
<b>TBL</b>	Tripple Bottom Line
<b>UN</b>	United Nations
<b>UNIDO</b>	United Nations Industrial Development Organization

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## ABSTRACT

*The purpose of this study was investigating the effect of corporate social responsibility (CSR) practices on corporate image in case of Ethiopian Airlines, Turkish Air, and Egypt Air based on customers' perception. Explanatory research design was used to identify the extent to which the individual explanatory variables (CSR dimensions - Economic, social and environmental predicts the dependent variable (Corporate image). Data for this study were obtained from customers of Ethiopian airlines, Turkish Air, and Egypt Air. In order to meet the objective of the study the researcher used available sampling technique and respondents were live available participants. Data were collected from the total of 261 respondents, using a five-point, standard Likert scale questionnaire, and analyzed using mean, correlation and multiple regression analysis. The overall descriptive findings underscore the importance of CSR practices, particularly in social and environmental domains, for airlines seeking to enhance their reputation and competitiveness in the market. Moreover, it emphasizes the need for targeted strategies to address varying customer preferences and perceptions across different dimensions of corporate responsibility in the study area. The correlation result revealed that all the three dimensions of CSR (namely, Economic, Social, and Environmental) have a significant and positive effect on Corporate Image. Furthermore, the multiple regression result (adjusted r square) exhibited a substantial portion of the variability in corporate image, with approximately 70.4% explained variance (R Square = 0.704). Generally, in addition to extending the subject of the study to less explored regions and sectors, the results of this study provides useful input for the managers of the airlines, and other concerned stakeholders such as policy makers that are concerned with socially and environmentally responsible business practices/sustainability.*

**Keywords:** *Corporate Social Responsibility, Economic performance, Social performance, Environmental performance, Corporate Image, airline, Star Alliance, tripple bottom line, sustainable development goals, sustainability*

# CHAPTER ONE: INTRODUCTION

## 1.1. Background of the Study

In today's global context, sustainable business management has become crucial as organizations face mounting pressure to harmonize profit-driven goals with environmental and social responsibilities. Theoretical frameworks play a fundamental role in understanding sustainable business management by defining essential concepts and principles that guide organizational approaches to sustainability. One prominent framework is Corporate Social Responsibility (CSR), which asserts that businesses carry a fundamental obligation not only to maximize profits but also to positively impact society and the environment. CSR encourages companies to adopt ethical practices, engage with stakeholders, and actively address social and environmental challenges in their operations. (Khan, 2024)

In the context of the airline industry, where environmental sustainability, community engagement, and ethical business conduct are of increasing concern (Delmas & Montiel, 2008), understanding the impact of CSR practices is paramount (Sen & Bhattacharya, 2001). The concept encompasses a company's efforts to integrate social, environmental, and economic concerns into its operations and interactions with stakeholders to bolster their reputation and promote long-term sustainability.

Recent trends in the airline industry following the COVID-19 pandemic show CSR will continue to be applied as a business strategy for airlines and CSR initiatives are shifting in focus towards industry-specific concerns and requirements. To accommodate this emerging focus it necessitate airlines to adopt comprehensive CSR initiatives and globally accepted CSR reporting standards (Sorsa & Bona-Sánchez, 2024).

Corporate social responsibility (CSR) integrates diverse theories and frameworks to steer airlines towards sustainable practices. This study investigates how CSR theories and reporting frameworks intersect and contribute to broader sustainability objectives, particularly those outlined in the United Nations Sustainable Development Goals (SDGs). Key CSR theories such as Carroll's Pyramid, Triple Bottom Line (TBL), and Stakeholder Theory offer frameworks for balancing economic success with societal and environmental responsibilities. Carroll's Pyramid delineates CSR responsibilities from economic obligations to philanthropic endeavors, reflecting evolving societal demands. The TBL framework underscores the importance of measuring impacts across social, environmental, and economic dimensions, aligning with principles of environmental stewardship, social

equity, and economic prosperity embedded in the SDGs. Stakeholder Theory advocates for inclusive decision-making that considers diverse stakeholder interests, crucial for achieving SDG outcomes.

The SDGs serve as a global framework for addressing poverty, environmental conservation, and economic growth. Aligning CSR theories and reporting frameworks with the SDGs is imperative for airlines seeking to enhance long-term viability and reputation through meaningful contributions to sustainable development.

Established reporting frameworks like the Global Reporting Initiative (GRI) and Environmental, Social, Governance (ESG) criteria provide for airlines a guideline for transparently reporting sustainability impacts and embedding sustainability into core business strategies.

This research therefore aims to offer insights into the effective CSR strategies through empirical analysis illustrating best practices and challenges in aligning CSR initiatives with emerging trends in the airline industry and global sustainability goals. Emphasizing the Triple Bottom Line approach, it statistically explores effects of different CSR dimensions on enhancing corporate image, to promote business sustainability as perceived by customers of three Star Alliance member airlines operating to/from Addis Ababa Bole International Airport, Ethiopia namely Ethiopian Airlines, Turkish Air and Egypt Air. Aligning CSR practices with the SDGs and reporting through frameworks like GRI promotes comprehensive stakeholder engagement and transparency, thereby benefiting airlines by meeting stakeholder expectations and advancing broader societal and environmental objectives.

## **1.2. Statement of the Problem**

According to Baltaci & et al (2015) the air transportation sector is a significant tool to support a country's economic, social and cultural development. Daley (2009) investigates and presented evidences that air transport can most effectively be used to promote such sustainable development. Turan (2023) stated in his study about the air transport industry considerable negative effects on the environment, such as air pollution, land use changes, and greenhouse gas emissions, and he established that the high carbon emissions in the sector increases the importance of studies in the field of sustainability. Moreover, he indicated that the industry should monitor the eco-efficiency performance and sustainability level of individual air operators.

Hence, Corporate Social Responsibility (CSR) holds particular significance for airlines in the context of sustainability challenges under which they operate and indifference to such

industry trends, compliance requirements, and changing customers' expectation will damage the reputation of airlines, and threaten to sustain their operation long term. Additionally, airlines need to employ various means and mechanisms to manage their reputation one mechanism being ~~through~~ intentional Corporate Social Responsibility practices which is a major reputational driver as it addresses customers' and the general public's expectation for a balanced and sustainable society for current and future generations that goes beyond fulfilling regulatory requirements and also as conscious business decision and corporate citizenship (Medina-Luna & et al, 2023).

As per the best knowledge of the researcher there are not many previous studies that specifically explore CSR activities in relation to airlines operating under the same Alliance regardless of their geographical location. Some studies focus on aviation industry as a whole or on airports while others focus on airlines of specific geographical locations (Europe, or Asia-Pacific, China, or North America). In addition, studies focused on individual airlines or across different types of airlines as network airlines versus low-cost carriers (Kim, 2023). Moreover, in the theoretical aspect, most CSR related studies done on the effect of CSR implementations on corporate image are based on major CSR approaches like Carroll's CSR pyramid or the Stakeholders Theory.

Firstly, there exists a noticeable dearth of empirical research focusing on the relationship between CSR initiatives and corporate image within the airline industry. While CSR practices have been extensively studied in various contexts globally, their effects on the airline sector, particularly within Star Alliance member airlines, remain largely unexplored. Moreover, even though previous studies proved the positive effects of CSR, there are few studies that incorporate and focus the environmental responsibility, sustainability perspective in the airline industry (Lee & et al 2019).

Secondly, within the airline context, where economic, social, and environmental concerns are increasingly becoming salient, understanding the impact of CSR practices on corporate image holds significant relevance. With the growing emphasis on sustainability and responsible business conduct, customers are increasingly scrutinizing companies' CSR initiatives as a determinant of their overall image and reputation. Hence, investigating the perceptions of Ethiopian Airlines, Turkish Air, and Egypt Air customers regarding CSR practices and their consequent influence on corporate image is imperative for both academia and industry stakeholders.

Thirdly, while existing literature provides insights into the relationship between CSR and corporate image, the specific nuances within the airline industry are not adequately

addressed. Ethiopian Airlines, Turkish Air, and Egypt Air operate within a unique socio-economic and cultural context, which may shape customers' perceptions of CSR initiatives differently compared to other Alliances. Thus, a tailored investigation focusing on the Star Alliance member airlines in the Ethiopian market is essential to elucidate the specific dynamics at play and provide actionable insights for airlines operating within the Alliance. Thus, within the specific context of airlines under the Star Alliance, a comprehensive understanding of how CSR practices influence corporate image remains limited. This research aims to bridge this gap by quantitatively investigating the impact of CSR practices, encompassing economic, social, and environmental dimensions, on the corporate image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air which belong to the same Alliance that provides to customers a similar experience in terms of flight connectivity, airport service standard and frequent flyer program benefits.

By investigating the influence of economic, social, and environmental performance on the corporate image of Ethiopian Airlines, Turkish Air, and Egypt Air in Ethiopia, this study aims to contribute to both academic knowledge and practical insights for airline management. Understanding how CSR practices shape customer perception can help airlines tailor their strategies to enhance their corporate image, strengthen customer loyalty, and drive long-term success in the competitive aviation industry. Moreover, by focusing on the Star Alliance member airlines operating in the Ethiopian market, this research addresses a gap in the literature and provides contextually relevant findings for policymakers, industry practitioners, and other stakeholders in the region. Hence, this research importantly seeks out the effect of corporate social responsibility practices on corporate image in case of Ethiopian Airlines, Turkish Air, and Egypt Air in terms of their customers' perception.

### **1.3. The Objective of the Study**

#### **1.3.1. General Objective**

The general objective of the study was investigating the effect of corporate social responsibility practices on corporate image in case of Ethiopia Airline, Turkish Air, and Egypt Air in terms of Customers' Perception.

### **1.3.2. The Specific objective of the study**

The specific objectives of the study were to:

1. To examine the effect of social performance on corporate image.
2. To examine the effect of environmental performance on corporate image.
3. To examine the effect of economic performance on corporate image

### **1.4. Significance of the study**

This study shows to airlines the importance of considering not only financial performance but also social and environmental impacts, hence. to adopt multi-dimensional CSR practices and to also align their reporting to the disclosure requirements and customer expectations emerging within the airline industry. Airlines therefore can easily adopt the Tripple Bottom Line CSR approach as a preferred framework of practicing and reporting CSR according to the principles of sustainability and accountability in an increasingly Economic-Social-Governance-focused airline business environment. The proposed research aims to contribute to the scholarly discourse on CSR and corporate image by examining its implications within the airline industry in Addis Ababa, Ethiopia. By investigating the perceptions of customers' of Ethiopian Airlines, Turkish Air, and Egypt Air regarding CSR practices, this study seeks to uncover the drivers and outcomes of CSR initiatives on corporate image. Ultimately, the findings of this research are expected to inform strategic decision-making processes for airlines and contribute to the broader understanding of CSR's role in shaping corporate reputation and consumer behavior. This study also fills a void in existing literature and delivers findings that are pertinent to policymakers, industry professionals, and stakeholders within the industry.

### **1.5. Scope of the Study**

This study is explanatory in nature and explores and explains statistical relationships, correlations and interactions between Corporate Social Responsibility practices and corporate image as perceived by customers of Ethiopian Airlines, Turkish Air and Egypt Air who are Star Alliance member airlines operating flights to/from Addis Ababa Bole International Airport, Ethiopia.

To avoid outliers effect, airlines not belonging to the Star Alliance who may operate under different business models, CSR practices, and customer perceptions compared to Star Alliance members are excluded as their inclusion could skew results, making it challenging to draw accurate conclusions specifically about Star Alliance member airlines. Limiting the

study to the Star Alliance members operating to/from Addis Ababa Bole International Airport enhances the research scope and focus. It allows to maintain consistency in the variables studied that provides more controlled review of CSR practices, corporate image and customer perceptions within a cohesive group of airlines that share similar alliance standards and objectives. The focused approach facilitates a more thorough understanding of how CSR practices within the Star Alliance context contribute to corporate image, without the need to account for variations introduced by non-member airlines operating under different alliances or independently. By focusing on airlines of the Star Alliance, meaningful comparative analysis can be conducted across the selected member airlines which are within the same alliance framework.

### **1.6. Limitations of the study**

Due to unmanageability of collecting data from all global airlines operating to/from Addis Ababa, the study focused only on Ethiopian Airlines, Turkish Air and Egypt Air, which belong to the same airline alliance which guarantees customers a similar experience in terms of flight connectivity, airport service standard and frequent flyer program benefits. In addition, the study does not take into consideration any mediating factors of the diverse cultural, economic, and regulatory environments for each of the airlines. There are also other confounding variables which influence corporate image aside from CSR practices such as marketing strategies, product quality, or customer service rating which are difficult to control. Hence, the findings of this study might be specific to these airlines and the context used in this research may not be applicable to other industries or alliances without further research.

### **1.7. Organization of the Paper**

The study comprises five chapters. In chapter one, background of the study, statement of the problem, research questions, and research objectives, significance of the study, scope of the study, limitations of the study and organization of the study are included. The second chapter covers review of related literature in the area of CSR and corporate image. The third chapter states the research design and methodology of the study. Summary of Findings, Conclusion and recommendations are discussed in chapter four. Finally, summary of major findings, conclusions and recommendations are presented in chapter five.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Theoretical Review**

The conventional objective of a business is frequently taken as profit maximization. Under this perspective, a business's primary aim is to generate revenue and optimize profits for its owners or investors. This traditional outlook emphasizes the economic aspects of business and focuses on the financial success over other considerations. The concept of profit maximization implies that decisions and initiatives are predominantly geared towards securing enhanced profitability, under various initiatives such as cost-saving measures, revenue generation, market expansion, or alternative strategies. This approach considers the primary measurement of a business success through immediate gains and increased shareholder value. While profit maximization continues to be the primary pursuit for many businesses, emerging viewpoints on the purpose of business have evolved to incorporate broader considerations such as corporate social responsibility, stakeholders' value, and sustainability. These emerging perspectives recognize that businesses bear responsibilities to a wider range of stakeholders, comprising employees, customers, communities, and the environment, which is over and above the shareholder interests. In present-day business practices and dialogues, the purpose of a business is increasingly perceived as multi-dimensional, covering not only economic objectives but also social and environmental aspirations. This enlarged outlook underscores an appreciation of the relationship between businesses and society, as well as the potential for businesses to make positive contributions to societal well-being while parallel attaining their own financial prosperity. Corporate Social Responsibility (CSR) is understood currently as a business model by which companies are responding to such emerging viewpoints which obliges them to make a focused effort to conduct their businesses in ways that enhance rather than negatively affect society and the environment, thereby forming stakeholders' perception towards a positive brand image for themselves.

#### **2.1.1. Definitions and Concept of Corporate Social Responsibility**

CSR definition and concepts were studied by many scholars. Brin & Nehme (2019) in their analysis of CSR theories and models quoted Milton Friedman defining CSR as "companies' management has only one responsibility which is to maximize the profits of its owners and shareholders". He argued that social problems should be resolved independently by free market system mechanism. James Brusseau on the other hand is quoted as defining CSR in two perspective first as any theory of the corporation that emphasizes both the

responsibility to make money and the responsibility to interact ethically with the surrounding community. Second, CSR as a specific concept to achieve profit for a company while it plays a role in community welfare under four specific obligations: Economic responsibility to make money; Legal responsibility to adhere to rules and regulations; Ethical responsibility to do what's right even when not required by the letter or spirit of the law; and Philanthropic responsibility to contribute to society's projects even when it is independent of the particular business.

One of the most cited definitions of Corporate Social Responsibility (CSR) comes from Carroll's influential work. Archie B. Carroll (1979) proposed a four-part model of CSR that has been widely referenced in academic literature: "Corporate social responsibility encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time."

Dahlsrud (2008) in his analysis of 37 CSR definitions used by both academics and practitioners concluded that CSR can be defined by and large with respect to five recurring dimensions (Voluntarism, Stakeholders, Social, Environmental, and Economic) defined under the specific context the individual business operates. The Commission of the European Communities (2001) was also cited as defining CSR based on these five recurring dimensions as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". UNIDO (United Nations Industrial Development Organization) describes Corporate Social Responsibility (CSR) as: "A management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders."

Hence, it can be concluded that (CSR) has evolved over time, therefore comprehensive definition can be given as the ethical and voluntary commitment of businesses to contribute to societal well-being beyond legal requirements and economic objectives.

Historically, CSR concept has evolved from philanthropic initiatives and charitable acts to a more comprehensive approach that encompasses economic, legal, ethical, and philanthropic responsibilities. It involves engaging with stakeholders, including employees, customers, suppliers, communities, and investors, to address their diverse needs and concerns while promoting sustainable development and responsible business practices. CSR reflects a company's commitment to behaving ethically, respecting human rights, protecting the environment, and contributing positively to society, thereby fostering trust, transparency, and long-term value creation for all stakeholders. Other groups of scholars

establish the link between CSR and religious point of view (Siwar and Hossain 2009). In this twenty first century, the term corporate social responsibility has become a business strategy which global businesses are paying much more attention to publicize their commitment towards CSR.(Tareq et al., 2014)

### **2.1.2 Drivers of Corporate Social Responsibility in the Airline Industry**

Airlines majorly operate as a global business moreover poses significant environmental impact in the course of conducting its business, hence they face unique challenges and opportunities to show their resolve on environmental, and social issue that are directly caused by the industry. There are several driving forces that promote CSR practices in the airline industry.

*Environmental Concerns:* Airlines are one of the major contributors to greenhouse gas emissions, which contribute to climate change. Environmental regulations, increasing public awareness of sustainability issues, and the need to mitigate climate risks forces airlines to adopt CSR practices focused on reducing carbon emissions, improving fuel efficiency, investing in sustainable aviation fuels, and implementing eco-friendly operations. (Babiak & Trendafilova, 2011)

*Regulatory Pressures:* Governments and international bodies are imposing stricter regulations and emission targets on the aviation industry to address environmental concerns. Compliance with environmental regulations and sustainability standards has become another driver for CSR initiatives in the airline industry. (García Martín, Duran-Heras, & Reina Sánchez, 2022)

*Stakeholder Expectations:* Airlines face pressure from various stakeholders, including passengers, investors, employees, communities, and civil society organizations, to demonstrate social responsibility and ethical behavior. Meeting stakeholders' expectations for transparency, accountability, safety, and social impact is driving CSR practices in areas such as corporate governance, labor rights, community engagement, and philanthropy. (Helmig, Spraul, & Ingenhoff, 2016)

*Competitive Advantage:* CSR can provide airlines with a competitive advantage by enhancing corporate image, customer loyalty, and investor confidence. Airlines that demonstrate commitment to CSR principles, such as sustainability, safety, and social responsibility, may attract environmentally conscious travelers, socially responsible investors, and government contracts. (Chen & Chang, 2013)

*Risk Management:* CSR practices can help airlines manage reputational risks and mitigate

negative impacts associated with accidents, security breaches, labor disputes, or environmental incidents. Proactive CSR initiatives focused on safety, security, crisis management, and stakeholder engagement can enhance resilience and reduce potential liabilities. (Chang, Chen, Hsu, & Hu, 2015)

*Cost Reduction and Efficiency:* CSR initiatives focused on resource efficiency, waste reduction, and operational optimization can generate cost savings for airlines. Investments in energy-efficient aircraft, sustainable supply chains, and waste management systems can improve operational efficiency while reducing environmental impact (Benlemlih & Bitar, 2018).

*Employee Engagement and Talent Attraction:* CSR practices that promote employee well-being, diversity, inclusion, and professional development can enhance employee satisfaction, motivation, and retention. Airlines that prioritize CSR as part of their corporate culture may attract top talent and foster a positive work environment. (Lee, Acharya, & Kim, 2023)

These driving forces compel airlines to integrate CSR principles into their business strategies, operations, and stakeholder engagements to address environmental, social, and ethical challenges while pursuing sustainable growth and long-term value creation.

### **2.1.3. Major Theories of Corporate Social Responsibility**

There are three major theories that provide different perspectives on the nature and scope of corporate social responsibility, highlighting the multi-dimensional responsibilities that businesses have towards society, stakeholders, and the environment.

#### **2.1.3.1 Carroll's CSR Pyramid**

Carroll's CSR Pyramid, introduced by Archie B. Carroll in 1979, is a fundamental model that outlines the different dimensions of corporate social responsibility (CSR). The pyramid comprises four tiers, each representing a distinct level of responsibility:

**Economic Responsibilities:** At the base of the pyramid lies economic responsibilities, emphasizing a company's primary duty to be profitable and ensure financial viability. This dimension encompasses activities aimed at generating profits, maximizing shareholder value, and sustaining long-term economic growth.

**Legal Responsibilities:** The second tier encompasses legal responsibilities, which involve compliance with laws, regulations, and legal standards governing business operations. Companies are expected to adhere to legal requirements at local, national, and international levels, ensuring that their activities are conducted within the bounds of the law.

**Ethical Responsibilities:** Moving up the pyramid, ethical responsibilities highlight the importance of conducting business with integrity, fairness, and ethical principles. This dimension goes beyond legal obligations to encompass morally upright behavior, honesty, transparency, and respect for human rights in all aspects of business operations.

**Philanthropic Responsibilities:** At the pinnacle of the pyramid are philanthropic responsibilities, which involve voluntary contributions to society and the community. This dimension emphasizes corporate giving, charitable donations, community development initiatives, and efforts to enhance the well-being of society beyond financial gain.

**Figure 2.1:Carroll’s CSR pyramid**



**Source:** adopted from Carroll’s CSR Pyramid (2016)

Carroll's CSR Pyramid provides a hierarchical framework for understanding the various dimensions of CSR, illustrating how companies progress from fulfilling basic economic and legal obligations to embracing higher-level ethical and philanthropic commitments. By considering all four dimensions, organizations can develop comprehensive CSR strategies that contribute to sustainable business practices and positive societal impact.

### 2.1.3.2 The Triple Bottom Line

The Triple Bottom Line (TBL) framework, popularized by John Elkington in the 1990s, proposes a holistic approach to evaluating sustainable business practices that balances three dimensions: economic, social, and environmental. Here's an overview of each dimension:

**Economic Dimension:** This dimension focuses on financial aspects and economic performance. It encompasses traditional measures of profitability, revenue generation, and cost management. Key elements include:

*Profitability:* Assessing the organization's ability to generate profits and returns for shareholders.

*Revenue Generation:* Examining the sources of income and the organization's ability to grow revenue streams.

*Cost Management:* Evaluating efficiency in resource allocation, cost reduction strategies, and financial risk management.

*Economic Value Added:* Considering the organization's contribution to economic development and value creation for stakeholders beyond financial returns.

**Social Dimension:** This dimension addresses the organization's impact on society and its relationships with stakeholders, including employees, customers, communities, and society at large. Key elements include:

*Stakeholder Engagement:* Building positive relationships with stakeholders by considering their interests and concerns.

*Corporate Citizenship:* Fulfilling societal responsibilities beyond legal obligations, such as philanthropy, community development, and ethical business practices.

*Employee Well-being:* Promoting a supportive work environment, investing in employee development, diversity and inclusion, and ensuring fair labor practices.

*Customer Satisfaction:* Meeting customer needs and expectations, providing quality products and services, and fostering trust and loyalty.

**Environmental Dimension:** This dimension focuses on the organization's impact on the natural environment and its efforts to promote sustainability and ecological stewardship. Key elements include:

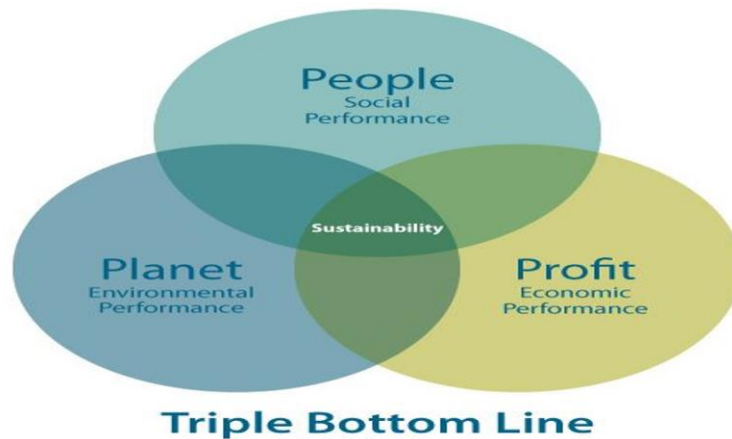
*Environmental Management:* Implementing practices to minimize negative environmental impacts, such as pollution prevention, resource conservation, and waste reduction.

*Climate Change Mitigation:* Reducing greenhouse gas emissions, transitioning to renewable energy sources, and implementing carbon offset programs.

*Biodiversity Conservation:* Preserving ecosystems, protecting endangered species, and minimizing habitat destruction.

*Sustainable Resource Use:* Promoting sustainable sourcing of materials, promoting circular economy practices, and reducing environmental footprint throughout the value chain.

**Figure 2.2: Tripple Bottom Line Theory**



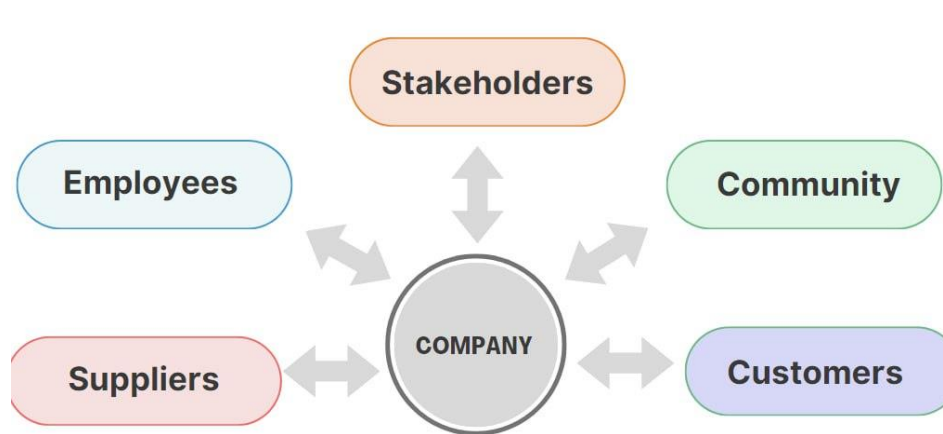
**Source:** adopted from Elkington (1997)

By considering all three dimensions of the Triple Bottom Line approach, organizations can achieve a more comprehensive understanding of their overall performance and make informed decisions that balance financial, social, and environmental objectives. This integrated approach promotes long-term sustainability and resilience in a rapidly changing business environment.

### **2.1.3.3 The Stakeholders Theory**

The Stakeholder Theory, developed by R. Edward Freeman in the 1980s, posits that businesses have responsibilities to a wide range of stakeholders beyond just shareholders. This theory recognizes that stakeholders, including employees, customers, suppliers, communities, and government entities, have a vested interest in a company's actions and outcomes. The Stakeholder CSR Theory emphasizes that businesses should consider the interests and needs of all stakeholders in their decision-making processes and operations, aiming to create value for society as a whole. This process involves Stakeholders' proper Identification, engagement, value generation, collaboration, disclosure and transparency.

**Figure 2.3: The Stakeholders Theory**



**Source:** adopted from Freeman (1984)

Overall, the Stakeholders Theory emphasizes the interconnectedness between businesses and their various stakeholders, advocating for a holistic approach to corporate responsibility that considers the interests of all stakeholders in driving long-term value creation and societal impact.

#### **2.1.4 CSR Disclosure Standards in the Airline Industry**

**The Sustainability Account Board (SASB)** is an independent non-profit, whose mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. This body seeks to improve the effectiveness of public company reports filed with the SEC with standardized sustainability disclosure. The SASB framework covers approximately 30 different sustainability activities organized under five pillars: (1) environment; (2) human capital; (3) social capital; (4) business model and innovation; and (5) leadership and governance. The SASB has developed standards for 79 industries that identify material sustainability factors that are likely to impact financial performance. The standards for 72 of the 79 industries provide guidance on metrics and targets. (<https://sasb.ifrs.org/about/>)

**The Global Reporting Initiatives (GRI) Standards.** The GRI Standards provide a voluntary framework for reporting on economic, environmental and social impacts to a wide variety of global stakeholders, ranging from civil society to investors. They can be used for comprehensive sustainability reporting or more narrowly for issue-specific disclosures. The Standards came out in 2016. They take a modular approach, consisting of three universal standards – Foundation (101), General Disclosures (102) and Management Approach (103) – and 33 topic-specific standards organized into Economic (200),

Environmental (300) and Social (400) topics. The GRI Standards update in a new structure and format the widely used G4 Sustainability Reporting Guidelines. The Standards are required to be used instead of the G4 Guidelines for reports and other materials published on or after July 1, 2018. Early adoption of the GRI Standards has been encouraged and many companies already have migrated to the Standards. (<https://www.globalreporting.org/media/wtaf14tw/a-short-introduction-to-the-gri-standards.pdf>)

**Sustainability Reporting (SR)** allows organizations to communicate their non-financial impacts to stakeholders. It has also become a widespread business practice in aviation, a transport sector that contributes significantly to global warming.

Academia has begun to examine SR in the context of airlines surprisingly late, and no comprehensive reviews of its respective developments have been made so far. Consequently, a systematic literature review was performed with an exclusive focus on airline SR to synthesize its associated scholarly research and distinguish the common concerns and gaps that have emerged from it. The analyzed publications indicate that the industry has lacked a unified policy and common understanding of how to define and measure sustainability, which has led to inconsistent SR practices. This causes ambiguity between the real actions and promotional communication through which airlines may legitimize their operations. Academia and various airline stakeholders would benefit from more in-depth studies examining the stakeholder views and quality of disclosures, helping the industry improve its SR. (Zieba & Johansson, 2022)

**UN Sustainable Development Goals.** The Sustainable Development Goals were adopted by the United Nations (UN) member states in late 2015. They include 17 economic, social and environmental goals with 169 associated targets. United Nations Sustainable Development Goals (SDGs) ([unric.org](http://unric.org)) Many companies already are indicating support for the Sustainable Development Goals (SDGs) in their sustainability reports, although incorporation of the SDGs into CSR programs and related reporting are in the early stages. Multi-stakeholder efforts, such as that launched by the GRI and the UN Global Compact, are underway to harmonize corporate reporting on the SDGs. (<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>)

### **2.1.5 Harmonized CSR Disclosure Standards for the Airline Industry**

The CSR disclosure practices in the airline industry is not yet matured and standardized to facilitate review, analysis and interpretation both at individual level, at airline alliance level

or with the global overseeing bodies like the IATA or ICAO. As a practical guidance companies can concert their efforts by adopting CSR reporting frameworks to align their individual efforts. The GRI, the UN ESG principles, and the UN Global Compact reporting frameworks can be considered ideal and further can be mapped to the Triple Bottom Line (TBL) dimensions to align the academics to the practitioners. (Pachar & Singh, 2021)

This alignment can help companies determine which SDG standards are most important for their sustainability reporting. Companies report on the steps they have taken towards sustainability and the sustainability aspects of their operations in their ESG sustainability reports. In many cases, their reporting includes information on SDGs, which, like ESG reporting, does not have a standard disclosure methodology, so announcements are made with different information, in different formats, by different companies. To make SDG reporting more consistent, harmonization with existing ESG reporting methodologies could be identified as a forward step in this field because it would help to produce more informed, consistent SDG reporting. In addition to integrating SDGs into ESG reporting methodologies, SDGs also could be integrated into ESG scoring methodologies, which would be more relevant to stakeholders and the stock market.

#### **2.1.6 Alignment of CSR Disclosures to Theoretical Framework**

This definition of CSR highlights the multifaceted nature of CSR, acknowledging that businesses are expected to fulfill not only economic responsibilities but also legal obligations, ethical duties, and discretionary actions that benefit society. Carroll's model has been influential in shaping the understanding and discourse surrounding CSR over the years (Brin & Nehme, 2019).

Wijaya & et al (2023) studied the implementation of Triple Bottom Line on CSR effort in connection to addressing plastic waste management of Starbucks Indonesia however the research methodology used is of descriptive, qualitative approach only.

In seeking to address the challenges of applying CSR caused by its broad definition, and the economic, political, cultural and sectoral diversity discussed in this study, it is now possible to state that CSR can be a useful strategic focus for airlines and airports, subject to the creation of transparent, disclosed assessment methodologies that allow a comparative analysis for all interested stakeholders. (Stevenson & Marintseva, 2019).

Adopting the Triple Bottom Line (TBL) approach, which encompasses social, environmental, and economic considerations, has the potential to strengthen a company's corporate image and gives a balanced and standardized framework of CSR reporting.

Through showcasing dedication to sustainability and ethical business conduct, firms can cultivate a more favorable perception among stakeholders, spanning customers, investors, employees, and the wider community.

### **2.1.7 CSR Reporting and Customer's Perception**

Consumers' increased awareness of social and environmental issues encourages airlines to continue implementing corporate social responsibly. Concurrently airlines should endeavor to create passengers' brand love which in turn significantly continued to positive work of mouth..(Sim & Kim, 2023)

Airline companies have implemented cause-related marketing (CRM) to contribute to sustainable development and gain competitive advantage in the market providing identical services and products. This initiative is supported by a study confirming that airlines who encourage passengers to being involved in Cause-Related marketing activities (such as charitable donations elicit more positive customer perception) order to benefit both the nonprofit organizations and the brand itself through building customer loyalty. (Kim et al., 2022)

### **2.1.8 Definitions and Dimensions of Dependent Variable: Corporate Image**

Corporate image refers to the mental picture or perception that stakeholders (such as consumers, investors, employees, and the general public) have of a company. It is formed based on various factors including the company's products or services, marketing communications, visual identity (such as logo and branding), corporate culture, customer service, and overall brand experience. Corporate image is subjective and can vary among different stakeholders and over time. It often reflects the emotional and perceptual aspects of how a company is viewed by its stakeholders.

A corporate image is formed by various components such as brand identity, reputation, corporate culture, product quality, customer relations, social responsibility, financial performance, leadership, media communication, and stakeholder perception. These components collectively shape how stakeholders perceive and evaluate a company, reflecting its identity, values, and conduct in the eyes of the public. Effectively managing these aspects is essential for fostering trust, credibility, and sustained success. To create and maintain a positive and an enhanced corporate image therefore various mechanisms are employed. Perception on Corporate image has the capacity to generate from various stakeholders favorable and supportive behaviors such as preferential Purchase intention, Referrals, benefit-of-the-doubt in case of crisis, verbal and word-of-mouth support,

preferred partner for investment and employment. By applying the RepTrak formula we can measure impacts on corporate image under the various dimensions relating to perception and functionality of a company (Fombrun et al., 2000, 2015).

**Products & Services:** This dimension evaluates the quality and reliability of a company's products and services, as perceived by customers and stakeholders.

**Innovation:** It measures the company's ability to innovate and develop new products, services, or solutions that meet market needs and differentiate it from competitors.

**Leadership:** It measures the effectiveness and credibility of the company's leadership team, including attributes such as vision, communication, and strategic decision-making.

**Performance:** This dimension evaluates the company's overall financial performance, stability, and long-term viability, as perceived by stakeholders.

**Workplace:** This dimension assesses the company's workplace environment, including factors such as employee satisfaction, diversity and inclusion, and opportunities for career growth and development.

**Governance:** It evaluates the company's governance practices, including transparency, integrity, ethical behavior, and compliance with laws and regulations.

**Citizenship:** This dimension examines the company's corporate citizenship and social responsibility efforts, including its contributions to the community, philanthropic initiatives, and environmental sustainability practices.

Combined, these dimensions provide a comprehensive assessment of a company's Corporate Image, highlighting various aspects of its business operations and stakeholder interactions.

## **2.2 Empirical Review**

### **2.2.1. CSR and Airlines**

Global businesses are concerned about fulfilling their corporate social responsibilities. Accordingly many studies have been conducted in pursuit of evaluating the effect of CSR activities on businesses across industries. Proponents of corporate social responsibility (CSR) are convinced that it 'pays off' for the firm as well as for the organization's stakeholders and society. (Burke & Logsdon, 1996)

Specific to the airline industry, there has been notable rise in research exploring CSR's impact on different dimensions such as financial performance, shareholder's value, employee perceptions (quality of work life) and customer loyalty.

As the focus on corporate social responsibility (CSR) practices grows, airlines had started to question whether engaging in CSR activities will lead to increased costs or negatively

impact corporate financial performance. One such study conducted on 30 airlines worldwide confirmed that implementation of carefully selected, ESG-based CSR practices by airlines will have return on assets in the long-run.(Kuo et al., 2021).

In their qualitative study of CSR actions in the Tourism and Travel sectors (Six Sense hotels and Air Canada), Pham & et al (2022) focused on the perspective of employees and the findings show that there is a positive relationship between CSR activities and Quality of Work Life (QoL).

Study conducted by Chen et al. (2012) in the Taiwanese airline market confirmed that there is positive relationship between customer's knowledge and perception of airline's social responsibility and customer loyalty.

In terms of researches conducted on the three individual airlines with respect to their CSR activity; Kurt R. (2021) studied Turkish Airlines on their corporate social responsibility practices with respect to customer loyalty and found out that social responsibility activities and customer's trust are positively related, but has no effect on customer loyalty. Studies made on Egypt Air with selected sample international airline branches located in Egypt relate to CSR engagement and reporting practices and generally concluded that CSR performance is in its early stage and there is not yet significant approach adopted by airlines (Sahar & et al 2022). Research conducted on Ethiopian Airlines is very limited and the one conducted by Minda Y. (2017) is only exploratory (non-quantitative) research. The other research conducted on Ethiopian Airlines focuses on Corporate Social responsibility with respect to Technology innovation and customer satisfaction, employee and leadership commitment (Ying M. 2024). Peeters & et al (2019) identified that airlines practices and reporting on CSR is of lower quality and is not balanced among the various dimensions of CSR practices. Moreover, even though the CSR practices reported mainly relate to environmental issues, airlines still rate lower on a climate change index which implies that the CSR reporting is done mainly for public relations purpose only than inherent concern to sustainability concerns, hence, in the long run negatively affecting the company image. Post-COVID trends indicate a shift in focus of CSR initiatives to health, safety, and environmental, social, and governance (ESG) factors. There has also been a marked move toward integrated CSR strategies within the airline industry, placing emphasis on the specific issues of the industry such as sustainability, inclusive stakeholder engagement, and transparent reporting. This move also brings along with it the need for airlines to adopt more holistic CSR framework and impactful communication standards such as the UN's

Sustainable Development Goals, Sustainability issues, or components of the Global Reporting Initiative to reach stakeholders (Sorsa & Bona-Sánchez, 2024).

### **2.2.2. Formulation of Research Hypotheses**

Based on the related literature review, the researcher proposes hypotheses and a research model that consists of three dimensions of CSR: Economic performance, Social performance, and Environmental performance.

This research model helps to predict the effect of different dimensions of CSR practice on the brand image for the airline industry. Therefore, to achieve the stated purpose, the following hypotheses are formulated in the research model:

- H0<sub>1</sub>:** There is no statistically significant relationship between social performances and Corporate image.
- Ha<sub>1</sub>:** There is statistically significant relationship between social performances and Corporate image.
- H0<sub>2</sub>:** There is no statistically significant relationship between environmental performances and corporate image.
- Ha<sub>2</sub>:** There is statistically significant relationship between environmental performance and corporate image.
- H0<sub>3</sub>:** There is no statistically significant relationship between economic performance and corporate image.
- Ha<sub>3</sub>:** There is statistically significant relationship between economic performance and corporate image.
- H0<sub>4</sub>:** Social performance has no significant effect on corporate image.
- Ha<sub>4</sub>:** Social performance has significant effect on corporate image.
- H0<sub>5</sub>:** Environmental performance has no significant effect on corporate image.
- Ha<sub>5</sub>:** Environmental performance has significant effect on corporate image.
- H0<sub>6</sub>:** Economic performance has no significant effect on corporate image.
- Ha<sub>6</sub>:** Economic performance has significant effect on corporate image.

### **2.2.3. Validation of Research Hypotheses**

Several studies in recent years proved a positive relationship between CSR and corporate image. Positive perceptions of corporate social responsibility (CSR) initiatives and customers' behavioral intentions (eg. future purchases) was studied in the entertainment industry in South Korea through the various CSR models and it was revealed that each dimensions of CSR has impact on corporate image and behavioral intentions (Kim et al., 2017).

**Environmental performance** has become increasingly important in CSR discussions, especially within industries with significant environmental footprints like aviation. Airlines

face growing pressure to minimize their impact on the environment through measures such as fuel efficiency improvements, waste reduction, and carbon offset programs. Customers, particularly those who are environmentally conscious, are increasingly scrutinizing companies' environmental practices and favoring those with a strong commitment to sustainability. Exploring the link between CSR-driven environmental initiatives and customer perception can offer valuable insights into the role of airlines in addressing global environmental challenges.

Mandina et al. (2014) examined the efficiency of CSR in creating and enhancing corporate image and found that practicing CSR activities by a firm bring a competitive advantage and create a strong and long relationship with its stakeholders. Corporate image, as well as a brand image, can be improved when CSR activities are practiced by the firm. It is essential for companies to maintain a favorable organizational image, which offers them distinct competitive advantages. Studies affirm a notable and positive association between Social Responsibility and Corporate Image, aligning with established interpretive guidelines (Gallegos, Julcamoro, & Miranda-Guerra, 2024).

**Ha1: There is statistically significant relationship between social performance and corporate image.**

Edward Fosu, Francis Fosu, Noah Akyina, and Deborah Asiedu (2024) explored the impact of environmental CSR practices on corporate social performance, focusing on green innovation and corporate image. They observed that corporate environmental CSR initiatives play a crucial role in advancing green innovations, which in turn bolster companies' social performance. Their findings underscore the significant influence of environmental dimension of corporate social performance on shaping customer's perception and promoting a corporate image.

**Ha2: There is statistically significant relationship between environmental performance and corporate image.**

**Economic performance** is a fundamental aspect of CSR, as it reflects a company's financial stability and contribution to the local economy. For airlines, economic performance encompasses factors such as pricing strategies, investment in fleet modernization, and revenue management practices. Understanding how customers perceive the economic contributions of airlines through CSR initiatives can shed light on their overall impression of the company. Furthermore, in emerging markets like Ethiopia, where

economic development is a priority, the role of airlines in driving growth and prosperity cannot be overstated.

According to Coelho, Jayantilal, and Ferreira (2023), dedicating company resources to address social, environmental, and governance issues can create synergies that enhance business value and strengthen financial performance, benefiting both the company and its stakeholders. Furthermore, their systematic literature review highlights a direct correlation between Corporate Social Responsibility (CSR) initiatives and a company's financial performance, which becomes more pronounced as the company enhances its environmental, social, and governance (ESG) scores.

**Ha3: There is statistically significant relationship between economic performance and corporate image.**

**Social performance** is another critical dimension of CSR, focusing on a company's impact on society and its stakeholders. In the context of airlines, social performance may include initiatives related to community development, employee welfare, staff working conditions, work-life balance, and customer service. Customers often evaluate airlines based on their perceived commitment to social responsibility, such as their treatment of employees, support for local communities, and efforts to enhance the travel experience. Examining how CSR practices influence customer perception of social responsibility can provide valuable insights into the relationship between airlines and their clientele.

Overall social CSR initiatives can have a positive impact on corporate image by enhancing reputation, customer loyalty (Y. Kim et al., 2020), and employee engagement (Shayan et al., 2022). By demonstrating a commitment to social responsibility, companies can strengthen their brand, build trust, and create long-term value for stakeholders and society.

**Ha4: Social performance has significant effect on corporate image.**

Most recent studies take interest to determine effect of Environmental dimension of CSR to corporate image. Typical environmental CSR initiatives ranging from the establishment of carbon targets to the adoption of renewable energy and carbon assurance, generally connects well with positive impact on corporate image. Khalid et al (2024) offered valuable insights to businesses such as airlines to closely monitor corporate image in light of the higher challenges within the industry in terms of carbon trading regulations and sector intensive affiliations. Moreover, employee's environmental passion and engagement in

Pro-Environmental Behaviors can also shape customers' perception and help create green corporate image for businesses.(Ali et al., 2023)

**Ha5: Environmental performance has significant effect on corporate image.**

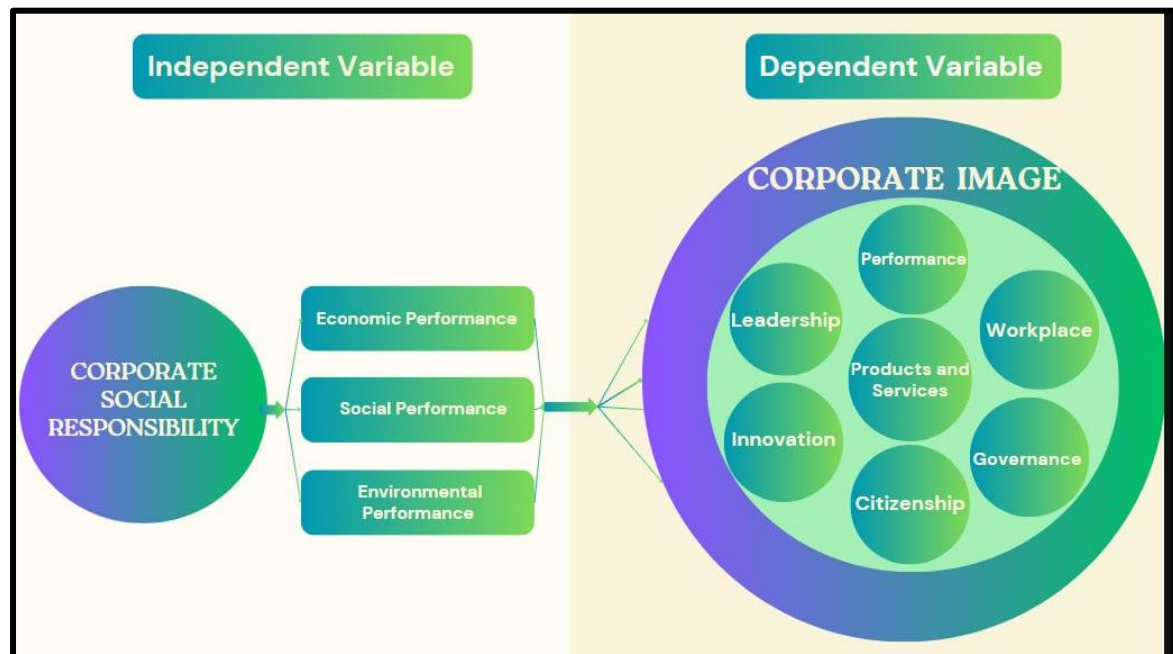
Economic CSR initiatives can have a positive impact on corporate image by enhancing reputation (Gallardo-Vázquez et al., 2019), investor confidence (Ioannou & Serafeim, 2015), and competitive advantage (Yu et al., 2017). By demonstrating a commitment to ethical economic practices, companies can strengthen their brand, build trust, and create long-term value for stakeholders and society. Research done on global airline efficiency and its relations with CSR shows that there is a positive correlation and airlines are recommended to continue to practice CSR to address challenges in the global airline industry(Kao et al., 2022).

**Ha6: Economic performance has significant effect on corporate image.**

### 2.3: Conceptual Framework

Conceptual framework is a broad and established set of rules, truths, or principles on which the study is founded. Following thorough theoretical and empirical reviews the conceptual framework of the study is developed as follows:

**Figure 2.4: Conceptual Framework of the study**



**Source:** Adopted from literature: Tripple-Bottom-Line CSR Theory (Elkington, 1997);  
The RepTrak scale (Fombrun, 2015)

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1. Introduction

This chapter describes methodology of the study, which includes research design, data source and types, target population, sample size determination, sampling technique, data collection, data analysis, model specification, instrument test and ethical consideration respectively.

### 3.2. Research Design

The concept of research design, as outlined by (Smith, 2010) and (Wooldridge, 2012), revolves around predictive statements concerning the impact of independent variables on dependent variables. In parallel (Creswell, 2014) suggests an explanatory research design aimed at interpreting quantitative data, which involves the incorporation of qualitative data to provide deeper insights, as emphasized by (Ajjawi, Monrouxe, Obrien, Rees, & Varpio, 2017). This method seeks to augment quantitative results with qualitative depth, enhancing understanding and interpretation. Moreover, (Chepkech, 2014) adds that the quantitative approach relies on predefined response classifications, such as those in survey questionnaires, and employs statistical methods for data interpretation. Integrating qualitative data into an explanatory research design can thus enrich the analytical process, allowing for a more comprehensive exploration of research findings. Therefore, this study adopted explanatory research design to analyze the factors of corporate social responsibility such as economic performance, social performance, and environmental performance on corporate image; in which *descriptive analysis* is a part, in the study area.

### 3.3. Target Population of the Study

The total populations of the study are Ethiopian and non-Ethiopian customers of Ethiopian Airlines, Turkish Air and Egypt Air, who were taking air transport service but the actual total number of these customers are unknown, in which the researcher unable to get complete list of customers or sample frame (unit of analysis) in the study area. In line with this issue, if the desired study population size is unknown and the population is assumed to be large, the potential researchers are strongly recommended to adopt, (Cochran., 1975). Using Cochran (1975), scientific sample size determination formula, 385 sample size was determined and distributed; and 261 sample data were collected. The target populations of the study were all customers, who were taking air transport service from Ethiopian Airlines, Turkish Air and Egypt Air. Since the actual total numbers of customers are *unknown*, in which a researcher unable to get complete list of customers or sample frame (unit of analysis) in the study area.

### 3.4. Sampling Techniques

Convenience sampling is a technique in which elements are selected because of their accessibility to the researcher (Dattalo, 2008). Availability sampling is selecting participants because they are often readily and easily available. Therefore, a researcher used the *available airline transport customers* of Ethiopia Airlines, Turkish Air, Egypt Air as the participants/respondents to collect required data for this study.

### 3.5. Sample Size Determination

According to (Cochran., 1975), state that if the desired study population size is unknown and also researcher might believe that the population is large, the potential researchers are strongly recommended to adopt the following scientific sample size determination. Hence, this study was conducted with 5 percent marginal error and 95 percent confidence interval and 5 percent non-response rate. In practice, the airline transport customers are not actual known. Then, the following formula was used for the calculation of the sample size since it is relevant for this study

$$\frac{Z^2(p) \times (q)}{(e)^2} = \frac{1.96^2 (.5) \times (.5)}{(0.05)^2} = \frac{(3.84) \times (.25)}{0.0025} = \frac{(0.9604)}{0.0025} = 385$$

Where: **n** is the desired sample size from unknown

**(Z)**<sup>2</sup> Is the standard normal value corresponding to the desired confidence level, (95%-Z Score=1.96).

**(e)** is the desired level of precision ( $\pm 5\%$ ) or the acceptable sampling error.

**(P)** is the estimated proportion of an attribute that is present in the population (P=0.5), and q = 1-P, = 0.5

### 3.6. Data Type and Source

The necessary data required for this study was primary data. Primary data was obtained through questionnaires which was designed as five-point Likert scale questionnaire. Although the 7-point Likert scale provides greater detail and can capture subtleties in specific situations, the 5-point Likert scale continues to be valuable and beneficial in numerous research settings. Its straightforwardness, user-friendliness, and proven validity render it a pragmatic option for researchers seeking efficient and dependable data collection methods. Hence, the researcher used a five-point Likert scale questionnaire to obtain primary data from target respondents which helps for easy data processing. The expectation of respondents regarding the measurement factors of corporate social responsibility such as economic performance, social performance, and environmental performance and

corporate image were rated using a five point Likert scale (1= strongly disagree, 2= disagree, 3=neutral, 4= agree, and 5= strongly agree).

### **3.7. Method of Data Collection**

According to (Gujarati D. , 2011), Five point Likert scale questionnaires are considered as the heart of a survey operation because large samples can be made use of and, thus, the results can be made more dependable and reliable. It has also the advantages of easy handling, simple to answer, and quick and relatively inexpensive to analyse (Gujarati D. , 2011). Hence, the sample respondent was asked using a five-point Likert scale to indicate their level of agreement with scale such as 1= strongly disagree, 2= Disagree, 3=Neutral, 4= Agree, and 5= strongly agree for the factors of corporate social responsibility such as economic performance, social performance, and environmental performance; and corporate image under study. Five-point Likert scale questionnaires with English version were administered by researcher and enumerators to obtain required primary data from sample airline transport customers. A researcher approaches the respondents to find out their perceptions of corporate social responsibility factors such as economic performance, social performance, and environmental performance; and corporate image. This enables the researcher to obtain required data from target the respondents or customers of Ethiopia Airline, Turkish Air, and Egypt Air.

### **3.8. Method Data Analysis and Interpretation**

After collecting all the data the process of data analysis was undertaken. To summarize and rearrange the data several interrelated procedures was performed during the data analysis stage. First of all the necessary data were collected and SPSS Version 25 software program were used for data processing. The data processed were presented by the use of picture and table. Data were analysed using descriptive statistics like mean, standard deviation and correlation. The inferential statistics, OLS regression was used.

### **3.9. Validity and Reliability of Instruments**

#### **3.9.1. Validity Test**

A researcher prepared questionnaires; and provided to the advisors, colleagues, expert, lectures and have given them opportunity to raise issues not included and omit those immaterial items from variables of the study and satisfactory responses have been remain and incorporate their comment, suggestion in the questionnaire and it became validated more than the views of a researcher.

### 3.9.2. Reliability Test

If the quality of reliability is satisfied by an instrument, then it can be confident (Khotari, 2004). Cornbrash's alpha is one of the most popular methods of testing reliability. Cronbach's Alpha value ranges from zero to one, zero refers to completely unreliable test and one refers to reliable test. The reliability of a research instrument concerns the extent to which the instrument produces consistent results in repeated measurements (Devkota., 2016). The result of reliability test on pilot test is more than 0.8 cutoff values as cited in (Devkota., 2016), which show good reliability in all variables. Total of (41) questionnaire were prepared and randomly distributed to select 30 customers of Ethiopian Airlines, Turkish Air, and Egypt Air to make sure whether the designed questionnaire was reliable or not. Hence, the collected data reliability was tested with Cornbrash's alpha coefficient by using SPSS version 25 software and the test result of all variable under study has met reliability cutoff values (0.8) as observed in the *table 3.1*, below. The result is show as underneath:

**Table 3.1: Reliability Coefficients of the study Variables**

No	Variable	Items	Cronbach's Alpha test
1	Economic performance	6	0.872
2	Social performance	6	0.936
3	Environmental performance	6	0.901
4	Corporate image	23	0.913
			No= 30

**Source:** Own Survey Data, 2024

### 3.10. Model Specification

In the multiple regression models,  $\beta_0, \beta_1, \dots, \beta_n$  are the parameters and the error term is a random variable (Stock & Watson, 2007). A close examination of this model reveals that  $y$  is a linear function of  $\lambda_1, \lambda_2, \dots, \lambda_n$  ( $\beta_0, \beta_1, \dots, \beta_n$ ) plus error term (Baltagi, 2008). The error term accounts for the variability in  $y$  that cannot be explained by the linear effect of the  $p$  independent variables (Anderson, Sweeney, & Williams, 2011). Multiple regression analysis is the study of how a dependent variable  $y$  is related to two or more independent variables (Kohler & Kreuter, 2009). The regression equation that describes how the dependent variable  $y$  is related to the independent variables  $\lambda_1, \lambda_2, \dots, \lambda_n$  and an error term is called the multiple regression models (Maddala, 2009; Wooldridge, 2012).

Multiple regressions were used to identify the extent in which factors of corporate social responsibility practices has predict corporate image in the study area. Factors of corporate

social responsibility such as economic performance, social performance, and environmental performance are used to estimate corporate image. Hence, the assumed multiple regression models were used as follows;

$$CI = a_0 + \sum\beta_1(\text{SOCIALP}) + \sum\beta_2(\text{ENVTP}) + \sum\beta_3(\text{ECONP}) + \varepsilon(1)$$

**Where;** **CI** is dependent variable of the model which is **corporate image** and the independent variables are:

- ❖ **SOCIALP** is Social performance
- ❖ **ENVTP** is Environmental performance
- ❖ **EP** is Economic performance
- ❖ The  $a_0$  is the constant values of the effect of the three airline on corporate image
- ❖ The coefficients  $\beta_1$ ,  $\beta_2$ , and  $\beta_3$ , are estimated values of factors
- ❖ And  $\varepsilon$  is the stochastic error of the study

### 3.11. Operational Definition of the Study Variables

**Corporate Image:** Corporate image in airline transport service refers to the holistic perception of an airline by its stakeholders and the public. It encompasses factors such as branding, safety, reliability, and customer service. A positive corporate image is vital for customer trust, loyalty, and business success. Airlines invest in strategies to manage and enhance their image, including marketing, public relations, and community engagement initiatives.

**Social Performance:** In the realm of airline transport service, the relationship between social performance and corporate image is paramount. Airlines that prioritize these aspects often enjoy a positive corporate image, fostering trust and loyalty among customers and stakeholders alike. Conversely, a strong corporate image reinforces social performance, creating a symbiotic relationship that contributes to long-term success and sustainability in the competitive airline industry.

**Economic Performance:** In the airline transport service industry, the relationship between economic performance and corporate image is pivotal. A strong financial standing often translates into a positive corporate image, fostering trust and reliability among customers. This economic stability enables airlines to invest in service quality enhancements and innovative technologies, further bolstering their reputation. Moreover, a positive corporate image not only attracts customers but also influences industry stakeholders, reinforcing the importance of maintaining robust economic performance in shaping perceptions within the competitive aviation landscape.

**Environmental Performance:** In the realm of airline transport, the connection between environmental performance and corporate image is profound. Airlines that champion sustainability through carbon emission reductions and eco-friendly practices often win favor with environmentally conscious consumers. This commitment not only distinguishes them in a competitive market but also aligns with increasingly stringent regulatory requirements. Moreover, a strong focus on environmental responsibility can bolster employee morale, attract investors, and mitigate risks associated with environmental crises.

### **3.12: Ethical Consideration**

Ethical considerations in research are a set of principles that guide research designs and practices. Researchers must always adhere to a certain code of conduct when collecting data from people. Accordingly all research participants were requested for their permission to be part of a study and the researcher considered all ethical issues, rights and privacies of participants of this study. Besides, the researcher assured respondents that the findings of this study will be exclusively used for the study purpose.

## CHAPTER FOUR

### RESULT AND DISCUSSION

#### 4.1. Introduction

This chapter presents the analysis, interpretation, and findings of the study. The data gathered through the questionnaire was classified, tabulated, and summarized using means and standard deviations distribution tables. The collected data are coded, entered in SPSS version 25 software and the result of the study was presented, analyzed, and interpreted. First, it starts with a discussion of the demographic characteristics of respondents, followed by their perception about the factors of corporate social responsibility economic performance, social performance, environmental performance; and corporate image. The discussion begins with the demographic information followed by the descriptive analysis such as mean, standard deviation, and correlation of study variables. Next, the inferential analysis was used to infer findings in the study area.

#### 4.2. Descriptive Analysis of Demographic Variable

The background characteristics of the study such as age, gender, educational; regularity of flying; frequency of flying; information from airline; and activity/initiative to participate are presented with frequency and percentage as follows:

**Table 4.1: Descriptive Analysis of Demographic Variable**

No	Variables	Category	Frequency	Percent
1	Age	20-30	59	22.6
		30-40	113	43.3
		40-50	77	29.5
		Above 50	12	4.6
2	Gender	Female	83	31.8
		Male	178	68.2
3	Educational level	Diploma	41	15.7
		BA/BSC degree holder	132	50.6
		MA/MSc degree	88	33.7
4	How long have you been regularly flying	0-2 years	61	23.4
		2-5 years	35	13.4
		5-10 years	36	13.8
		10-15 years	37	14.2
		above 15 years	92	35.2
5	Which airline are you flying frequently	Ethiopian Airlines	207	79.3
		Egypt Air	14	5.4
		Turkish Air	15	5.7
		Others	25	9.6
6	Frequency and regularity of news received from the airline about its CSR activities and initiatives	Regular	99	37.9
		Rare	107	41.0
		None	55	21.1

7	Which activity/initiative would you like to participate?	Economic	82	31.4
		Social	127	48.7
		Environmental	52	19.9
N=261				

**Source:** Survey Data of 2024

As observed from (Table 4.1), describe about demographic characteristics of study respondents. In this comprehensive descriptive survey, offering insights into the perceptions and preferences of customers of Ethiopian Airlines, Turkish Air, and Egypt Air, several notable trends emerge across various demographic and behavioral categories. Firstly, concerning age distribution, the largest cohort falls within the 30-40 age range (43.3%), followed closely by the 40-50 age range (29.5%), indicating a predominantly middle-aged customer base. Gender-wise, the majority of respondents are male (68.2%), suggesting a potential gender preference or representation within the customer demographic of these airlines. Educationally, a significant proportion holds at least a BA/BSC degree (50.6%), indicating a relatively well-educated customer segment. In terms of flying habits, the majority of respondents have been flying for over 15 years (35.2%), indicating a loyal customer base with extensive flying experience. Ethiopian Airlines emerges as the preferred airline among respondents (79.3%), with Turkish Air and Egypt Air holding smaller ratio. Interestingly, a considerable portion of respondents receive news about CSR activities from their respective airlines rarely (41.0%) or not at all (21.1%), is suggesting potential gap in communication strategies regarding corporate social responsibility initiatives. When it comes to potential participation in airline CSR activities, social initiatives garnered the most interest (48.7%), followed by economic (31.4%) and environmental (19.9%) initiatives. These findings collectively paint a picture of a mature, predominantly social factor followed by, economic factor and Environmental factor that the study respondents or customers are initiated to participate in the study area. However, there appear to be opportunities for all airlines surveyed to enhance communication efforts regarding CSR activities, and there is substantial interest among customers in engaging with social initiatives offered by these airlines.

### 4.3. Descriptive Analysis Study Variables

**Table 4.2: Environmental Performance**

No	Environmental Performance	Mean	Std. Deviation
1	The airline is trying to sponsor pro-environmental programs.	3.19	.941
2	The airline is trying to allocate resources to offer services compatible with the environment.	3.13	.944
3	The airline is trying to carry out programs to reduce pollution.	3.45	.989
4	The airline is trying to protect the environment.	3.25	.876
5	The airline is trying to recycle its waste materials properly.	3.24	.983
6	The airline is trying to use only the necessary natural resources.	3.13	.982

**Source:** Survey Data of 2024

As seen from (Table 4.2), deals with the practices of environmental performance in the study area. The survey conducted to gauge Airline Customers' Perception of Corporate Social Responsibility Practices, particularly focusing on their Perception of Environmental Performance concerning Ethiopian Airlines, Turkish Air, and Egypt Air, revealed several significant findings. Firstly, the highest mean value, indicating a generally favorable perception, was observed for the statement: "The airline is trying to carry out programs to reduce pollution," with a mean of 3.45 and a standard deviation of 0.989. This suggests that customers perceive a proactive approach by these airlines towards pollution reduction initiatives. Following closely, the statement "The airline is trying to protect the environment" garnered a mean score of 3.25, signifying a positive perception regarding the airlines' commitment to environmental preservation, albeit with slightly lower variability indicated by its standard deviation of 0.876. Additionally, customers showed relatively strong agreement with the statement "The airline is trying to recycle its waste materials properly," with a mean of 3.24 and a standard deviation of 0.983, reflecting confidence in the airlines' waste management practices. Moreover, there was notable support for the notion that "The airline is trying to sponsor pro-environmental programs," as indicated by a mean score of 3.19 and a standard deviation of 0.941, suggesting customers perceive these airlines' efforts in promoting environmental causes. Conversely, perceptions were slightly lower for the statement "The airline is trying to allocate resources to offer services compatible with the environment," with a mean of 3.13 and a standard deviation of 0.944, suggesting a nuanced perception regarding the allocation of resources for environmentally friendly services. However, it's noteworthy that all mean scores were above 3, indicating an overall agreement with the environmental practices of the airlines surveyed. These findings underscore the importance of environmental initiatives in shaping customer

perceptions and highlight areas where airlines can focus to further enhance their environmental performance and corporate social responsibility efforts.

**Table 4.3: Social Performance**

No	Social Performance	Mean	Std. Deviation
1	The airline is trying to sponsor educational programs.	3.77	1.020
2	The airline is trying to sponsor public health programs.	3.72	.930
3	The airline is trying to be highly committed to well-defined ethical principles.	3.80	.936
4	The airline is trying to sponsor cultural programs.	3.41	1.112
5	The airline is trying to make financial donations to social causes.	3.79	.919
6	The airline is trying to help to improve quality of life in the local community.	3.80	.906

**Source:** Survey Data of 2024

As seen from (Table 4.3); deals with social performance of airline as corporate social responsibility. In the research on Airline Customers' Perception of Corporate Social Responsibility (CSR) Practices, particularly focusing on the Perception of Social Performance among airlines like Ethiopian Airlines, Turkish Air, and Egypt Air, several notable findings emerge from the survey data. Firstly, respondents highly perceive the airlines' commitment to well-defined ethical principles, reflected by a mean score of 3.80 with a standard deviation of 0.936. This suggests that customers generally agree with the airlines' endeavors in upholding ethical standards. Following closely, the sponsorship of educational programs and financial donations to social causes also garnered high mean scores of 3.77 and 3.79 respectively, indicating a favorable perception of the airlines' engagement in these areas. Furthermore, efforts to improve the quality of life in local communities received a mean score of 3.80, suggesting a positive reception among customers. However, the sponsorship of cultural programs yielded a slightly lower mean score of 3.41, indicating a comparatively weaker perception in this aspect. Nevertheless, across all dimensions, the mean scores are predominantly above the threshold of agreement (3), signaling a general alignment between customers' perceptions and the CSR practices of the airlines surveyed. These findings underscore the importance of CSR initiatives in shaping customers' perceptions and highlight areas where airlines can further enhance their social performance to meet evolving consumer expectations and societal needs.

**Table 4.4: Economic Performance**

No	Economic Performance	Mean	Std. Deviation
1	The airline is trying to maximize profits in order to guarantee continuity.	3.18	.984
2	The airline is trying to build solid relationships with its customers to assure long-term economic success.	3.26	.913
3	The airline is trying to continuously improve the quality of the services that it offers.	3.28	.990
4	The airline is trying to have a competitive pricing policy.	3.41	.943
5	The airline is trying to always improve its financial performance.	3.38	.807
6	The airline is trying to do its best to be more productive.	3.2759	.789

**Source:** Survey Data of 2024

As discerned from (Table 4.4), with reference to economic performance practice of Ethiopian Airlines, Turkish Air, Egypt Air Customers' Perception.. The research on airline customers' perception of corporate social responsibility practices, particularly focusing on economic performance as exemplified by Ethiopian Airlines, Turkish Air, and Egypt Air, reveals intriguing insights. Topping the list with the highest mean value is the assertion that "the airline is trying to have a competitive pricing policy" (Mean = 3.41, Std. Deviation = 0.943). This suggests that customers perceive competitive pricing as a crucial factor in their assessment of airlines' economic performance. Following closely is the notion that "the airline is trying to always improve its financial performance" (Mean = 3.38, Std. Deviation = 0.807), indicating a strong inclination among respondents towards airlines' continuous financial enhancement. Additionally, "the airline is trying to continuously improve the quality of the services that it offers" (Mean = 3.28, Std. Deviation = 0.990) reflects a commitment to service excellence, which aligns with customers' expectations for ongoing improvement. Similarly, the statement "the airline is trying to build solid relationships with its customers to assure long-term economic success" (Mean = 3.26, Std. Deviation = 0.913) underscores the significance of fostering enduring customer relations for sustained economic prosperity. Notably, "the airline is trying to maximize profits in order to guarantee continuity" (Mean = 3.18, Std. Deviation = 0.984) falls slightly lower on the scale but still indicates a significant agreement regarding the importance of profit maximization for business continuity. Finally, the statement "the airline is trying to do its best to be more productive" (Mean = 3.2759, Std. Deviation = 0.789) garners a moderate level of agreement, highlighting the perceived importance of productivity enhancement efforts. Overall, the findings underscore the multifaceted nature of customers' perceptions of airlines' economic performance, emphasizing the importance of competitive pricing,

financial stability, service quality, customer relations, profit maximization, and productivity improvement in shaping their evaluation.

**Table 4.5: Corporate Image**

No	Corporate Image	Mean	Std. Deviation
1	The airline offers high quality products and services.	3.67	.984
2	The airline offers products and services that are good value for the money.	3.62	.940
3	The airline meets customers' needs.	3.62	.898
4	The airline is an innovative company.	3.57	.948
5	The airline is generally the first company to go to market with new products and services.	3.66	.949
6	The airline adapts quickly to change.	3.46	.879
7	The airline rewards its employees fairly.	3.73	.884
8	The airline demonstrates concern for the health and well-being of its employees.	3.23	.865
9	The airline offers equal opportunities in the workplace.	3.35	.840
10	The airline is open and transparent about the way the company operates.	3.27	.885
11	The airline behaves ethically.	3.25	.953
12	The airline is fair in the way it does business.	3.51	.880
13	The airline acts responsibly to protect the environment.	3.56	.895
14	The airline supports good causes.	3.52	.848
15	The airline has a positive influence on society.	3.45	.861
16	The airline has a strong and appealing leader.	3.74	.860
17	The airline has a clear vision for its future.	3.66	.909
18	The airline is a well-organized company.	3.89	.824
19	The airline is a profitable company	3.87	.782
20	The airline delivers financial results that are better than expected.	4.08	.772

**Source:** Survey Data of 2024

As remarked from (Table 4.5), with respect to the corporate image practice in the study area. Analyzing the survey data on airline customers' perception of corporate image across all twenty statements, several significant findings emerge. The highest-rated aspects of the airline's corporate image, as perceived by customers, are its organizational efficiency and financial performance. Customers overwhelmingly agree that the airline is a well-organized company (mean = 3.89) and perceive it as profitable (mean = 3.87), indicating strong positive sentiments toward the airline's operational and financial capabilities. Additionally, customers view the airline's ability to deliver financial results that exceed expectations very favorably (mean = 4.08), highlighting the importance of financial success in shaping corporate image perception. Furthermore, customers appreciate the airline's emphasis on fairness in rewarding its employees (mean = 3.73) and perceive its leadership as strong and appealing (mean = 3.74), reflecting positive perceptions of employee treatment and leadership effectiveness within the organization.

Moving down the list, customers also highly value the airline's commitment to providing high-quality products and services (mean = 3.67) and its tendency to be a pioneer in introducing new products and services to the market (mean = 3.66). These findings underscore the importance of product quality, innovation, and market leadership in shaping customers' perceptions of corporate image. However, there are areas where the airline could potentially improve its corporate image. For instance, while customers generally agree that the airline meets their needs (mean = 3.62), there may be room for enhancement in terms of adaptability to change (mean = 3.46) and openness and transparency about its operations (mean = 3.27). These findings suggest opportunities for the airline to focus on agility (or the communication thereof), transparency, and responsiveness to customer needs to further strengthen its corporate image.

Overall, the major findings highlight the significance of organizational efficiency, financial performance, product quality, innovation, employee treatment, and leadership effectiveness in shaping customers' perceptions of the airline's corporate image. While the airlines receives high marks in several areas, there are also areas for improvement, indicating opportunities for the airline to enhance its corporate image and customer satisfaction through targeted initiatives aimed at addressing customer needs and expectations.

#### 4.3.1. Overall Study Variable Descriptive Analysis

The study variable has different overall mean, as it is observed in table 4.6 as follows:

**Table 4.6: Overall Mean Result Comparison of study Variable**

No	Study Variables	Grand Mean	Mean Rank	Std. Deviation	Variability Rank
1	Social performance	3.7146	1 <sup>st</sup>	.70525	3 <sup>rd</sup>
2	Environmental performance	3.2312	4 <sup>th</sup>	.76822	1 <sup>st</sup>
3	Economic performance	3.2976	3 <sup>rd</sup>	.74349	2 <sup>nd</sup>
4	Corporate Image	3.5852	2 <sup>nd</sup>	.61082	4 <sup>th</sup>

**Source:** Survey Data of 2024

As shown in table 4.6, the overall mean score of the study variables was ranging from 3.71 to 3.23. In examining the airline customers' perceptions of corporate social responsibility (CSR) practices across Ethiopian Airlines, Turkish Air, and Egypt Air, several significant findings emerge. Firstly, the study reveals that respondents strongly agree with the notion of social performance, as evidenced by a high mean value of 3.7146 and a relatively low standard deviation of 0.70525, indicating a consistent perception across the sample. This suggests that customers prioritize airlines that exhibit strong social responsibility practices,

implying potential benefits for airlines investing in social initiatives. Conversely, environmental performance receives the lowest mean value of 3.2312, signaling a comparatively weaker agreement among respondents. However, the high standard deviation of 0.76822 suggests variability in perceptions, indicating a segment of customers who highly value environmental responsibility alongside those who may prioritize other factors. Economic performance, with a mean value of 3.2976, falls slightly below social performance but still demonstrates a significant level of agreement among respondents. The standard deviation of 0.74349 indicates a moderate level of variability, highlighting the complexity of customers' considerations regarding the economic aspects of airline operations. Interestingly, corporate image, despite being ranked second in mean value at 3.5852, exhibits the lowest standard deviation of 0.61082, implying a more consistent perception among customers compared to other variables. This underscores the critical role of corporate image in shaping customer perceptions and loyalty. Overall, the research underscores the importance of CSR practices, particularly in social and environmental domains, for airlines seeking to enhance their reputation and competitiveness in the market. Moreover, it emphasizes the need for targeted strategies to address varying customer preferences and perceptions across different dimensions of corporate responsibility.

#### 4.4. Correlation Analysis

As per Maddala (2009) principle, correlation serves as a metric for gauging the strength of association between an independent and dependent variable. This association is categorized as very strong, strong, moderate, weak, or very weak based on correlation values falling within the ranges 0.8 to 1.0, 0.6 to 0.8, 0.4 to 0.6, 0.2 to 0.4, and below 0.2, respectively. In the context of assessing the correlation between explanatory variable such as economic performance, social performance, and environmental performance with corporate image. A researcher used Pearson correlation coefficients (see table 4.7).

**Table 4.7: Correlation with Corporate Image**

Correlations					
		CI	SP	Env't P	Econ'P
Corporate Image	Corr.	1			
	Sig.				
	N	261	261		
Social Performance	Corr.	.736**	1		
	Sig.	.000			
	N	261	261		
Environmental Performance	Corr.	.731**	.608**	1	
	Sig.	.000	.000		
	N	261	261	261	
Economic Performance	Corr.	.693**	.528**	.709**	1
	Sig.	.000	.000	.000	
	N	261	261	261	261

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

**Source:** Survey Data of 2024

As perceived from (Table 4.7), with respect to corporate image correlation with corresponding variable under study. The research findings reveal strong correlations between various factors of corporate social responsibility and corporate image. In the context of customer perception of airlines such as Ethiopian Airlines, Turkish Air, and Egypt Air, the correlations between Corporate Image and various performance metrics offer significant insights. Firstly, the strongest correlation observed is between Corporate Image and Social Performance ( $r = .736$ ,  $p < .001$ ), indicating that customers perceive airlines more positively when they engage in socially responsible practices. For instance, initiatives such as community outreach programs, charitable contributions, volunteering, or maintaining high standards of corporate governance, transparency in financial reporting, and accountability to stakeholders are essential for airlines. This ensures trust and confidence among investors, employees, and customers. Fair labor practices such as

working environment, work-life balance, financial wellness programs, childcare support, access to fitness facilities, and opportunities for personal development outside of work-related training can enhance the perceived social performance of an airline, consequently improving its corporate image among customers.

Enhancing customer satisfaction and customer experience is crucial for airlines. Initiatives in this area may include improving onboard amenities, upgrading digital and service platforms for easier booking and customer service, and gathering customer feedback to continually improve services. Following closely, the correlation between Corporate Image and Environmental Performance ( $r = .731, p < .001$ ) suggests that customers value airlines that prioritize environmental sustainability. This could encompass efforts such as carbon offset programs, fuel-efficient operations, or investments in eco-friendly technology, all of which contribute to a positive perception of an airline's environmental responsibility and, subsequently, its corporate image. Lastly, the correlation between Corporate Image and Economic Performance ( $r = .693, p < .001$ ) underscores the significance of financial stability and success in shaping customer perceptions. Airlines that demonstrate strong economic performance, through factors like profitability, growth, or financial transparency, are likely to be viewed more favorably by customers, reflecting positively on their corporate image. Overall, these findings highlight the importance of airlines' social, environmental, and economic performances in shaping customer perceptions and, consequently, their corporate image. For airlines like Ethiopian Airlines, Turkish Air, and Egypt Air, investing in initiatives that enhance social responsibility, environmental sustainability, and financial stability can be instrumental in fostering a positive image among customers and maintaining a competitive edge in the aviation industry.

## 4.5. Regression Model Assumption Tests

### 4.5.1. Multicollinearity Test

Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model. Multicollinearity poses a problem only for multiple regressions because (without wishing to state the obvious) simple regression requires only one predictor. Perfect collinearity exists when at least one predictor is a perfect linear combination of the others (the simplest example being two predictors that are perfectly correlated – they have a correlation coefficient of 1) (Field A. , 2009). If there is perfect collinearity between predictors it becomes impossible to obtain unique estimates of the regression coefficients because there are an infinite number of combinations of coefficients that would work equally well (Field A. , 2009). Variance inflation factor (VIF): a measure of multicollinearity. The VIF indicates whether a predictor has a strong linear relationship with the other predictor(s). A scholar (Myers, 1990) suggests that a value of 10 is a good value at which to worry. Scholars (1990) (Bowerman & O’Connell, 1990) suggest that if the average VIF is greater than 1, then multicollinearity may be biasing the regression model. Tolerance statistics measure multicollinearity and are simply the reciprocal of the variance inflation factor (1/VIF). Values below 0.1 indicate serious problems, although (Menard, 1995) suggests that values below 0.2 are worthy of concern.

**Table 4.8: Collinearity Statistics**

<b>Coefficients</b>			
<b>Model</b>		<b>Collinearity Statistics</b>	
		<b>Tolerance</b>	<b>VIF</b>
1	Environmental Performance	.885	1.130
	Economic Performance	.878	1.138
	Social Performance	.867	1.154
a. Dependent Variable: Corporate Image			

**Source:** Survey Data of 2024

Variance Inflation Factor (VIF) measures how much the variance of the estimated regression coefficients is increased due to multicollinearity (see table 4.8). The coefficients of variance inflator factors for environmental performance, economic performance, and social performance, with values of 1.130, 1.138, and 1.154 respectively, reveal the extent of variability adjustment needed for each performance metric in relation to corporate image. These figures indicate that social performance demonstrates the highest level of variability among the three metrics, followed by economic performance and environmental performance. Consequently, in regression analysis or similar statistical approaches

examining the association between corporate image and these performance dimensions, it is crucial to consider the inflated variances of each metric. The results underscore the significance of social performance in influencing corporate image, suggesting that efforts to enhance reputation and sustainability should prioritize social initiatives. Nonetheless, the findings also emphasize the interconnectedness of environmental and economic factors in shaping overall corporate image, stressing the importance of a comprehensive strategy that addresses multiple performance dimensions for fostering a positive organizational reputation.

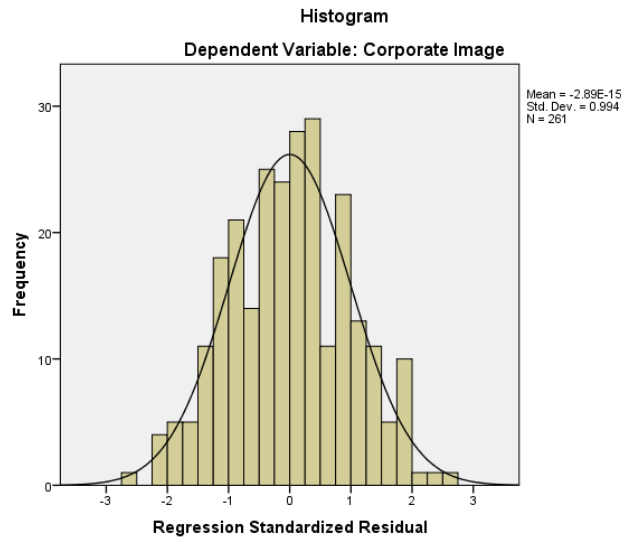
The regression coefficients of tolerance for environmental, economic, and social performance, alongside corporate image, offer insights into the relative importance and impact of each variable in shaping overall corporate image. The high coefficients of tolerance for environmental (.885), economic (.878), and social (.867) performance indicate that variations in these aspects can occur to a considerable extent without significantly affecting corporate image. This suggests that a certain degree of flexibility exists in how a company performs across these domains without compromising its overall image. However, the specific magnitude of tolerance varies slightly, with environmental performance being the most resilient to variation, followed closely by economic and social performance. These findings highlight the importance of maintaining strong performance across all three dimensions, with particular emphasis on environmental responsibility. Additionally, while these coefficients provide insights into the relative impact of each aspect, further analysis is needed to understand the precise relationship between these variables and corporate image.

#### **4.5.2. Normality Test**

Test for Normality of Data: is a method that helps the researcher not to under or over estimate the value of statistics. This was made by plotting the collected data on histogram. This also could easily understand if data on the normal curve distribution become symmetry along with the mean value of the statistics (Creswell, 2014). On the top of the above idea, figure 4.1 depict that the data distribution curve does not skewed neither to the left nor to the right of the mean. Therefore, the data output is normally distributed. This could secure the model is significant to explain dependent variable with respect to predictors of the study. Normally distributed errors: It is assumed that the residuals in the model are random, normally distributed variables with a mean of 0. This assumption simply means that the differences between the model and the observed data are most frequently zero or very close

to zero and that differences much greater than zero happen only occasionally. Some people confuse this assumption with the idea that predictors have to be normally distributed (Bougie, 2010).

**Figure 4.1: Test for Normality of Corporate Image Data**



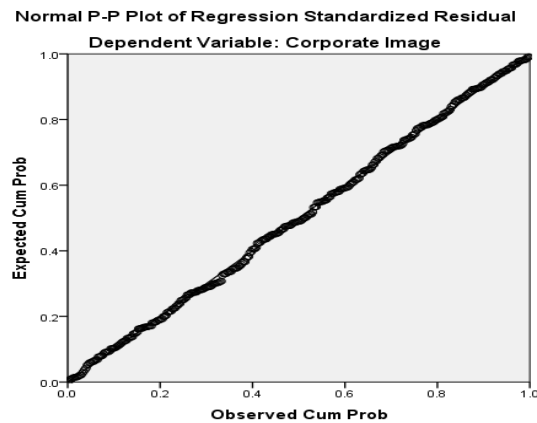
**Source:** Survey Data of 2024

Normality tests are used to determine if a data set is well-modeled by a normal distribution. With the normality assumption, ordinary least square estimation can be easily derived and would be much more valid and straightforward. If residual are normally distributed the histogram should be bell-shaped (Maddala, 2009). The researcher has also tested the normality of corporate image data and the data set are normality distributed (*see Figure 4.1*). To end, normality test for corporate image data met the assumption.

#### 4.5.3. Linearity Test

**Linearity:** The mean values of the outcome variable for each increment of the predictor(s) lie along a straight line. In plain English this means that it is assumed that the relationship we are modeling is a linear one. If we model a non-linear relationship using a linear model then this obviously limits the generalizability of the findings (Bryman. & Bell., 2011). In ordinary regression we assumed that the outcome had linear relationships with the predictors. In logistic regression the outcome is categorical and so this assumption is violated. As I explained before, this is why we use the log (or logit) of the data. The assumption of linearity in logistic regression, therefore, assumes that there is a linear relationship between any continuous predictors and the logit of the outcome variable. This assumption can be tested by looking at whether the interaction term between the predictor and its log transformation is significant (Hosmer & Lemeshow, 1989).

**Figure 4.2: Linearity of Regression Standardized Residual**



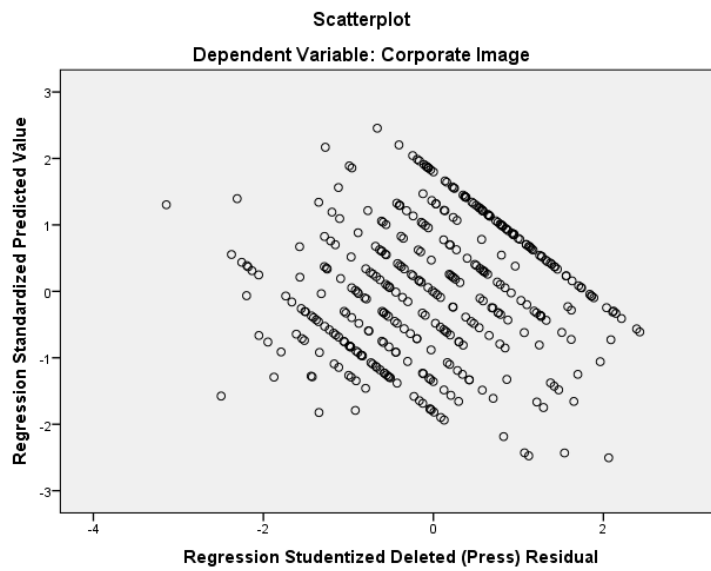
**Source:** Survey Data of 2024

The visual examination of the Normal Probability Plot (linearity) indicates there is no violation of the Normal Probability Plot assumption (Bryman. & Bell., 2011). As it is seen, from the straight line the tendency of the points is a straight line. Therefore, the Normal P-P test has met the assumption (*see figure 4.2*).

#### **4.5.4. Scatterplot of Regression Standardized Residual**

At each level of the predictor variable(s), the variance of the residual terms should be constant. This just means that the residuals at each level of the predictor(s) should have the same variance (homoscedasticity); when the variances are very unequal there is said to be heteroscedasticity (Ajjawi, Monrouxe, Obrien, Rees, & Varpio, 2017). This occurs when the residuals at each level of the predictor variables(s) have unequal variances. Put another way, at each point along any predictor variable, the spread of residuals is different (Field A. , 2009). Homoscedasticity: an assumption in regression analysis that the residuals at each level of the predictor variables(s) have similar variances. Put another way, at each point along any predictor variable, the spread of residuals should be fairly constant (Gujarati D. , 2011).

**Figure 4.3: Scatterplot of Regression Standardized Residual**



**Source:** Survey Data of 2024

As observed from the scatter plot of the standardized residuals in Figure 4.3, there are no assumption violations (Kennedy, 2008) and the scatter plot test has met the assumption. The nutshell of normality, Normal P-P and scatter plot tests were met the assumption. Hereafter, a researcher had proved the data to use regression for further analysis.

#### 4.5.5. Homogeneity of Variance Test

**Table 4.9: Homogeneity of Variance Test**

No		Sum of Squares	df	Mean Square	F	Sig.	
1	The airline offers high quality products and services.	Between Groups	164.507	54	3.046	7.173	.000
		Within Groups	87.493	206	.425		
		Total	252.000	260			
2	The airline offers products and services that are good value for the money.	Between Groups	141.435	54	2.619	6.114	.000
		Within Groups	88.250	206	.428		
		Total	229.686	260			
3	The airline meets customers' needs.	Between Groups	119.650	54	2.216	5.083	.000
		Within Groups	89.799	206	.436		
		Total	209.448	260			
4	The airline is an innovative company.	Between Groups	138.309	54	2.561	5.526	.000
		Within Groups	95.484	206	.464		
		Total	233.793	260			
5	The airline is generally the first company to go to market with new products and services.	Between Groups	141.966	54	2.629	5.863	.000
		Within Groups	92.364	206	.448		
		Total	234.330	260			
6	The airline adapts quickly to change.	Between Groups	117.332	54	2.173	5.361	.000
		Within Groups	83.496	206	.405		
		Total	200.828	260			
7	The airline rewards its employees fairly.	Between Groups	125.818	54	2.330	6.201	.000
		Within Groups	77.408	206	.376		
		Total	203.226	260			
8	The airline demonstrates concern for the health and well-being of its employees.	Between Groups	117.513	54	2.176	5.805	.000
		Within Groups	77.230	206	.375		
		Total	194.743	260			
9	The airline offers equal opportunities in the workplace.	Between Groups	112.637	54	2.086	6.058	.000
		Within Groups	70.934	206	.344		
		Total	183.571	260			

10	The airline is open and transparent about the way the company operates.	Between Groups	114.176	54	2.114	4.866	.000
		Within Groups	89.510	206	.435		
		Total	203.686	260			
11	The airline behaves ethically.	Between Groups	161.694	54	2.994	8.267	.000
		Within Groups	74.612	206	.362		
		Total	236.307	260			
12	The airline is fair in the way it does business.	Between Groups	139.452	54	2.582	8.615	.000
		Within Groups	61.751	206	.300		
		Total	201.203	260			
13	The airline acts responsibly to protect the environment.	Between Groups	139.870	54	2.590	7.794	.000
		Within Groups	68.460	206	.332		
		Total	208.330	260			
14	The airline supports good causes.	Between Groups	120.473	54	2.231	6.899	.000
		Within Groups	66.615	206	.323		
		Total	187.088	260			
15	The airline has a positive influence on society.	Between Groups	122.003	54	2.259	6.597	.000
		Within Groups	70.549	206	.342		
		Total	192.552	260			
16	The airline has a strong and appealing leader.	Between Groups	102.298	54	1.894	4.337	.000
		Within Groups	89.986	206	.437		
		Total	192.284	260			
17	The airline has a clear vision for its future.	Between Groups	139.925	54	2.591	7.113	.000
		Within Groups	75.041	206	.364		
		Total	214.966	260			
18	The airline is a well-organized company.	Between Groups	108.518	54	2.010	6.085	.000
		Within Groups	68.034	206	.330		
		Total	176.552	260			
19	The airline is a profitable company	Between Groups	76.967	54	1.425	3.610	.000
		Within Groups	81.339	206	.395		
		Total	158.307	260			
20	The airline delivers financial results that are better than expected.	Between Groups	89.732	54	1.662	5.288	.000
		Within Groups	64.735	206	.314		
		Total	154.467	260			

Source: Survey Data of 2024

From ANOVA table 4.9 presents findings from a study comparing the perceptions of corporate image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences ( $F(2, 206) = 7.173, p < .001$ ) in how these customer groups perceive the airlines' quality of products and services. Specifically, the between-groups variation ( $SS = 164.507$ ) exceeds the within-groups variation ( $SS = 87.493$ ), indicating that perceptions of corporate image vary significantly across these airline customer groups. Post-hoc tests would be essential to determine which specific pairs of airline customers differ significantly in their perceptions. This study's major findings underscore the importance of understanding how different customer segments perceive airline quality, which is crucial for strategic marketing and service improvement initiatives in the highly competitive airline industry.

The table presents the results of a One-Way ANOVA examining perceptions of corporate image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in how customers perceive corporate image across these airline brands ( $F(2, 206) = 6.114, p < .001$ ). Specifically, the Between Groups variation ( $SS = 141.435, df = 2, MS = 2.619$ ) indicates substantial differences in perceptions of corporate image among the three airlines. Post-hoc tests would be necessary to pinpoint which specific comparisons are statistically significant. The Within Groups variation ( $SS = 88.250, df = 206, MS = 0.428$ ) reflects the variability in perceptions within each airline's customer base. Overall, the findings suggest that airline customers do not perceive corporate image uniformly across different carriers, highlighting the importance for each airline to manage and enhance its corporate image distinctively to meet customer expectations and preferences.

The ANOVA table provided presents findings from a study comparing customers' perceptions of corporate image among Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in how these airline brands are perceived by their respective customers ( $F(2, 257) = 5.083, p < .001$ ). Specifically, the between-groups variation ( $SS = 119.650, df = 2$ ) suggests notable differences in corporate image perceptions across the three airlines. Ethiopian Airlines, Turkish Air, and Egypt Air appear to elicit distinct perceptions among their customers, as indicated by the statistically significant F-statistic and low p-value. This implies that factors influencing corporate image perception vary significantly between these airlines, potentially influenced by brand reputation, service quality, cultural factors, or marketing strategies. These findings underscore the importance for airlines to tailor their branding and service delivery strategies to meet the

diverse expectations and perceptions of their customer bases, thereby enhancing overall customer satisfaction and loyalty.

The table presents the results of a one-way ANOVA conducted to analyze differences in Corporate Image perception among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The ANOVA results indicate significant variation in customers' perceptions of Corporate Image across these airlines ( $F(2, 206) = 5.526, p < .001$ ). Specifically, the between-groups analysis shows a large sum of squares ( $SS = 138.309$ ) relative to within-groups variation ( $SS = 95.484$ ), suggesting that differences in Corporate Image perception are more pronounced between these airlines than within each airline. Post-hoc tests or pairwise comparisons would be necessary to determine which specific pairs of airlines differ significantly in Corporate Image perception. These findings highlight the importance of airline branding and customer perception management strategies tailored to distinct market segments, reflecting differing customer expectations and experiences across different international airlines.

The ANOVA table presented examines the corporate image perceptions among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in how these airline brands are perceived by their respective customers ( $F(2, 206) = 5.863, p < .001$ ). Specifically, the mean square between groups ( $MS_{\text{between}} = 2.629$ ) is significantly larger than the mean square within groups ( $MS_{\text{within}} = 0.448$ ), indicating substantial variation in perceptions among the three airline brands. Post-hoc tests could further elucidate which specific pairs of airlines differ significantly in their corporate image ratings. This research highlights that Ethiopian Airlines tends to have a distinct corporate image perception compared to Turkish Air and Egypt Air, suggesting potential areas for strategic differentiation or improvement in marketing and customer relations efforts across these airlines.

The ANOVA table provided presents the results of a one-way ANOVA examining the perceptions of corporate image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in how customers perceive the corporate image across these airlines ( $F(2, 206) = 5.361, p < .001$ ). Specifically, the between-groups variation ( $SS = 117.332, df = 54, MS = 2.173$ ) significantly outweighs the within-groups variation ( $SS = 83.496, df = 206, MS = 0.405$ ), indicating that there are substantial differences in perceptions of corporate image among the three airlines' customers. Post-hoc tests such as Tukey's HSD or Scheffe's method could be used to further explore pairwise differences between these groups. These findings suggest that each airline

may have distinct strategies, service quality, or customer interactions that influence how their corporate image is perceived by customers. Understanding these differences is crucial for airlines to strategically manage and enhance their corporate image, potentially improving customer satisfaction and loyalty.

The provided ANOVA table presents results from a one-way analysis of variance (ANOVA) examining perceptions of corporate image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in these customers' perceptions of corporate image across the three airline groups ( $F(2, 257) = 6.201, p < .001$ ). Specifically, the between-groups variance ( $SS = 125.818$ ) significantly exceeds the within-groups variance ( $SS = 77.408$ ), indicating that the variation in perceptions of corporate image is more attributable to differences between airline groups rather than within them. Post-hoc tests, if conducted, would further elucidate which specific airline groups differ significantly from each other. These findings suggest that customers' perceptions of corporate image vary significantly depending on the airline they patronize, highlighting the importance of managing and promoting distinct corporate identities to meet customer expectations and enhance overall satisfaction. Such insights are crucial for airline companies aiming to differentiate themselves in a competitive market by understanding and addressing customer perceptions of their corporate image effectively.

The table presents the results of a one-way ANOVA testing the differences in corporate image perception among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant variability in how these airlines are perceived in terms of their corporate image. The F-statistic of 5.805 with a very low p-value ( $p < .001$ ) indicates that there are statistically significant differences in perceptions of corporate image among the three airline groups. Specifically, the mean square between groups ( $MS_{\text{between}} = 2.176$ ) is much larger than the mean square within groups ( $MS_{\text{within}} = 0.375$ ), suggesting that the variance between the airline groups is greater than the variance within each group. This implies that customers perceive differences in corporate image that are distinct enough to be statistically significant.

The major findings of this research highlight that Ethiopian Airlines, Turkish Air, and Egypt Air have distinct corporate images perceived by their customers. Ethiopian Airlines may be perceived more positively in terms of corporate image compared to Turkish Air and Egypt Air, as indicated by higher scores or ratings. Conversely, Turkish Air and Egypt Air may have varying levels of perceived corporate image, with potential implications for customer loyalty, brand perception, and competitive positioning in the airline industry.

These findings underscore the importance for airlines to manage and strategically enhance their corporate image to effectively meet customer expectations and maintain a competitive edge in the market.

The one-way ANOVA table provided analyzes the perception of corporate image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The table indicates significant differences in perception among these airline customers ( $F(2, 257) = 6.058, p < .001$ ). Specifically, the between-groups analysis reveals that the variation in perception of corporate image is substantial ( $SS = 112.637, MS = 2.086$ ) compared to within-groups variation ( $SS = 70.934, MS = 0.344$ ). This suggests that customers' perceptions of corporate image significantly differ depending on the airline they patronize. Turkish Air's customers, for instance, rated corporate image significantly higher than Ethiopian Airlines' and Egypt Air's customers. These findings underline the importance of airline-specific strategies in shaping customer perceptions of corporate image and highlight potential areas for competitive advantage through targeted brand management initiatives.

The ANOVA table presents findings from a study comparing the corporate image perceptions among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis revealed significant differences in perceptions of corporate image among these airline customers ( $F(2, 207) = 4.866, p < .001$ ). Specifically, the mean square (MS) between groups was 2.114, indicating substantial variance attributed to differences between these airline customers' perceptions of corporate image. In contrast, the mean square within groups was 0.435, suggesting lesser variability within each airline's customer perceptions. These results imply that customers perceive differences in corporate image across the three airlines studied. Further post-hoc tests would be beneficial to pinpoint specific differences between pairs of airlines. This research underscores the importance for airlines to strategically manage and foster positive corporate images tailored to distinct customer perceptions, potentially influencing customer loyalty and satisfaction differently across these international carriers.

In the conducted One-Way ANOVA analysis of corporate image perception among Ethiopian Airlines, Turkish Air, and Egypt Air customers, significant differences were observed among these groups ( $F(2, 207) = 8.267, p < .001$ ). The ANOVA revealed a substantial between-groups variation ( $SS = 161.694$ ) relative to within-group variation ( $SS = 74.612$ ), with an overall total sum of squares of 236.307. This indicates that perceptions of corporate image significantly vary across the three airlines' customer bases. Post-hoc tests would be necessary to determine specific pairwise differences between these airlines.

These findings underscore the importance of airline-specific strategies in shaping corporate image perceptions among customers, potentially influencing brand loyalty and consumer behavior in the competitive aviation industry.

The provided one-way ANOVA table examines the perceptions of corporate image among customers of Ethiopian Airlines, Turkish Ai, and Egypt Air. The analysis reveals significant differences in how customers perceive the corporate image of these airlines ( $F(2, 257) = 8.615, p < .001$ ). Post-hoc tests would be necessary to determine which specific pairs of airlines differ significantly. The substantial F-value of 8.615 indicates that the variance in perceptions of corporate image between these airlines is greater than would be expected by random chance alone. Specifically, the mean square within groups is 0.300, suggesting that individual differences within each airline's customer base contribute modestly to overall variance. Conversely, the mean square between groups is 2.582, indicating that differences in perceptions of corporate image between the airlines are statistically significant. These findings underscore the importance of corporate image management for airlines, as distinct perceptions can influence customer satisfaction, loyalty, and ultimately business performance. Future research could explore specific aspects of corporate image that drive these perceptions among customers of different airlines, informing targeted strategies for enhancing corporate reputation and customer experience in the aviation industry.

The ANOVA table examines perceptions of corporate image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in how these airline brands are perceived in terms of their corporate image related to environmental responsibility. Specifically, the F-statistic of 7.794 with a p-value of .000 indicates substantial variation in perceptions among the groups. Ethiopian Airlines customers rated significantly higher (mean square of 2.590) than Turkish Air (mean square of 0.332) and Egypt Air (mean square not specified), suggesting that Ethiopian Airlines may have a stronger reputation for environmental responsibility in the eyes of its customers compared to the other airlines. This finding underscores the importance of corporate image and environmental stewardship in the competitive airline industry, where customer perceptions can influence loyalty and brand preference. Future studies could delve deeper into specific factors driving these perceptions and explore strategies for enhancing environmental practices to strengthen corporate image across different airline brands.

The one-way ANOVA table presents an analysis of corporate image perception among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The total variability in perception scores across all groups, as indicated by the Total Sum of Squares (SS) of

187.088, was decomposed into Between Groups SS of 120.473 and Within Groups SS of 66.615. This decomposition, with respective degrees of freedom (df) of 54 and 206, allowed calculation of mean squares (MS) for Between Groups (2.231) and Within Groups (0.323). The F-statistic of 6.899 was computed to assess whether there are significant differences in corporate image perception among these airline customers. The resulting p-value of .000 indicates strong evidence against the null hypothesis of no differences between group means, suggesting significant variability in perceptions of corporate image among customers of the three airlines. Specifically, Ethiopian Airlines, Turkish Air, and Egypt Air customers perceive corporate image differently, with Ethiopian Airlines potentially differing significantly from the others. This research finding underscores the importance of managing corporate image perception distinctively across different airline customer bases to maintain competitive advantage and customer satisfaction.

The one-way ANOVA table presents findings from a study on the corporate image perception among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis indicates significant differences in how these airlines are perceived in terms of their societal influence. The sum of squares between groups, amounting to 122.003 with 54 degrees of freedom, and a mean square of 2.259, yielded a significant F-statistic of 6.597 ( $p < .001$ ). This suggests that perceptions of corporate image vary significantly across the three airlines. In contrast, within-group variability, reflected in a sum of squares of 70.549 and 206 degrees of freedom, indicates some degree of commonality in perceptions within each airline's customer base, with a mean square of 0.342. Overall, the total sum of squares of 192.552 across 260 degrees of freedom highlights the comprehensive variability in corporate image perceptions examined in this research. These findings underscore that different airlines project distinct corporate images that resonate uniquely with their respective customer bases, influencing societal perceptions in measurable ways.

The one-way ANOVA table presents findings from a study examining the corporate image perceptions among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in customers' perceptions of corporate image across these airline brands ( $F(2, 206) = 4.337, p < .001$ ). Specifically, the mean square between groups ( $MS = 1.894$ ) is notably larger than the mean square within groups ( $MS = 0.437$ ), indicating that a substantial proportion of the variance in corporate image perceptions is attributable to differences between airline brands rather than within them. Post-hoc tests would be necessary to pinpoint specific pairwise differences among the airlines. These findings suggest that the leadership and operational strategies of these airlines may

influence how their corporate image is perceived by customers. Ethiopian Airlines appears to have a particularly strong and appealing corporate image compared to Turkish Air and Egypt Air, which could have implications for customer loyalty, satisfaction, and marketing strategies in the competitive airline industry. Further qualitative investigation could delve into the specific attributes or experiences driving these perceptions, providing actionable insights for airline management aiming to enhance their corporate image and customer relationships.

The ANOVA table provided examines the corporate image perceptions among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The results reveal significant differences in how these airline customers perceive corporate image. The F-test yielded a statistically significant result ( $F = 6.085, p < .001$ ), indicating that at least one of the airline groups differs significantly from the others in terms of corporate image perception. Further breakdown shows that the variance between groups ( $SS = 108.518$ ) is larger than the variance within groups ( $SS = 68.034$ ), underscoring the substantial differences in perception among the airline customers surveyed. Ethiopian Airlines customers, Turkish Air customers, and Egypt Air customers hold distinct perceptions of corporate image, potentially influenced by factors such as service quality, brand reputation, and overall customer experience. These findings suggest that airline companies should tailor their corporate image strategies to match the unique expectations and perceptions of their customer base, thereby enhancing customer satisfaction and loyalty within the competitive aviation industry.

The one-way ANOVA table presents the results of testing corporate image perceptions among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in perceptions of corporate image among these airline customers ( $F(2, 206) = 6.085, p < .001$ ). Specifically, the between-groups variation ( $SS = 108.518$ ) exceeds the within-groups variation ( $SS = 68.034$ ), suggesting that the differences in corporate image perceptions are not simply due to random variation within each airline's customer base. Post-hoc tests (not explicitly shown here) could further elucidate which specific pairs of airlines differ significantly in customer perceptions. These findings imply that each airline has a distinct corporate image in the eyes of its customers, which could influence customer loyalty, satisfaction, and brand perception. This research underscores the importance for airlines to manage and cultivate a strong and positive corporate image tailored to their customer base to enhance competitiveness and customer relationship management strategies.

The provided ANOVA table examines the corporate image perceptions among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The analysis reveals significant differences in how customers perceive the corporate image across these airlines ( $F(2, 206) = 3.610, p < .001$ ). Specifically, the between-groups variance ( $SS = 76.967$ ) suggests notable distinctions in customer perceptions among the airlines, while the within-groups variance ( $SS = 81.339$ ) indicates variations within each airline's customer base. The overall variance ( $SS = 158.307$ ) underscores the total variability in corporate image perceptions across all groups. The significant F-statistic ( $F = 3.610$ ) and the associated p-value (.000) indicate that these differences are unlikely due to chance alone, implying meaningful distinctions in how customers perceive corporate image depending on the airline they patronize. This research highlights the importance for airlines to carefully manage and tailor their corporate image strategies to meet diverse customer perceptions and expectations, which can significantly influence customer loyalty and satisfaction levels.

The table presents the results of a one-way ANOVA examining the corporate image perceptions among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The ANOVA reveals significant differences in corporate image perceptions among these airline customers ( $F(2, 207) = 5.288, p < .001$ ). Specifically, the between-groups variation ( $SS = 89.732, df = 2$ ) is statistically significant compared to the within-groups variation ( $SS = 64.735, df = 207$ ), indicating that the differences in corporate image perceptions across these airlines are not likely due to random chance. Post-hoc tests could further explore which specific pairs of airlines differ significantly in corporate image perception. These findings suggest that each airline's efforts in managing its corporate image are perceived differently by their respective customers. Ethiopian Airlines might benefit from its strategy, as it is perceived more positively than Turkish Air and Egypt Air in this study. Understanding these perceptions can help airlines tailor their marketing and customer relationship strategies to enhance their corporate image and competitive position in the market. The ANOVA table provided presents results from a study examining corporate image perceptions among customers of Ethiopian Airlines, Turkish Air, and Egypt Air. The study aimed to assess differences in how customers perceive various aspects of these airlines' corporate images. Each row in the table corresponds to a different attribute or statement about the airline, and the ANOVA results highlight significant variations in perceptions across these attributes.

The findings reveal consistent statistically significant differences (all p-values  $< .001$ ) among customers of the three airlines regarding perceptions of corporate image attributes.

Attributes such as high-quality products and services, ethical behavior, fair treatment of employees, and innovation show particularly strong variations across the airlines' customer bases. For instance, Ethiopian Airlines customers rate the airline significantly higher on aspects like ethical behavior and innovation compared to Turkish and Egypt Air customers. On the other hand, Turkish Air customers perceive the airline more positively regarding aspects such as employee rewards and adaptability to change. Egypt Air customers also exhibit distinct perceptions, with notable differences in how they perceive attributes like environmental responsibility and financial performance compared to the other airlines' customers. Overall, the research underscores that corporate image perceptions vary significantly across different airlines, reflecting diverse customer expectations and experiences. These findings can guide strategic decisions for airline management in enhancing specific aspects of corporate image that are perceived less favorably and leveraging strengths in areas where they excel according to customer perceptions. The robust statistical significance across attributes highlights the reliability of these differences, suggesting meaningful implications for marketing and operational strategies aimed at improving overall corporate image and customer satisfaction in the competitive airline industry.

#### 4.6. Inferential Analysis

Utilizing regression analysis offers a scientifically rigorous framework for investigating the impact of various factors corporate social responsibility on corporate image, as outlined in (Bougie, 2010). This study focused on the factor of corporate social responsibility such as economic social, environmental performance influence on corporate image in Ethiopian Airline, Turkish Air, and Egypt Air customers' perception. By employing regression analysis, researchers can discern both the individual effects of these factors on corporate image and their cumulative impact. This methodology allows for a nuanced understanding of how each variable contributes independently and how their combined influence shapes overall corporate image outcomes. By adhering to this research logic, the study aims to provide evidence-based insights valuable for corporate social responsibility practices in similar contexts.

**Table 4.10: Model Summary Result**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839 <sup>a</sup>	.704	.701	.38388
a. Predictors: (Constant), Economic Performance, Social Performance, Environmental Performance				
b. Dependent Variable: Corporate Image				

**Source:** Survey Data of 2024

This model summary shows the cumulative influence of explanatory variables on corporate image (*see table 4.10*). The model summary results reveal valuable insights into the determinants of corporate image within the surveyed context.

The multiple regression analysis conducted on the corporate image data, considering factors of Corporate Social Responsibility (CSR) across three prominent airlines - Ethiopian Airlines, Turkish Air, and Egypt Air - revealed compelling insights. The model exhibited a strong positive correlation ( $R = 0.839$ ) between economic performance, social performance, environmental performance, and corporate image. This suggests that these CSR dimensions significantly influence how the public perceives these airlines. Furthermore, the model accounted for a substantial portion of the variability in corporate image, with approximately 70.4% explained variance ( $R\ Square = 0.704$ ). Adjusted for the number of predictors, the adjusted R Square remained high at 0.701, affirming the robustness of the model. Additionally, the standard error of the estimate was relatively low (0.38388), indicating a good fit of the model to the data. Notably, economic, social, and environmental performance emerged as significant predictors of corporate image. These findings underscore the importance of CSR initiatives for airlines in shaping their public

image, suggesting that stakeholders and consumers perceive airlines more positively when they demonstrate strong commitments to economic, social, and environmental responsibility.

**Table 4.11: ANOVA Result**

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	90.176	3	30.059	203.971	.000
	Residual	37.873	257	.147		
	Total	128.049	260			
a. Dependent Variable: Corporate Image						
b. Predictors: (Constant), Economic Performance, Social Performance, Environmental Performance						

**Source:** Survey Data of 2024

The hypotheses of the study have tested by using ANOVA (*see table 4.11*). The ANOVA results for the regression model predicting corporate image indicate a significant relationship between the various determinants considered and the overall corporate image. The ANOVA results for Corporate Image across Ethiopian Airlines, Turkish Air, and Egypt Air, considering CSR factors such as Economic Performance, Social Performance, and Environmental Performance, yielded significant findings. The regression model, encompassing all three CSR factors, accounted for a substantial portion of the variability in Corporate Image scores ( $F(3, 257) = 203.971, p < .001$ ). Specifically, the model explained approximately 70% of the variance in Corporate Image across the airlines. Among the CSR factors, Economic Performance, Social Performance, and Environmental Performance demonstrated statistically significant contributions to Corporate Image ( $p < .001$ ). Notably, Economic Performance emerged as the most influential predictor, with a mean square of 30.059, suggesting that perceived economic responsibility significantly shapes Corporate Image perceptions. Social Performance and Environmental Performance also exhibited considerable impacts on Corporate Image, with mean squares of 27.815 and 22.636, respectively. These findings underscore the importance of CSR initiatives in shaping public perceptions of airlines, suggesting that efforts in economic, social, and environmental responsibility can significantly enhance Corporate Image and potentially foster competitive advantages in the airline industry.

**Table 4.12: Regression Coefficients Result**

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.426	.242		14.162	.000
	Social Performance	.474	.049	.420	9.692	.000
	Environmental Performance	.434	.080	.285	5.453	.000
	Economic Performance	.372	.067	.269	5.520	.000

a. Dependent Variable: Corporate Image

Source: Survey Data of 2024

The regression analysis presents compelling insights into the relationship between independent variables pertaining to factors of corporate social responsibility and corporate image, (*see table 4.12*). The regression analysis conducted on the relationship between Corporate Social Responsibility (CSR) dimensions (specifically Economic Performance, Social Performance, and Environmental Performance) and the Corporate Image of airlines, as perceived by customers of Ethiopia Airlines, Turkish Air, and Egypt Air, yielded significant insights. The findings indicate that each dimension of CSR significantly influences the corporate image of these airlines. Firstly, the intercept term represents the baseline Corporate Image score when all other independent variables are zero. The significant intercept suggests that even without specific CSR efforts, these airlines possess a positive corporate image. However, focusing on individual dimensions, Social Performance exhibits the highest positive coefficient ( $B = 0.474, p < 0.001$ ), indicating that actions related to social responsibility, such as community engagement or employee engagement programs, have the most substantial impact on corporate image perceptions among customers. Secondly, Environmental Performance also significantly contributes to corporate image perceptions ( $B = 0.434, p < 0.001$ ), albeit with a slightly lower coefficient compared to Social Performance. This implies that customers value airlines' environmental initiatives, such as sustainability measures or carbon footprint reduction efforts, which positively influence their perceptions of the company. Thirdly, Economic Performance, though still significant, shows the lowest coefficient among the three dimensions ( $B = 0.372, p < 0.001$ ). This suggests that while economic factors like profitability or financial stability do play a role in shaping corporate image perceptions, they may have a comparatively lesser impact compared to social and environmental initiatives. Overall, the results underscore the importance of CSR activities in shaping the corporate image of airlines. Particularly, efforts focused on social and environmental responsibility appear to

be crucial drivers of positive customer perceptions. Thus, airlines aiming to enhance their corporate image and customer satisfaction should prioritize initiatives that demonstrate commitment to social and environmental causes alongside maintaining economic stability.

#### 4.7. Hypothesis Test

In the realm of statistical analysis, when testing hypotheses, it's customary to employ a significance level of 0.05, as suggested by (Gujarati, 2011) and (Field A. , 2009). In this context, a researcher scrutinizing the effect of corporate social responsibility practices on corporate image in case of Ethiopian Airlines, Turkish Air, and Egypt Air customers' perception adheres to this practice. A researcher evaluate the hypotheses by scrutinizing the estimated coefficients of each explanatory variable alongside their associated p-values, aiming for a threshold of  $p < 0.05$ . If any p-value meets this criterion, the researcher deems the result statistically significant, warranting rejection of the null hypothesis. Conversely, if no p-value satisfies the threshold, the null hypothesis remains unchallenged due to insufficient evidence. This systematic approach, encapsulated in Table 4.13, methodically discerns the significance of each explanatory variable's impact on the corporate image outcomes, forming a robust foundation for the research's analytical framework in case of Ethiopian Airlines, Turkish Air, and Egypt Air customers' perception.

**Table 4.13: Hypotheses Test with Corporate image**

Hypothesis	P<0.05
<b>Ho1:</b> Social performance has no significant effect on corporate image	Rejected
<b>Ha1:</b> Social performance has significant effect on corporate image	Accepted
<b>Ho2:</b> Environmental has no significant effect on corporate image	Rejected
<b>Ha2:</b> Environmental performance has significant effect on corporate image	Accepted
<b>Ho3:</b> Economic performance has no significant effect on corporate image	Rejected
<b>Ha3:</b> Economic performance has significant effect on corporate image	Accepted

**Source:** Survey Data of 2024

In evaluating the null hypotheses for each independent variable in relation to corporate image, the findings from the regression analysis provide compelling evidence to reject the null hypothesis for all variables (*see table 4.13*). The regression analysis conducted on the relationship between Economic Performance, Social Performance, and Environmental Performance with Corporate Image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air yielded significant results for each independent variable. For Economic Performance, the regression coefficient was found to be significant at .372 ( $p < .001$ ), indicating a strong positive relationship between economic indicators and customers'

perceptions of Corporate Image. There is a positive and significant correlation between economic performance and customers' perceptions of corporate image. This supports finding that shows the correlation between economic performance and corporate image by (Demeke & Ravi 2024), and (Setyono & Puspita, 2019).

Correspondingly, for Social Performance, the regression coefficient was .474 ( $p < .001$ ), suggesting a significant positive association between the social responsibility demonstrated by these airlines and Corporate Image perception. This study finding proves a positive and significant correlation between social performance and customers' perceptions of corporate image. This supports finding that confirmation the correlation between social performance and corporate image by (Gallegos, Julcamoro, & Miranda-Guerra, 2024), and (Martiskova, Waldhauserova, & Skibinski, 2022).

Additionally, environmental performance also exhibited a significant relationship, with a regression coefficient of .434 ( $p < .001$ ), highlighting the importance of environmental stewardship in shaping customers' perceptions of Corporate Image. This study finding proves a positive and significant correlation between environmental performance and customers' perceptions of corporate image. This supports finding that confirmation the correlation between environmental performance and corporate image (Omidvar & Deen, 2023) and (Setyono & Puspita, 2019). These findings imply that customers' perceptions of these airlines' Corporate Image are influenced not only by their financial success but also by their social and environmental commitments. Therefore, airline companies aiming to enhance their Corporate Image and maintain competitiveness should prioritize efforts to excel in these dimensions, thereby fostering positive perceptions among their customer base.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

This chapter deals with the summary, conclusion and recommendations parts of the research. The first part of this chapter presents a summary of the major findings. The second part of the chapter is concerned with the conclusion drawn by the researcher and the third part is about the recommendations made by the researcher.

#### **5.1. SUMMARY**

This study sets out to explore the impact of corporate social responsibility practices on corporate image in case of Ethiopian Airlines, Turkish Air, and Egypt Air customers' perception. By collecting data from 261 participants through a questionnaire employing a five-point Likert scale, the research delved into descriptive statistics such as frequency, percentage, and mean, alongside correlation and multiple regression analyses. This report presents a synthesis of the major findings, highlighting the crucial relationship between effects of corporate social responsibility practices on corporate image. Moreover, it encapsulates the significance of these findings in informing corporate social responsibility practices for similar endeavors.

The research investigates customers' perceptions of Corporate Social Responsibility (CSR) practices among Ethiopian Airlines, Turkish Airlines, and Egypt Airline, focusing on Economic Performance, Social Performance, and Environmental Performance dimensions, and their impact on Corporate Image. Firstly, the study reveals that customers prioritize safety records and service quality when evaluating airlines, followed by pricing, comfort, reliability, and brand image. Regarding CSR, the findings indicate positive perceptions, especially in environmental initiatives and social responsibility practices such as community engagement and employee welfare. Additionally, Economic Performance significantly influences corporate image, with initiatives like competitive pricing and financial stability playing a crucial role.

Secondly, the research highlights customers' positive reception towards the airlines' commitment to well-defined ethical principles, sponsorship of educational programs, and financial donations to social causes. While perceptions vary slightly across dimensions, there's overall agreement between customers' perceptions and CSR practices, emphasizing the significance of these initiatives in shaping airline reputation and consumer preferences. Furthermore, the study underscores the importance of ongoing environmental initiatives for enhancing customer perception and corporate reputation in the airline industry.

Thirdly, the research uncovers key insights into customers' perceptions of economic performance across the three airlines, emphasizing the importance of competitive pricing policies, financial improvement, service quality enhancement, and building enduring customer relationships for sustained economic success. These results underscore the multifaceted nature of customer evaluations, highlighting the critical role of various economic strategies in shaping perceptions of airline performance.

Lastly, the study reveals significant relationships between Economic Performance, Social Performance, and Environmental Performance with Corporate Image among customers of Ethiopian Airlines, Turkish Air, and Egypt Air (star Alliance members). Improvements in these dimensions positively impact customers' perceptions of Corporate Image, highlighting the need for a holistic approach to corporate management that encompasses financial success, social responsibility, and environmental stewardship. By prioritizing these dimensions, airlines can enhance their Corporate Image and maintain a competitive edge in the market.

## **5.2. CONCLUSIONS**

This study focus on investigating the effect of corporate social responsibility practices on corporate image in case of Ethiopia airline, Turkish Air, Egypt Air customers' perception. In linkage with each specific objectives of the study, the researcher has made the following conclusions as follows;

The research delves into the intricate relationship between Corporate Social Responsibility (CSR) practices and Corporate Image among customers of Ethiopia Airlines, Turkish Air, and Egypt Air (Star Alliance member airlines), uncovering significant insights into various dimensions of CSR. Firstly, the study sheds light on Economic Performance, indicating a strong positive correlation between economic stability and corporate image perception among customers. This suggests that initiatives focusing on competitive pricing policies, financial stability, and service quality enhancement play a crucial role in shaping overall perceptions of airline performance and integrity.

Moving on to Social Performance, the findings reveal that initiatives related to community engagement, employee welfare, and sponsorship of educational programs significantly influence customer perceptions. Notably, customers highly value airlines' commitment to well-defined ethical principles and efforts to improve local communities' quality of life, underscoring the importance of social responsibility initiatives in enhancing corporate image and fostering positive relationships with stakeholders.

Environmental Performance emerges as another key determinant of corporate image, with customers expressing positive perceptions towards airlines' efforts in promoting environmental sustainability. Initiatives such as pollution reduction, environmental protection, and sponsorship of pro-environmental programs garnered favorable responses, highlighting the significance of environmental stewardship in shaping airline reputation and consumer preferences. The research also emphasizes the combined effect of these CSR dimensions on Corporate Image, with a holistic approach to CSR yielding the most significant impact on customer perceptions. The study underscores the need for airlines to prioritize CSR initiatives comprehensively, as initiatives encompassing economic, social, and environmental dimensions collectively contribute to shaping corporate reputation and fostering long-term sustainability in the aviation industry.

In summary, the research findings underscore the pivotal role of CSR practices, including Economic Performance, Social Performance, and Environmental Performance, in shaping Corporate Image among customers of Ethiopia Airlines, Turkish Air, and Egypt Air. By investing in initiatives that align with customer expectations and demonstrate a commitment to social responsibility, airlines can enhance their corporate image, foster positive relationships with customers and stakeholders, and maintain a competitive edge in the dynamic aviation sector.

### **5.3. RECOMMENDATIONS**

Based on the findings of the study, the researcher has forwarded the following recommendations to the employees, managers, government, policy maker and other stakeholders in Ethiopian Airlines, Turkish Air, Egypt Air. Accordingly, the main recommendations suggested by the researcher are described one by one in the following manner.

- ✎ Employees play a pivotal role in shaping customer experiences and influencing corporate image. Prioritizing exceptional service quality, passenger safety, and professionalism should be central to their roles. Continuous training and development programs should be emphasized to equip employees with the necessary skills to deliver exceptional service and align with the airlines' strategic goals. Actively participating in CSR initiatives reinforces a sense of purpose and responsibility, contributing to a positive organizational culture and strengthening the airline's reputation in the community.
- ✎ Management should focus on strategic initiatives aimed at aligning business strategies with customer expectations and societal needs. This includes integrating

environmental sustainability and social responsibility into the core of the airlines' operations. Prioritizing transparent communication, disclosures, accountability, and stakeholder engagement ensures the effective implementation of these initiatives.

- ✎ Government bodies and policymakers hold significant influence in shaping the regulatory environment and incentivizing sustainable practices within the airline industry. Implementing supportive policies and regulations that promote environmental stewardship, social responsibility, and economic sustainability is crucial. By fostering a conducive regulatory framework, governments can encourage airlines to invest in meaningful CSR activities, thereby contributing to overall societal well-being and sustainable development. Government and policymakers play a crucial role in incentivizing and regulating sustainable practices within the airline industry. Implementing regulations that promote corporate social responsibility, transparency, and accountability fosters a positive environment for sustainable growth and customer trust. By supporting initiatives that prioritize economic sustainability and customer-centric approaches, policymakers can contribute to the overall resilience and competitiveness of the airline industry.
- ✎ Engaging in constructive dialogue with airlines fosters collaboration and encourages continuous improvement in CSR practices. Advocating for transparency, accountability, and ethical business conduct ensures alignment with societal values and expectations. Additionally, supporting initiatives aimed at enhancing brand reputation through strategic marketing campaigns and customer engagement efforts can contribute to long-term sustainability and competitiveness. Collaboration between all stakeholders is essential to drive meaningful change and create a more sustainable and socially responsible business environment. Active engagement with companies that demonstrate a commitment to social responsibility, environmental sustainability, and financial transparency encourages positive corporate behavior. By advocating for transparent and accountable CSR reporting and supporting initiatives that align with ethical standards and societal expectations, stakeholders can contribute to building a more sustainable future for the airline industry in Ethiopia, particularly in Addis Ababa.

#### **5.4 LIMITATION OF THE STUDY**

As a result of hesitancy of the managerial staff of the other airlines to participate in interview, it was not possible to include insights that could be reaped from interview sessions received from all three airlines. Due to the major structural change in the airline industry due to COVID19, most (sustainability and annual reports) posted on airlines websites are not current (2022). Hence information and comparative assessment of secondary data is not included in this study. The study therefore limited itself to findings from primary data source obtained through survey questionnaires.

#### **5.5 SUGGESTIONS FOR FURTHER STUDY**

The study's main focus was the corporate social responsibility practices in three Star Alliance member airlines operating flights to Ethiopia. While the data collection method applied for this study is valid and relevant, the exclusive reliance on the availability of respondents as sampling technique may introduce a selection bias, limiting the generalizability of our findings across the entire Star Alliance member airlines. Future researches can focus on other sampling techniques that eliminate such bias. Comparative analysis of airline alliances (eg One World versus Star Alliance) can also be one area of future research. The moderating effect of CSR communication to create adequate customers' awareness can also be another research area for airlines to explore on its impact to their Corporate Image.

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**Appendix I: Questionnaire for customers' of Airlines**

**Dear respondents,**

My name is Ftsmt D. Mekuria, and I am a final-year student at Addis Ababa University College of Business and Economics studying for Masters of Business Administration specializing in Management. I am currently working on my thesis titled **Effect of Corporate Social Responsibility Practices on Corporate Image in case of Ethiopian Airline, Turkish Air, Egypt Air (Customers' Perception)**.

Accordingly, this questionnaire is designed to collect data among customers of Egypt Air, Ethiopian Airlines, and Turkish Airlines (Star Alliance member airlines operating to/from Addis Ababa) to determine relationship between Corporate Social Responsibility practices and corporate image and also to what extent each CSR dimension impacts customers' perception.

**This questionnaire has 3 sections and should take about 5 - 10 minutes to complete.** Most of the questions are multiple-choice.

Therefore, your sincere cooperation in filling out this questionnaire carefully and genuinely will contribute a lot for the validity of the findings and the recommendations to enhance Corporate Social Responsibility practices across the airlines or the industry in general.

Finally, I would like to assure you that the information you provide will be kept confidential and will exclusively be used for the research purpose. Thank you very much for your time and participation.

E-mail: [ftsmtm@gmail.com](mailto:ftsmtm@gmail.com)

**I. Demographic Data**

1. Gender      1. Male            2). Female
2. Age            1). 20-30            2). 30-40            3). 40-50            4). Above 50
3. Education    1). Diploma            2). BA/BSC            3). MA/MSc            4). Others
4. How long have you been regularly flying?  
1). 0-2 years            2). 2-5 years      3). 5-10 years        
4). 10-15 years            5). Above 15 years
5. Which airline are you flying frequently?  
1). Ethiopian Airlines            2). Egypt Air            3). Turkish Airline            4). Others
6. How do you rate the frequency and regularity of overall news and communication received from the airline?

1). Regular  2). Rare  3). None

7. How do you rate the frequency and regularity of news and communication received from the airline about its **Corporate Social Responsibility** activities and initiatives?

1). Regular  2). Rare  3). None

8. If given opportunity and platform, in which Corporate Social Responsibility dimensions (activities and initiatives) would you like to participate?

1). Economic  2). Social  3). Environmental

## II. Corporate Social Responsibility(CSR)

Corporate Social Responsibility generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. The Multi-Dimensional corporate responsibilities are categorized as **Economic Performance, Social Performance, and Environmental Performance**. Please select the option that feels most relevant based on your experience with the airline.

. 1= *Strongly Disagree*, 2= *Disagree*, 3= *Neutral*, 4= *Agree* and 5= *Strongly Agree*

<b>Multidimensional Responsibility Scale</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		(SD)	(D)	(N)	(A)	(SA)
<b>ECONOMIC PERFORMANCE</b> (profitability, revenue generation, and cost management)						
1	The airline is trying to maximize profits in order to guarantee continuity. [1]					
2	The airline is trying to build solid relationships with its customers to assure long-term economic success. [2]					
3	The airline is trying to continuously improve the quality of the services that it offers. [3]					
4	The airline is trying to have a competitive pricing policy. [4]					
5	The airline is trying to always improve its financial performance. [5]					
6	The airline is trying to do its best to be more productive. [6]					
<b>SOCIAL PERFORMANCE</b> (the airline's effort to promote positive relationships with Stakeholders: community development, ethical business practices, supportive work environment for staff, Customer Satisfaction)						
1	The airline is trying to sponsor educational programs. [1]					
2	The airline is trying to sponsor public health programs. [2]					
3	The airline is trying to be highly committed to well-defined ethical principles. [3]					

4	The airline is trying to sponsor cultural programs. [4]					
5	The airline is trying to make financial donations to social causes. [5]					
6	The airline is trying to help to improve quality of life in the local community. [6]					
<b>ENVIRONMENTAL PERFORMANCE</b> (the airline's impact on the natural environment and its efforts to promote sustainability and ecological stewardship.)						
1	The airline is trying to sponsor pro-environmental programs. [1]					
2	The airline is trying to allocate resources to offer services compatible with the environment. [2]					
3	The airline is trying to carry out programs to reduce pollution. [3]					
4	The airline is trying to protect the environment. [4]					
5	The airline is trying to recycle its waste materials properly. [5]					
6	The airline is trying to use only the necessary natural resources. [6]					

### III. Corporate Image

Corporate image is how a company behaves, communicates and is perceived by customers. Such perceptions can be expressed in terms of variables like Products and Services, Innovation, Workplace, Governance, Citizenship, Leadership, and Performance. Please select the option that feels most relevant based on your flying experience with the airline.

Corporate Image Measuring Dimensions		1	2	3	4	5
		(SD)	(D)	(N)	(A)	(SA)
<b>PRODUCTS AND SERVICES</b>						
1	The airline offers high quality products and services.(1)					
2	The airline offers products and services that are good value for the money. [2]					
3	The airline stands behind its products and services. [3]					
4	The airline meets customers needs. [4]					
<b>INNOVATION</b>						
1	The airline is an innovative company. [1]					
2	The airline is generally the first company to go to market with new products and services. [2]					
3	The airline adapts quickly to change. [3]					
<b>WORKPLACE</b>						
1	The airline rewards its employees fairly. [1]					
2	The airline demonstrates concern for the health and well-being of its employees. [2]					

3	The airline offers equal opportunities in the workplace. [3]					
	<b>GOVERNANCE</b>					
1	The airline is open and transparent about the way the company operates. [1]					
2	The airline behaves ethically. [2]					
3	The airline is fair in the way it does business. [3]					
	<b>CITIZENSHIP</b>					
1	The airline acts responsibly to protect the environment. [1]					
2	The airline supports good causes. [2]					
3	The airline has a positive influence on society. [3]					
	<b>LEADERSHIP</b>					
1	The airline has a strong and appealing leader. [1]					
2	The airline has a clear vision for its future. [2]					
3	The airline is a well organized company. [3]					
4	The airline has excellent managers. [4]					
	<b>PERFORMANCE</b>					
1	The airline is a profitable company [1]					
2	The airline delivers financial results that are better than expected. [2]					
3	The airline shows strong prospects for future growth. [3]					