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COLLEGE OF BUSINESS AND ECONOMICS

**MSC IN INTERNATIONAL BUSINESS SPECIALIZATION IN IMPORT
AND EXPORT**

**RESEARCH TITLE: THE EFFECT OF CORPORATE SOCIAL
RESPONSIBILITY ON ORGANIZATIONAL PERFORMANCE - THE
CASE OF SAFARICOM ETHIOPIA**

BY: LEWI GEZAHEGNE

ADVISOR: Dr. MESKEREM MITIKU (PhD)

February, 2025

ADDIS ABABA, ETHIOPIA

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COLLEGE OF BUSINESS AND ECONOMICS

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DECLARATION

I hereby declare that the thesis, "THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON ORGANIZATIONAL PERFORMANCE - THE CASE OF SAFARICOM ETHIOPIA," which I have submitted to Addis Ababa University to partially fulfill the requirements for an MSC in International Business, is an original work of mine that has never been submitted to another institution for consideration for another degree or certification. I have properly thanked the support and aid I received throughout this study.



Signature

Date February 10, 2025

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COLLEGE OF BUSINESS AND ECONOMICS
POST GRADUATE STUDIES

Thesis approval

This is to certify that the thesis prepared by Lewi Gezahegne entitled "THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON ORGANIZATIONAL PERFORMANCE - THE CASE OF SAFARICOM ETHIOPIA" submitted for the Partial fulfillment of MSC IN INTERNATIONAL BUSINESS SPECIALIZATION IN IMPORT AND EXPORT at Addis Ababa University is in compliance with the University regulations and meets the required standards regarding quality and originality.

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Lewi Gezahegne

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List of Abbreviations

CSR - Corporate social responsibility

CSD - Corporate Social Disclosure

CFP - Corporate Financial Performance

ISO – International Organization for Standardization

EU – European Union

MNC – Multi National Company

Abstract

This study set out to investigate how corporate social responsibility affects Safaricom Ethiopia's organizational performance. The study used an explanatory research design to investigate how corporate social responsibility affects the performance of organizations. To arrange the data required for the study, a combination of research methodologies was also employed. Questionnaires and interviews were used to gather data. The data was gathered using both primary and secondary approaches, with the questioner serving as a source of data collection instrument. 156 employees of the company were selected, and 655 people in total were targeted. Based on their managerial responsibilities, backgrounds, and areas of expertise, the heads of each department provided all of the samples. In this study, purposive and simple random samples were both employed. Descriptive and inferential statistics were used to analyze the data that was gathered. According to the interview results, the company's commitment to corporate social responsibility has improved customer loyalty and brand reputation. As demonstrated by the various social projects that have increased market share and customer interest, ethical business practices can result in financial success. Every independent variable had a positive impact on the dependent variable, according to the results of the regression analysis. According to the model summary table adjusted r-square value of 0.663, variation in the four independent variables accounted for 66.3 percent of Safaricom's organizational performance, with the remaining 33.7% coming from random error and other independent factors not included in the model. In light of the study's objective of assessing the impact of philanthropic corporate social responsibility on organizational performance, the researcher concluded by advising Safaricom's senior management to expand its charitable activities and give its employees comprehensive training.

Key words: Corporate Social Responsibility, Organizational Performance

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Corporate social responsibility (CSR) has evolved and grown fast as a subject of study. It has evolved as an essential method and framework for addressing the role of business in society, establishing norms of behavior that a firm must follow in order to have a positive and beneficial impact on society while adhering to principles that prohibit profit-seeking at any cost. Empirical evidence demonstrates that CSR efforts improve market performance (Orlitzky and Benjamin 2001; Dabas 2011). CSR strategies can have an impact on consumer happiness, employee satisfaction, higher brand equity, and positive sentiments about businesses (Brown and Dacin, 1997; Maignan et al., 1999; Valentine and Fleischman, 2008). These relational benefits, in turn, improve the firm's reputation and financial success (Luo and Bhattacharya, 2006; Maignan et al. 1999). Corporate social responsibility refers to firms' strategy for conducting business in an ethical, society-friendly, and developmentally useful manner (Ismail, 2009).

CSR describes a company's commitment to maintain and increase social welfare now and in the future by creating long-term benefits for stakeholders (Lin et al., 2009). CSR has become a fundamental aspect of many firms' business strategy in order to address the social and environmental impact of their activities (Luo and Bhattacharya, 2006; Lin et al., 2009; Dabas, 2011; Beret, 2011).

Although many businesses employ CSR, many others regard society and the environment as a lesser sector within the economic circle (Berete, 2011). According to research, the more socially responsible a company is, the larger it becomes. Furthermore, stakeholders and investors expect corporations to become more socially and environmentally responsible. Top management is under intense pressure to implement CSR in order to attract such stakeholders and investors (Berete, 2011).

The relationship between social welfare and firm profitability is a frequently studied and researched topic in the field of social responsibility. When a company employs CSR process

capabilities to support its strategic ambitions, it may gain a significant competitive edge in terms of reaping economic or social advantages, or both. Several research in diverse situations have examined the relationship between CSR practices and corporate performance (e.g., Aupperle et al., 1985; Pava and Krausz, 1996; Griffin and Mahon, 1997; Kempf and Osthoff, 2007; Jackson and Parsa, 2009).

1.2 Statement of the problem

Although the concept of CSR as a strategy is gaining traction in policy debates in Kenya, it is not extensively employed and is typically connected with philanthropy. There are numerous private sector-related projects and commercial operations that can be described as examples of CSR. There are also emerging specialist CSR organizations. According to surveys, the majority of consumers prefer socially responsible companies and products. As the concept of CSR matures, many investors recognize the benefits of being socially responsible, and its adoption grows as companies generate strategic capital for it (Saeed & Arshard, 2012).

Most studies examining the relationship between CSR and organizational performance, for example (Tsoutsoura, 2004; Byus, Deis & Ouyang, 2010), have been conducted in developed countries and have reported positive results, whereas others conducted in developing countries have reported negative results (Raihan, Baskar, & Islam, 2015). Few other studies conducted in developing countries have reported statistically insignificant outcomes between CSR and firm performance, for example (Ares, Aybars, & Kutlu, 2009; Crisostomo, Freire, & Vasconcellos, 2011).

According to Kivuitu, Yambayamba, and Fox 2005 the CSR agenda must be locally owned in order to make a major contribution to local development priorities, and it must be relevant to local businesses of all size. They agree that in order for CSR and its policies to have a significant impact on the Kenyan community, they must be customized to the business practices of Kenyan firms. More research is needed in various sectors and industries of developing nations' economies, as suggested by (Saeed & Arshard, 2012), who posited that it is critical to study the linkage between CSR-related activities and market performance in different social, cultural, and economic contexts. Ethiopia's telecommunications sector has seen tremendous transformation as

a result of foreign direct investment (FDI), particularly from companies such as Safaricom Ethiopia.

Despite the potential benefits of MNC's, such as economic growth and improved service delivery, there is still a significant vacuum in understanding how corporate social responsibility (CSR) activities affect organizational performance in this setting and in our country as well. Many firms engage in CSR initiatives; however, it is unclear how these efforts contribute to measurable gains in performance, such as customer happiness, financial outcomes, and community relations. This lack of clarity presents a barrier for practitioners and policymakers looking to maximize the positive impact of foreign investments. Furthermore, as Ethiopia continues on its development path, the necessity for sustainable business practices grows more critical. As a result, the purpose of this study is to look into the relationship between CSR and organizational performance at Safaricom Ethiopia, addressing the critical need to understand how responsible business practices might improve overall performance in Ethiopia's quickly changing telecommunications sector.

1.3 Objective of the study

1.3.1 General Objective of the study

The general objective of this study is to examine the effect of corporate social responsibility on organizational performance in the case of Safaricom Ethiopia

1.3.2 Specific objective of the study

- To examine the effect of philanthropic responsibility on organizational performance of Safaricom Ethiopia.
- To investigate the effect of environmental responsibility on organizational performance of Safaricom Ethiopia.
- To determine the effect of ethical responsibility on organizational performance of Safaricom Ethiopia.
- To examine the relationship between corporate social responsibility on organizational performance of Safaricom Ethiopia.

1.4 Research Questions

Based on the above general and specific objective stated in above, the research will try to answer the following research questions.

- What is the effect of Philanthropic responsibility on organizational performance of Safaricom Ethiopia?
- What is the effect of Environmental responsibility on organizational performance of Safaricom Ethiopia?
- What is the effect of Ethical responsibility on organizational performance of Safaricom Ethiopia?
- What is the effect of legal responsibility on Organizational Performance of Safaricom Ethiopia?
- To what extent corporate social responsibility affects organizational performance of Safaricom Ethiopia?

1.5 Scope of the study

The study focuses on the relationship between corporate social responsibility (CSR) and organizational performance in the context of Foreign Direct Investment (FDI) in Ethiopia, specifically Safaricom Ethiopia. Geographically, the research focuses on Ethiopia, a country that has just opened its telecommunications market to foreign investors, making it an important case study for understanding the consequences of CSR in emerging economies. The study dives into the components of CSR philanthropic, environmental, and ethical responsibilities—and their impact on company success.

By focusing on Safaricom Ethiopia, the study hopes to demonstrate how these CSR elements contribute to the company's performance and sustainability in a competitive market. In terms of time, the study aims to examine the present effects of CSR on organizational performance, taking into account recent developments in Ethiopia's telecommunications industry and overall economic landscape. The research will take a mixed-methods approach, using surveys and performance measures to collect data on the relationship between CSR efforts and organization outcomes. This combination of geographical focus, subject specialization, historical relevance,

and methodological rigor ensures a thorough investigation of the CSR-performance nexus in the context of Safaricom Ethiopia.

1.6 Significance of the study

This study has broad implications, giving useful insights for the study area, policymakers, stakeholders, and future researchers. Understanding the influence of corporate social responsibility (CSR) on organizational performance in Ethiopia's telecommunications sector might help local businesses learn best practices and strategies for using CSR to gain a competitive advantage and engage with their communities.

For policymakers, the findings could be a valuable resource in developing legislation and incentives that encourage CSR among foreign investors, ensuring that these organizations contribute positively to the country's socioeconomic development. By emphasizing the importance of CSR, legislators may build a business environment that supports ethical practices and sustainable growth. Stakeholders, including employees, customers, and community members, will benefit from the study's findings, which emphasize the direct link between CSR efforts and company performance. This awareness can encourage businesses to invest more in responsible operations, resulting in greater community relations and employee satisfaction.

Finally, for future researchers, this study lays the framework for further investigation of the CSR-performance relationship in many situations and businesses. It provides opportunities for comparative and longitudinal study, contributing to the larger academic debate on corporate responsibility in emerging markets. Overall, the study's implications are broad, promoting a better understanding of the relationship between CSR and organizational success in Ethiopia and elsewhere.

1.7 Definition of Operational Terms

Corporate Social Responsibility (CSR): CSR refers to the practices and policies undertaken by corporations to have a positive influence on society, encompassing a range of activities that contribute to societal goals, including philanthropic efforts, environmental sustainability, and ethical business practices (Carroll, 1999; Carroll, 2008)

Organizational Performance: This term encompasses the actual output or results of an organization as measured against its intended outputs (goals or objectives). It includes various dimensions such as financial performance, operational efficiency, and stakeholder satisfaction, reflecting how well an organization meets its strategic objectives (Campbell, 2007)

1.8 Organization of the study

The study is organized into five chapters, each serving a specific purpose in exploring the impact of corporate social responsibility (CSR) on organizational performance in the context of Foreign Direct Investment (FDI) at Safaricom Ethiopia. The first chapter introduces the research topic, outlining the background and rationale for the study. It presents the general and specific objectives, research questions, and significance of the study. Chapter two reviews existing literature related to CSR, organizational performance, and FDI. It provides a theoretical framework, discusses key concepts, and highlights previous research findings. Chapter three outlines the research design and methodology employed in the study. It describes the population and sample selection, data collection methods, and analytical techniques used to examine the relationship between CSR and organizational performance. Ethical considerations and limitations of the study are also discussed. The fourth chapter presents the analysis of the collected data, including both qualitative and quantitative results. It interprets the findings in relation to the research questions and objectives, providing insights into the effects of philanthropic, environmental, and ethical responsibilities on organizational performance at Safaricom Ethiopia. The fifth chapter summarizes the key findings of the study and discusses their implications for practice and policy. It offers recommendations for Safaricom Ethiopia and other stakeholders regarding CSR strategies, as well as suggestions for future research to further explore the topic. The chapter concludes by reiterating the significance of integrating CSR into business operations for enhanced organizational performance.

CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

2.1. Theoretical frameworks.

2.1.1. The concept of corporate social Responsibility

CSR can be defined in various ways. Scholars also define the idea in many ways, with the EU and ISO26000 definition being one of the most commonly used (Hopkins, 2004). According to them, CSR can be described as the ethical or responsible management of a company's or institution's stakeholders. "Ethically or responsibly" refers to interacting with key stakeholders in a way that is consistent with world norms. Social responsibility includes fiscal, financial, and environmental commitments. A company or organization has stakeholders both within and outside of itself. (Hopkins 2014). While preserving their earnings or the integrity of their organizations, the overarching goal of social responsibility is to raise the standard of sustainable living for individuals both inside and outside of these businesses. It is critical to focus on how profits are generated rather than pursuing them at any costs. CSR is a strategy that promotes long-term social development. CSR and sustainability both recognize the importance of multi-stakeholder issues (Hopkin, 2014). Furthermore, according to the EU definition, CSR is a concept in which firms actively incorporate social and environmental issues into their daily operations and relationships with their stakeholders.

In October 2011, the EU revised its position and announced that CSR is "the responsibility of enterprises for their impacts on society," a concept in which businesses voluntarily incorporate social and environmental issues into their daily operations and relationships with stakeholders. In October 2011, the EU amended its position, declaring that CSR is "the responsibility of enterprises for their impacts on society" (EU Commission, 2011). After scholars became aware of the notion, they developed many definitions for CSR. Hopkins (2004) presents a definition of CSR after analyzing ISO, EU, and other relevant standards. Hopkins further believes that three elements should be considered while defining CSR: corporate, internal, and external stakeholders, as well as responsibility. Then it defines Corporate as any group of people who collaborate in a firm or organization, whether for profit or not. According to this understanding,

corporate refers to any group of people, including non-profit, public, and social companies. The second notion is stakeholders; which Hopkins defines as a group of people who are interested in or have a claim. The author specifically mentions Management as a representation for suppliers, consumers, investors, workers, and the local community. The author also believes that one must reconsider the concept of the firm as a nexus of contracts between Firms and customers are evaluating the legal, economic, and ethical concerns that they confront today.

According to another working definition of ISO 26000, social responsibility is an organization's responsibility for the effects of its operations in society in an open and ethical manner that is consistent with long-term growth and the well-being of citizens, while also taking into account the needs of stakeholders in accordance with national or international regulations. Corporate Social Responsibility can be referred to by several words such as corporate responsibility, corporate citizenship, business morality, ethical company governance, and so on. At the same time, CSR is an expanding notion that has been progressively developing till now, which is why CSR lacks a common and Corporate social responsibility refers to businesses that make pledges and take actions beyond their legislative obligations and commercial goals. These broader obligations include a wide range of disciplines, but they are commonly summarized as social and environmental, with social referring to society as a whole rather than just social policy concerns. The triple bottom line strategy combines economic, social, and environmental issues.

Corporate social responsibility (CSR) is the practice of a corporation taking purposeful, intentional steps to improve the social welfare of those whose lives are touched by the organization's economic activity. This fundamental, broad definition of CSR implies that it can appear in a wide range of enterprises, from the smallest and most basic to the largest and most complex corporations, as well as in a wide spectrum of diverse communities around the world. CSR creates a seamless connection between company and society by fusing and harmonizing economic operations with individuals' social processes and frameworks. This collaboration aims to achieve a balance between the company's commercial operations and societal goals and aspirations for social welfare (Weber and Wasieleski, 2017).

The government normally requires corporations to adopt various CSR policies, and failure to do so will result in punishment. However, this is depressing and does not encourage corporations to

follow and execute CSR principles responsibly. Rather than attempting to force businesses to be socially responsible by various legislations, it is preferable to encourage them to do so in a responsible manner. Despite claims that there is a significant emphasis on implementing CSR practices, it has been noticed that CSR is applied and given less attention in countries such as China and India, where their economies are emerging, than in Western nations.

One of the major factors is a lack of other supportive governmental and non-governmental institutions, as well as institutions that help the community have high expectations of firms and compel firms to be socially responsible (Campbell, 2006; Galaskiewicz, 1991; Mellahi, 2007). CSR is sometimes referred to as philanthropy. However, according to Hopkins (2016), CSR differs from philanthropy. This is because philanthropy is the act or habit of performing good actions or charitable acts with a small number of stakeholders, which is an overarching notion that stems solely from the organization's humanitarian feeling over a limited length of time.

2.2. CSR Theories

According to the National CSR Network (2021), corporate social responsibility is not a set of procedures with predefined outcomes, but rather a business case that indicates that firms actively support causes other than their own financial interests.

2.2.1. Triple Bottom line

The triple bottom line is a form of corporate social responsibility in which business leaders must analyze bottom-line performance in terms of the company's social and environmental impacts, as well as in economic terms (costs against revenue). The term "sustainability" has a very restrictive meaning. Sustainability refers to the long-term preservation of equilibrium at the intersection of ethics and economics. Some thinkers believe that balance may be determined and achieved in terms of the economy, society, and environment. A triple bottom line is a form of corporate social responsibility that helps CEOs understand not only social and environmental challenges, but also economic issues. This triple bottom approach includes sustainability for the economy, society, and the environment (Brin and Neheme, 2019).

Economic sustainability, regardless of how high, favors long-term financial stability over more volatile short-term benefits. It is the responsibility of significant enterprises to design business strategies that allow for consistent and continuous activity. Social sustainability Balance in people's lives is crucial for social sustainability. The likelihood of society imploding in rage and revolt increases as gaps widen: the wealthiest become wealthier, while the disadvantaged become both poorer and more numerous. The fair-trade movement meets the moral demand for shared prosperity and opportunity. To be socially sustainable, businesses must maintain positive ties with the people that comprise the community in which they are based.

Environmental sustainability is founded on the awareness that natural resources are finite, particularly the oil that fuels our cars, clean air, and water. If such conditions deteriorate drastically, the next generation will struggle to maintain the same standard of living. As a result, resource conservation and the development of new energy sources that could someday replace those already in use are critical (Brin and Nehme, 2019).

2.2.2. Stakeholder theory

In layman's terms, stakeholder theory enumerates the individuals or entities who will be affected by the company's decisions: stakeholder theory holds that those whose lives are touched by companies have the right and duty to participate in leading them. For example, if a factory produces rubbish, it is the factory's responsibility to dispose of it properly. Customers, employees, suppliers, shareholders, and other groups and individuals who benefit or suffer harm from corporations, and whose rights are violated or respected, are examples of stakeholders. Stakeholder theory is primarily originated in the domains of strategic management and accounting (Freeman, 2001).

2.2.3. Carroll's Theory

According to Carroll's perspective, CSR has four primary tasks (Brian and Nehme, 2019). These responsibilities are illustrated as a pyramid. One of them is an economic obligation. Making money is an economic duty since it is required for the survival of businesses and is a fundamental principle of economics. Businesses that do not create a profit or money are likely to

collapse. To survive, businesses must meet their economic obligations by attempting to increase profits so that they may attract investors and have the funds to continue operations.

Profits from company operations are allowed by society as a reward. When a company produces value, it generates revenue, which benefits all stakeholders. When profits are put back into the company, they help to reward investors and owners while also supporting corporate progress. CEOs, managers, and business investors can all attest to the fundamental importance of profitability and investment return as drivers of organizational performance. The peak of the pyramid represents philanthropic responsibility. This commitment is to use one's firm to benefit society, or to make an effort to do so.

According to Carroll's Pyramid theory, Legal Responsibility placed in the second level of the CSR Pyramid. A responsible corporation is a corporation that accepts rules of a fair business game. A responsible corporation adheres to law because it believes that fair business reflects positively on the whole economy and society.

Ethical responsibility is the third level of the pyramid emphasizing that corporations must behave as a good citizen in its society. Such responsibility allows corporations to make what is good for society even if the law didn't require it. Carroll mentioned that corporations must be responsive to the spirit of the law, not just to the letter of law. In other words, ethical responsibility embraces fair activities done by a corporation and expected by society.

The last level of Carroll's CSR Pyramid is the philanthropic duty. Philanthropic duty is the obligation of enterprises to participate in charitable activities. So philanthropic responsibility is a pure giving for society, it's an activity or project created by a corporation and purely dedicated to community expectation. At the philanthropic level, the business corporations could satisfy what is desired by their society. While company's donations and charity are not legally mandated, they are increasingly expected of firms and factor into the public's overall expectations.

2.2.4. Legitimate Theory

Another idea that underpins CSR is legitimacy theory. The theory holds that businesses are bound by a social contract in which they commit to undertake various socially valued behaviors in exchange for approval of their objectives and other benefits, which ultimately generates their

continuous existence. Legitimacy is described as a broad perception or assumption that an entity's acts are desirable, legitimate, or appropriate within a socially built system of norms, values, beliefs, and definitions (Van der Laan, 2009). The hypothesis indicates that organizations interact with society. Organizations are a component of society, and they exist if they are deemed legitimate by groups within society.

Depending on an organization's perception of its legitimacy, it may use "legitimation" strategies (Laan, 2009) to establish, extend, maintain, or defend its legitimacy (Tilling, 2004) or to address potential legitimacy gaps after threats (Vourvachis, 2008). The theory indicates that firms strive to operate within what is seen acceptable in society, which is the essence of CSR. Stakeholder theory and legitimacy theory emerged from a larger political economy perspective. Despite their differences, both emphasize the relationship between the organization and its operating environment (Van der Laan, 2009).

2.3. Organizational Performance

Scholars in strategic management have established a variety of concepts for business performance. Constanzo, Keasey, and Short (2003) describe organizational performance as the evaluation of predetermined metrics or criteria of effectiveness, efficiency, and environmental accountability, such as productivity, cycle time, regulatory compliance, and waste reduction. Performance also refers to the metrics regarding how a certain request is handled or the act of doing something effectively; of performing; using knowledge as notable from just possessing it. It is the culmination of the organization's operations and strategies. Luxmi (2014) defined firm performance as the actual outcomes produced by an organization compared to its planned outputs.

This is the definition used for this investigation. Darroch (2005) compares research findings utilizing comparative and internally reflecting performance indicators, as well as industry averages. Many empirical researches on the relationship between CSR and financial performance employ two distinct techniques. The first is the event study technique, which assesses the short-run financial impact or abnormal returns when enterprises engage in socially responsible or irresponsible behavior (Crane, McWilliams, Matten, Moon, & Siegel, 2009). The second type of

study analyzes the relationship between some measure of social performance and the measurement of financial performance in the long term through the use of some accounting and financial methods for profitability measurement (Uadiale & Fagbemi, 2012).

The measurement of financial performance is difficult, primarily because there is little agreement on the sort of instrument to use. Few studies have attempted to empirically investigate the relationship between CSR and organizational success using absolute subjective or nonfinancial indicators. Among the studies in the literature that investigate the relationship between CSR and perceptual organizational performance using majorly subjective measures besides objective measures are the studies by Delaney & Huselid (1996), Galbreath (2008) and the study by Al-Samman and Al-Nashmi (2016).

This study, like prior studies (Delaney & Huselid, 1996), employed market share, sales growth, and customer satisfaction as non-financial performance measures of media businesses in Nairobi. Although objective financial indicators are preferable, acquiring reliable financial data is frequently a challenge, particularly in privately held businesses. Thus, where objective performance indicators are unavailable or impossible to get, particularly for private organizations due to secrecy, a researcher may explore employing subjective perceptual data (Atalay, Anafarta, & Sarvan, 2013). Dollinger and Golden (1992) further suggest that some privately held companies are typically hesitant to share sensitive financial data, even when secrecy is guaranteed. In a similar scenario, Boulay (2008) emphasizes that scholars can instead use subjective indicators to measure organizational effectiveness, which can be derived from the stated perceptions of enterprise managers.

According to stakeholder theory, firms must cater to the diverse needs of those who have a stake in them. Employees are one of the most important stakeholders identified in studies on business social performance and transparency. According to Berman et al. (1999), effective CSR management and employee interaction have an impact on a company's financial success. This theory, which can be termed a descriptive theory, describes the nature of the firm, corporate management, and the interests of corporate constituents, as well as how board directors perceive those interests. The main challenge is how to put stakeholder theory into practice after defining it and understanding its relationship to CSR. Corporations, and particularly corporate directors and

executives, may become more sensitive to the interests of society as a whole by incorporating stakeholder involvement into their boards of directors (Brin and Nehme, 2019).

2.4. Corporate Social Responsibility and Organizational Performance.

Researchers have studied the relationship between CSR and Corporate Financial Performance (CFP) and discovered that it mostly exists in one of three types: a positive relationship (Osisioma, Nzewi & Nwoye, 2015; Giannarakis, Konteos, Zafeiriou & Partalidou, 2016; Selvarajah, Murthy & Massilamany, 2018), no relationship (Misura, Cerovic & Buterin, 2018), and a negative relationship (Raihan, Baskar, & Islam, 2015). For example, Haynes, Murray, and Dillard (2013) argue that CSR initiatives can lead to reputation benefits, primarily because improvements in invested trust, combined with new market opportunities and positive capital market reactions, can improve the firm's financial performance. Akanbi and Ofoegbu (2012) also investigated the impact of CSR on the organizational performance of the United Bank of Africa in Lagos. The investigation was conducted using t-tests, regressions, Pearson correlations, and ANOVA. The study discovered a positive association between several aspects of CSR and organizational performance.

Basuony, Elseidi, and Mohamed (2014) examined the impact of corporate social responsibility on firm performance using data from a MENA (Middle East and North African) country. The researcher examined cross-sectional data from non-financial enterprises in Egypt obtained from the Kompas Egypt database. Regression analysis was utilized to explain the relationship and impact of CSR on organizational financial performance. The study found that there is a positive and significant effect of CSR on firm performance.

Furthermore, all CSR characteristics were significantly associated with corporate financial performance. Additionally, Osisioma et al. (2015) conducted research on corporate social responsibility and the performance of selected Nigerian enterprises. The study's specific goal was to examine whether there was a substantial relationship between social responsibility costs and corporate profitability in the selected firms. The stakeholder idea served as the foundation for this investigation. An exploratory study design was used, employing time series data. The study discovered a strong positive association between investment in social responsibility and business

earnings.

Giannarakis et al. (2016) explored how corporate social responsibility affects the financial performance of US corporations. In particular, the impact of CSR on financial performance was investigated in terms of Involvement in socially responsible projects rather than outcomes. In example, the impact of CSR on financial performance was studied in terms of participation in socially responsible activities rather than outcomes. Bloomberg's environmental, social, and governance disclosure score served as a proxy for business involvement in socially responsible projects.

Fixed effects regression was used to quantify the link between the amount of Corporate Social Disclosure (CSD) and financial success, utilizing data from public businesses on the Standard & Poor's 500 from 2009 to 2013. The findings imply that participating in socially responsible activities has a considerable positive impact on financial performance. Other scholars, including Maldonado-Guzman, Pinzon-Castro, and Lopez-Torres (2016), conducted research on corporate social responsibility and company success, focusing on the role of Mexican SMEs. The primary goal of this empirical study was to examine and explore the current relationship between CSR and corporate performance. The sample size consisted of 400 SMEs selected at random. During the month of April, surveys were administered to managers in SMEs via personal interviews. The result was 397 validated surveys, with a response rate of 99%. CSR was measured using three factors: social, environmental, and economic. Quinn and Rohrbaugh (1983) developed a 12-item scale for measuring business success. The findings revealed a favorable and significant association between CSR and corporate performance (Maldonado-Guzman et al. 2016).

Most recently, Selvarajah et al. (2018) investigated the impact of corporate social responsibility on a Malaysian firm's financial performance. The researchers hypothesized that four (4) independent variables comprising business risk, company reputation, employee engagement and stakeholder concern will exert statistically significant influences on the dependent variable, firm's financial performance.

The study took a quantitative approach, with 153 respondents selected using a stratified random sampling technique. Multiple linear regression analysis was performed. Multiple regression results suggested that three (3) of the research hypotheses were supported, whereas one (1) was

not. In instance, it was demonstrated that business risk, corporate reputation, and stakeholder concern have statistically significant effects on firms, and that employee engagement can have a major impact on a firm's financial success (Selvarajah et al. 2018).

The second set of academics believes that there is no association between CSR and a company's financial performance. Other academics (Haynes, Murray, & Dillard, 2013; Uadiale & Fagbemi, 2012) have underlined the impossibility of defining the existing relationship between CSR and performance, both in the near term (based on abnormal returns and market activities) and in the long run. Misura et al. (2018) investigated the association between corporate social responsibility and financial success in the worldwide tobacco sector. This study examined the relationship between corporate social responsibility (CSR) and the financial success of corporations in the global tobacco industry. The obtained results support the findings of previous investigations, which found no statistically significant association or obvious tendency between these variables (Misura et al., 2018). Finally, there is the belief that CSR has a negative impact on financial performance. Empirical studies such as the one done by Waddock and Graves (1997) reported that firms that are responsible in their behavior may have a competitive disadvantage since they have unnecessary costs. These costs, when allowed to occur, will directly fall on their profitability and would essentially reduce shareholder profits and wealth. However, there wasn't enough evidence to support the claim

For example, Chen Feldmann and Tang (2015) classified indicators of corporate social performance into four categories. The first category includes measures based on reputation ratings, the second uses measures assessed by social audits and observations, the third measures CSR performance using managerial principles and values, and the fourth involves measures of corporate social performance through disclosures. Another explanation is that each study uses a different sample, employs various statistical techniques, and, ultimately, there is a lack of coherence in the control variables included in proposed models.

Nonetheless, it is believed that a company's excellent CSR performance has a positive impact on its financial performance. According to this study, media companies with a commitment to corporate social responsibility do better than those without. As a result, the findings are

consistent with the stakeholder theory, which states that socially responsible efforts lead to higher financial performance (Donaldson and Preston, 1995).

2.4.1 Philanthropic Responsibility and Organizational Performance

According to Brammer and Millington (2005), corporate philanthropy has a favorable impact on corporate financial performance because charitable contributions can be strategically made to improve a company's image and reputation while also increasing the value of moral capital. For example, using a sample of 537 firms listed on the London Stock Exchange from 1990 to 1999, Brammer and Millington (2005) discovered that firms with both unusually high and low charitable contributions outperformed those best in the short term, but those making unusually large contributions outperformed in the long run.

Galbreath (2008) investigated the relationship between CSR, employee turnover, and customer satisfaction. The data indicate that CSR is linked to both aspects. Extended analysis found that certain aspects of CSR may be more essential than others. For example, the data showed that the legal and discretionary dimensions had the greatest impact on lowering employee turnover. One possible explanation for the finding is that companies that demonstrate legal compliance or provide exceptional care to employees or communities may be in the greatest position to reduce employee turnover.

On the other hand, CSR's economic, legal, and discretionary dimensions were found to be favorably connected with customer satisfaction. This finding suggests that, for example, firms that meet customer needs by offering valued products (economic CSR), ensure customers are not harmed in any way by meeting legal standards (legal CSR), or treat employees well through benefits and high salaries (discretionary CSR) may reap the rewards of higher customer satisfaction (Galbreath, 2008). Ong'olo (2012) conducted a study on the association between CSR and supermarket market share in Kisumu City from 2006 to 2010.

The data demonstrated that there was a strong link between CSR and market shares. Institutions that had made significant CSR investments had higher sales revenue. The researcher also discovered a positive correlation coefficient between market share index and CSR. Larger supermarkets selected education, water, and sanitation, while other supermarkets preferred to

support the least fortunate in society as their CSR activities, giving an intermediate degree of commitment.

2.4.2. Environmental Responsibility and Organizational Performance

In recent years, there has been increasing worldwide push to create and implement stronger environmental legislation in and around the world. Companies are taking proactive measures to reduce emissions in anticipation of future regulatory, societal, and competitive environmental developments (Suar & Mishra, 2010). With the growing relevance of environmentally friendly products, processes, and services, businesses recognize the importance of implementing environmental standards for long-term sustainability.

This has encouraged the development of green resources and competencies, as well as compliance with international standards like ISO 14000, OHSAS 18000, and environmental regulations (Suar & Mishra, 2010). Environmental performance is improved through improvements in three areas: product technologies such as the use of recycled raw materials and other resource-saving programs; process technologies such as the use of efficient production systems and end-of-pipe controls; and management systems such as worker training programs and environmental audits. Global CSR standards for the environment support these components (Suar & Mishra, 2010).

Studies in the neo-institutional stream highlight the critical role of government agencies, the media, industry associations, and environmental groups in pressuring firms to adopt proactive environmental management techniques. According to the studies, enterprises implement ISO 14001 in response to pressures from regulators, customers, and civil society (Andrews, Amaral, Darnall & Gallagher, 2003). Although research on environmental proactivity has been inconclusive (Christman, 2000), studies have linked environmental commitment to increased profitability, particularly in high-growth industries.

Evidence demonstrates that proactive environmental management improves a company's market value, reputation, and financial performance. The influence of proactive environmental practices on market share, profitability, and return on investment is greater in environmentally concerned corporations than in less conscious companies. Proponents of a win-win environmental

management paradigm suggest that green practices can help enterprises gain a competitive edge by attracting environmentally conscious customers (Sharma & Vredenburg, 1998).

Lyon and Maxwell (2008) investigated the relationship between CSR and the environment. The study demonstrated how both market and non-market dynamics make environmental CSR viable, as well as discussing altruistic CSR. The authors discovered that non-governmental organizations have a substantial influence on CSR efforts, both through public and private politics. The authors also argue that CSR can have a variety of implications, including luring green consumers and investors, preempting government legislation, and supporting regulation that disadvantages competitors. They did, however, remark that the welfare impacts of CSR are subtle, and there is no certainty that it improves social wellbeing.

Valmohammadi (2014) evaluated the impact of seven CSR factors on corporate performance in Iran, including organizational governance, human rights, labor practices, the environment, fair operating procedures, consumer issues, and community involvement and development. The researcher surveyed 207 Iranian industrial and service enterprises. For the investigation, a structural equation model was used. The findings demonstrated a considerable favorable association between CSR and organizational performance in these organizations.

Furthermore, Chen et al. (2015) used a content analysis technique to use Global Reporting Initiative G3 standards as a proxy for environmental performance and discovered that companies in Europe, America, and Asia with higher levels of GRI perform better financially. Giannarakis et al. (2016) investigated whether corporate social responsibility (CSR) influences the financial performance of US corporations. In example, the impact of CSR on financial performance was studied in terms of participation in socially responsible activities rather than outcomes.

Bloomberg's Environmental, Social, and Governance disclosure score served as a proxy for corporate involvement in socially responsible projects. Fixed effects regression was used to quantify the association between the amount of Corporate Social Disclosure (CSD) and financial success using data from public businesses on the Standard & Poor's 500 from 2009 through 2013. The findings also indicate that participating in socially responsible activities has a considerable favorable impact on financial performance (Giannarakis et al., 2016). Choongo

(2017) used a longitudinal approach to explore the impact of corporate social responsibility on business performance in Zambia's small and medium-sized enterprises (SMEs).

Zambia, a developing country in Sub-Saharan Africa, was where the study was done. Two surveys were conducted with 153 entrepreneurs, and changes in CSR and company performance variables were examined over a 12-month period using SmartPLS structural equation modeling. The findings show that the relationship between CSR and financial performance is significant. The findings also showed that SMEs are driven to participate in CSR for financial reasons. It is expected that the involvement in CSR activities such as reduction in energy and water usage translates into cost savings which ultimately improve firm performance. These findings imply that in non-Western contexts, CSR also positively impacts firm performance.

On the other hand, Nor, Shaiful-Bahari, Adnan, Sheh-Kamal and Mohd-Ali (2016) constructed a Corporate Social Disclosure (CSD) index based on 20 disclosure items for large in size companies that operate in Malaysia. The findings revealed conflicting results between the environmental disclosure index and financial performance. However, companies disclosing environmental information gain market benefit and ability to gain profit from investments.

2.4.3. Ethical Responsibility and Organizational Performance

According to Carroll (1979), a corporate entity must avoid harm and do what is right, just, and fair. A company must perform in accordance with societal mores and ethical norms; recognize and respect new or evolving ethical/moral norms adopted by society; prevent ethical norms from being compromised in order to achieve corporate goals; do what is expected morally or ethically in order to become a good corporate citizen; and recognize that corporate integrity and ethical behaviour extend beyond mere compliance with laws and regulations. Auger, Devinney, and Louviere (2007) observed that the literature on the importance of social product features is far less developed than the branding literature.

A more comprehensive stakeholder theory states that business value is determined by the cost - not only of explicit claims like wage contracts and product warranties, but also of implicit claims like the promise of continued service to customers and job security for employees. Firms with a strong CSR image may find that they have more low-cost implicit claims than competitors,

resulting in better financial performance. Mocan, Rus, Draghili, Ivascu, and Turi (2015) investigated CSR practices in the Romanian banking sector to determine how CSR can contribute to value development.

They found that CSR was an effective tool in the banking business for improving their economic status. They stated that CSR provided numerous benefits, including economic efficiency, improved firm reputation, employee loyalty, communication between the banking industry and society, appealing new opportunities, and enhanced organizational commitment. Choongo's (2017) study used a longitudinal approach to investigate the influence of CSR on business performance in Zambian SMEs. Data were obtained at two 12-month intervals. Thus, longitudinal analysis of the association between CSR and the three indicators of firm performance (financial performance, corporate reputation and employee commitment) were conducted.

The results of this study show that the two pillars of CSR (social and environmental) have a significant impact on financial success. However, the association between two dimensions of CSR (business reputation and employee commitment) and the other two indices of firm success was shown to be only marginally significant. The researcher revealed a significant and well-documented link between CSR and financial performance.

Rongoei and Muturi (2018) also investigated the effect of corporate social responsibility on organizational performance. The study used the cases of Sony and Chemelil Sugar Factories in Kenya. The study had four particular goals: to investigate the effects of charitable, ethical, economic, and legal acts on organizational success.

The study used multiple regression analysis, and one of its findings was that respondents strongly agreed that ethical acts boost organizational performance. Furthermore, in that atmosphere, the subject of organizational ethics took on a specific significance because businesses form a dependent relationship with the society to which they belong, and their image towards their stakeholders can be considered as a critical issue.

Kinyanjui, Juma, Njeru, and Onyango (2018) also investigated the effect of legal and ethical CSR methods on the performance of Kenya's public universities. The study aimed to evaluate

whether engaging in legal and ethical CSR practices will have an impact on the operation of Kenya's public sector organizations. The study hypothesized that legal and ethical CSR initiatives had no meaningful impact on the performance of Kenya's public universities. The study used a descriptive survey design. The target population consisted of Kenya's 31 Chartered Public Universities. Five universities were chosen. The study included a sample size of 202 people who participated by purposive sampling. Only those individuals of the population who had the requested information relevant to the study filled out the questionnaire, which was the primary data gathering instrument. The results revealed that legal and ethical procedures improve the organizational performance of public universities. The study concluded that a greater emphasis on organizational legal and ethical principles will greatly improve the performance of public sector organizations (Kinyanjui et al., 2018).

2.5 Legal Responsibility and Organizational Performance

While a business organization is entitled to operate for profit, corporations are expected to follow rules and regulations (Carroll, 1991). Legal obligations embody fundamental concepts of fair operation as proclaimed by federal, state, and municipal governments. Carroll's legal component emphasizes the importance of a firm performing in a manner consistent with government and legal expectations; being a law-abiding corporate citizen; providing goods and services that meet minimal legal requirements; and defining a successful firm as one that fulfills its legal obligations (Carroll, 1991).

According to Germanova's (2008) study on CSR as a Corporate Governance instrument: The Practice of Bulgarian Businesses, the firm has been seen as a principal in adopting CSR as a corporate governance instrument. Bulgarian firms see CSR initiatives as a method to develop a favorable image and branding for the company, as well as improve the firm's reputation. Employee monitoring, restricted resources, competitiveness, and transparency are some of the economic corporate governance measures that Bulgarian enterprises evaluate. Legal corporate governance tools include standards, rules, and entry strategies for complying with various international labor and environmental standards, implementing ethical codes and anti-corruption rules, and disclosing information in accordance with the National Corporate Governance Code.

According to the survey, Corporate Social Responsibility is increasingly being discussed in boardrooms. Social responsibility is linked to governance at the value level. Making companies accountable to a wide range of stakeholders, including employees, suppliers, the local community, and society as a whole, as well as incorporating social and environmental values into their operations to manage their relationships with these stakeholders, can have an impact on the company's growth. According to the findings of this study, ethical and responsible business practices are gradually becoming a part of Bulgaria's new business culture.

Galbreath (2008) also investigated the links between CSR, employee turnover, and customer satisfaction. The study's analysis found that some aspects of CSR may be more essential than others. For example, the data showed that the legal and discretionary dimensions had the greatest impact on lowering employee turnover. One possible explanation for the finding is that companies that demonstrate legal compliance or provide exceptional care to employees or communities may be in the greatest position to reduce employee turnover. On the other hand, CSR's economic, legal, and discretionary dimensions were found to be favorably connected with customer satisfaction.

This finding suggests that firms that meet customer needs by offering valuable products (economic CSR), ensure customers are not harmed in any way by meeting legal standards (legal CSR), or treat employees well through benefits and high salaries (discretionary CSR) may reap the benefits of higher customer satisfaction (Galbreath, 2008). Valmohammadi (2014) conducted research into the impact of seven CSR dimensions on organizational performance in Iran, including organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development. The author took a sample of 207 Iranian manufacturing and service enterprises. For the investigation, a structural equation model was used. The findings showed a substantial beneficial link between CSR.

Kinyanjui et al. (2018) did a study on the influence of legal and ethical CSR strategy on performance of public universities in Kenya. The study sought to determine whether engaging in legal and ethical CSR practices will have an impact on the functioning of Kenya's public sector organizations. The study hypothesized that legal and ethical CSR initiatives had no meaningful

impact on the performance of Kenya's public universities. The study used a descriptive survey design. The target population consisted of Kenya's 31 Chartered Public Universities. Five universities were chosen. A sample size of 202 participated in the study. The Questionnaire was the main data collection instrument. Results showed that legal and ethical practices positively contribute to organizational performance of Public

The study concluded that increased emphasis on organizational legal and ethical principles would greatly improve the performance of public sector companies. Rongoei and Muturi (2018) aimed to explore the impact of corporate social responsibility on organizational performance. The study used the examples of Sony and Chemelil Sugar Factories in Kenya. The study was based on four specific objectives: to determine the effects of philanthropic, ethical, economic, and legal actions on organizational success. The study adopted descriptive statistics. Further multiple regression analysis was conducted. One of the findings of the study was on effects of legal activities.

The study found that legal activities have a positive impact on organizational performance since there are set minimum ground rules for how firms should run and function. Masa'deh, Alrommad, Alkhalafat, Obeidat, and Abualoush (2018), in a study on the role of Corporate Social Responsibility in improving firm performance from the perspective of IT employees in the Jordanian banking sector, discovered that legal responsibility has no significant effect on firm performance. The study considered Transformational Leadership (TFL) as a potential mediator in the role CSR plays in improving business performance among Information Technology (IT) employees in the banking industry.

A questionnaire survey was used to obtain data from IT personnel working in IT departments at 25 Jordan banks. 354 valid surveys were returned and examined with various quantitative methods. The study discovered that CSR had a considerable impact on corporate performance, with three components, namely economic responsibility, ethical responsibility, and discretionary responsibility, all having a significant effect. The study also discovered that CSR had a favorable effect on TFL. Specifically, discretionary responsibility has a significant effect on TFL, whereas other dimensions have no significant contribution to TFL. The study also found that TFL has a positive contribution to the firm performance (Masa'deh et al., 2018).

2.6. Empirical Review of Literature

Corporate social responsibility (CSR) is becoming increasingly significant in politics, industry, and academics, although it is unclear how it influences performance (Coelho et al, 2023). This is due to the fact that there are studies like Khan et al. (2023), Ikram et al., (2019), and Rettab et al.'s, (2008) whose findings show that CSR has a direct relationship with the performance of the organization, while the study of and Madugba and Okafor (2016) reveals that CSR has a significant inverse relationship with performance, and also the study of Okwemba et al (2014) reveals some complexity because some of the variables are positively related to performance.

Okwemba et al. (2014) conducted a study on the Kenyan banking industry to investigate the impact of CSR on organizational performance; however, the results were inconsistent, making generalization difficult. This is because the study includes four measures to assess the dependent variable (CSR), and the effects of those variables have been compared to organizational performance. The findings show that the CSR activities or variables like Philanthropic and Ethical responsibilities have a significant and positive relationship with the performance of the bank.

On the other hand, when evaluating variables such as environmental responsibility, the findings show an insignificant but positive association when governmental policy is used as the control variable. Furthermore, the researchers compare one of the profitability variables to the bank's primary CSR efforts in terms of philanthropic, environmental, and ethical activities. Based on this, it is determined that philanthropic activities have a direct but small association with organizational profit, but environmental initiatives have a weak relationship with profitability. And ethical activities and profitability has been discovered to have a significant and direct relationship.

In general, the findings of this study suggest that a bank's philanthropic initiatives have an impact on bank success as assessed by client retention. Any increase in philanthropic obligation will improve the bank's performance, according to the large positive correlation coefficient, which is 0.490 and only significant at the 0.05 level. According to the regression study, charitable giving has a significant impact on bank success based on client retention, $F(2, 47) = 34.043$, $P < 0.005$, with a contribution to R Square of 0.074. This suggests that charitable duty

accounts for 7.4% of the difference in bank success as measured by client retention. This demonstrates that banks should consider charitable duty as a factor in determining client retention.

The majority of clients are unaware of their environmental duties, and most banks prefer to participate in prominent CSR initiatives rather than those that are obvious to them. As a result, this study gave low weight to environmental responsibility. In order to research the relationship between CSR and organizational performance in a rapidly changing economy, Rettab et al. (2008) focused on Dubai, a rapidly developing region. By doing so, the authors hope to add to the body of knowledge on their connection that is already available. The findings unambiguously show that CSR correlates strongly and favorably with every performance parameter examined in the study. This paper extends our understanding of how CSR influences corporate success.

According to the author's understanding, this is the first study that addresses CSR in the petroleum industry. The results also demonstrate that CSR has a major impact on organizational performance (Parasta and Adams, 2012).

The study by Ali et al. (2010) seeks to examine how CSR affects organizational commitment and productivity. An analysis of correlations reveals that CSR, employee dedication, and corporate success are all favorably associated. This study is significant since it provides management with information on how employees act in terms of corporate social responsibility. The study revealed a fairly strong positive relationship between corporate social responsibility and employee commitment, as well as commitment and performance.

Both decision-makers and researchers will benefit greatly from these insights. It demonstrates how businesses can increase employee organizational commitment by engaging in social activities such as identifying and meeting community needs, promoting environmental improvements, assisting with employee welfare, developing high-quality products for consumers, adhering to legal requirements, and operating in a morally upright environment. All of these measures have a significant and positive impact on employee loyalty to companies and increase productivity. Over the last two decades, academics and decision-makers have paid close attention to the concept of CSR and its impact on organizational success, notably its financial consequences. Nonetheless, there is a scarcity of research on the relationship between CSR and

banks' technical efficiency as a proxy for their organization. As a result, this study is one of the first to look at whether introducing CSR rules helps banks enhance their technological efficiency. The study objectively demonstrates a link between CSR policies and bank technological efficiency from 2012 to 2018. The overall findings of the Tobit regression model suggest a positive association between overall CSR activities and technical efficiency in banks. This outcome ought to be sufficient to alter how practitioners, decision-makers, and regulators see the expenses associated with CSR efforts, which are a long-term investment rather than a resource waste (Shahwan and Habib, 2023).

According to Khan et al. (2023), the authors developed an instrument to assess the impact of anonymous charitable practices on business performance and to determine whether CEO salary and firm size mitigate this relationship. According to the findings, based on the legitimacy and stakeholder theory, corporations may receive favors from important stakeholders, legitimize their operations, and then improve their performance by engaging in philanthropic practices. Furthermore, CEO remuneration and business size have a positive impact on the relationship between silent philanthropic donations and firm success. In today's corporate environment, CSR initiatives are considered as having an impact on a company's performance. According to Ikram et al. (2019), these types of activities are critical in the Pakistani context.

Singh and Misra's (2020) study tries to demonstrate the link between CSR and organizational success. This study identifies approximately five stakeholders, one of whom is employees. According to the empirical findings, CSR for the community and consumers has a significant impact on corporate success. However, there was no substantial link between CSR for employees and business performance. Unfortunately, managers' opinions of CSR in respect to employees do not lead to improved organizational performance.

These findings contradict those of Trivellaset al. (2019) and Celma et al. (2018), which show that if a company does not care about its corporate social responsibility (CSR) for its employees, it is ignoring the impact of underlying factors such as job performance, organizational commitment, and organizational citizenship behavior. Furthermore, Shahwan and Habib's (2023) findings demonstrate that one of the dimensions of CSR, CSR towards Employees, is not significantly associated. Rettab et al. (2008) investigate the relationship between CSR and

organizational performance in one of the emerging economies of the fast increasing region, Dubai.

The most notable discovery in this analysis is the positive association between CSR and financial success, which contradicts the authors' predictions. The authors measured organizational performance using financial performance, positive brand image, and employee commitment, and the results were consistent with other empirical research in affluent Western economies that found a link between CSR initiatives and performance. Lin C.H, et al. (2009) found that CSR has a negative influence on the firm's financial success in the short term, but contends that CSR will have a direct impact only in the long run.

According to the findings of Yousefian et al. (2023), CSR has a favorable link with growth that is not limited by the company's financial performance. The study employs many measures to assess the independent variable (CSR) by utilizing CSR traits, one of which is philanthropy. Based on their findings, philanthropy has been linked to lower economic growth. According to Lu et al. (2020), philanthropic duty is favorably associated to productivity, corporate image, meeting consumer expectations, and job efficiency. Tantalo et al. (2012), on the other hand, discovered that Philanthropy had a negative association. The disclosure of a company's CSR activity has recently been noticed.

According to the existing literature, several empirical research has been conducted on the effects of CSR on the financial performance of firms around the world. However, the results of this study were conflicting and confusing. While many of these studies indicated negative or no effects, several of them reported positive correlations or outcomes. (Ahmad et al., 2016).

2.7. Conceptual Framework

Various ideas of Corporate Social Responsibility have been examined in light of the preceding literature. This study employs a modified Carroll's model based on the hypotheses presented. Carroll's model consists of four obligations, three of which were employed in this study as a measure of corporate social responsibility: philanthropic, legal, and ethical. Economic responsibility is not considered in this approach. This is because it aligns with the primary goal

of establishing a business. Businesses aim to maximize profits in order to survive in the market, rather than just to be socially responsible.

On the other hand, there is organizational performance, which is the study's dependent variable and may be quantified using the Balanced Scorecard. This conceptual framework is used to assess the impact of Corporate Social Responsibility on organizational performance. Based on this, the researcher creates the conceptual framework presented below.

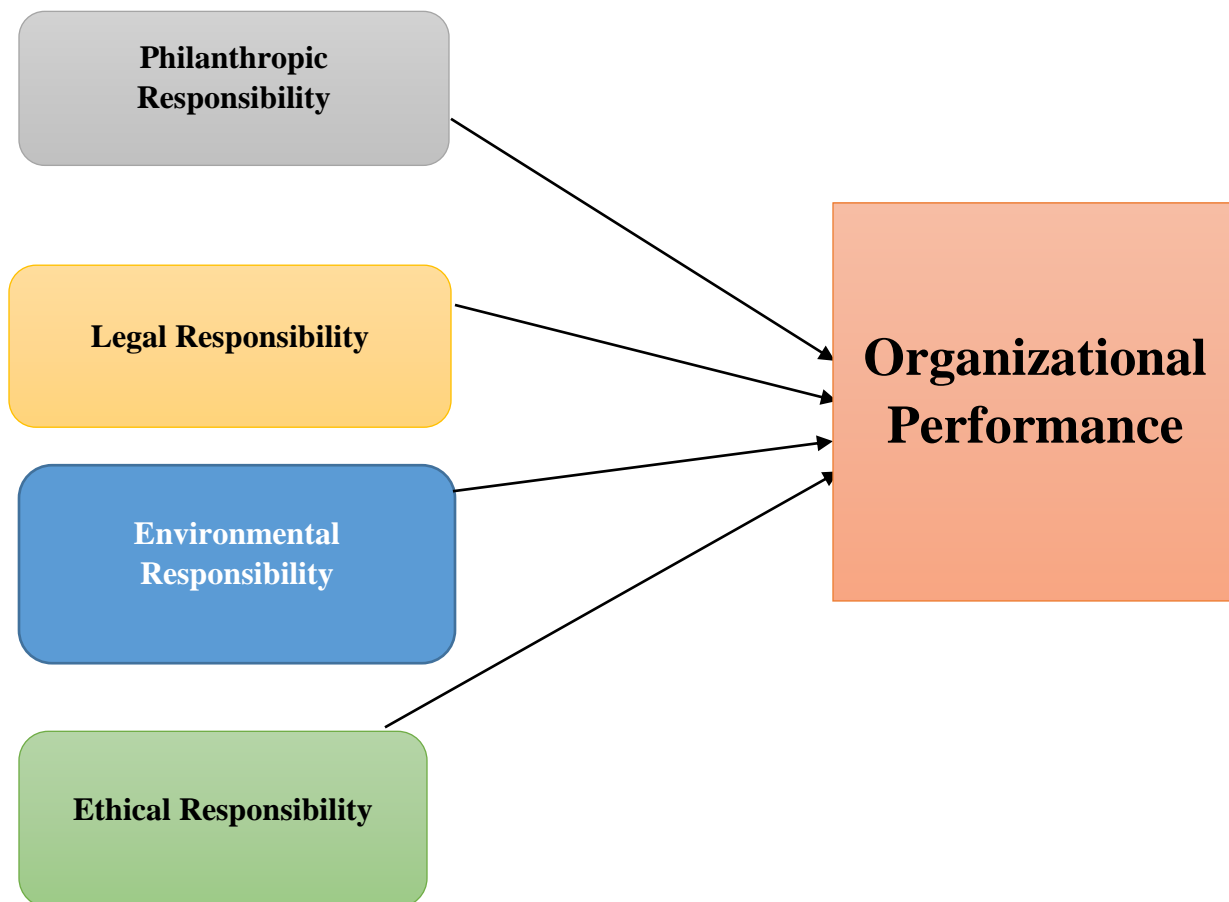


Figure 2:1: Conceptual Framework of the study (Source: Adopted from previous Researcher Carroll 2016)

2.8. Research Hypothesis

Based on the research objectives and conceptual framework of the study, the researcher proposes the following research hypothesis.

Ho1. There is no positive and significance effect of Philanthropic Social responsibility and organizational performance

Ho2. There is no positive and significance effect of Environmental responsibility and Organizational Performance

Ho3. There is no positive and significant effect of legal responsibility on Organizational Performance.

Ho4. There is no positive and significant effect of Ethical responsibility on Organizational Performance

CHAPTER THREE

RESEARCH METHODOLOGY AND DESIGN

3.1. Research Design

According Saunders (2007), research design as the general plan of how the research questions would be answered. It is the conceptual structure within which research is conducted. It constitutes a blue print for the collection, measurement, and analysis of data. The study is best suited for a descriptive correlational research approach. Examining the connections between CSR initiatives and different facets of corporate performance without changing factors is a good fit for this design. The study can gauge how employees and customers view corporate social responsibility (CSR) and how it affects performance metrics like financial results and customer satisfaction by using surveys to gather quantitative data. Furthermore, qualitative techniques, such as stakeholder focus groups and interviews, will provide the quantitative results context and nuance. A thorough examination of the relationship between CSR activities and organizational performance measures is made possible by this combination. Because it allows researchers to find patterns and links in the data while retaining the flexibility to examine the nuances of CSR's influence in a real-world situation, the descriptive correlational design is advantageous. All things considered, this design will make it easier to comprehend how CSR and organizational performance interact at Safaricom Ethiopia.

3.2. Research Approach

There are two research approaches that provide in the research method such as Quantitative and Qualitative, where one of them is not better than the others, all of this depends on how the researcher want to do research of study (Ghauri and Kjell, 2005). To achieve the aforementioned objectives, the study adopts a mixed research approach, where it can be use of a questionnaire provided predominantly descriptive and quantified data. Quantitative method is study involving analysis of data and information that are descriptive in nature and qualified (Sekaran, 2003) .A quantitative approach is one in which the investigator primarily uses post positive claims for

developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistics data (Creswell, 2003). The mixed-methods technique is the best research strategy for the investigation of organizational performance and corporate social responsibility (CSR) at Safaricom Ethiopia. A thorough investigation of the research questions is made possible by this method's combination of quantitative and qualitative research techniques. In order to get quantifiable information on how CSR activities are perceived and how they affect performance indicators, the quantitative component will include organized surveys that are given to both customers and workers. The results of this statistical study will be solid and broadly applicable. In addition, the qualitative component included focus groups and in-depth interviews with important stakeholders, including community leaders and management. This will make it easier to comprehend the reasons for CSR practices, the difficulties in putting them into practice, and how effective they are thought to be. Through the integration of these two approaches, the mixed-methods approach strengthens the validity of the study's conclusions and offers a comprehensive view of how CSR affects organizational performance. It also increases the richness of the data gathered and permits triangulation.

3.3. Data Type and Sources

Both primary and secondary data sources were suitable for the study on organizational performance and corporate social responsibility (CSR) at Safaricom Ethiopia. Data gathered directly from participants through organized surveys given to staff members and clients, as well as in-depth interviews and focus groups with important stakeholders and management, will make up primary sources. These primary sources will offer firsthand knowledge of how CSR activities are perceived and how they affect the performance of organizations. Existing research on corporate social responsibility (CSR), organizational performance indicators, and case studies pertinent to the telecom sector especially those that concentrate on CSR practices in comparable setting were considered secondary sources. Understanding theoretical frameworks and prior findings relating to corporate social responsibility (CSR) can be facilitated by consulting academic journals, industry reports, and company publications. Furthermore, Safaricom Ethiopia's financial reports and performance metrics will be used as supplementary data to evaluate how well the business is performing in connection to its CSR initiatives. The research

was well-rounded and offers a thorough understanding of the connection between CSR and organizational success by combining primary and secondary sources.

3.4. Target Population and sample size

3.4.1. Target Population

Lavrakas (2008) defines a population as any finite or infinite collection of individual elements. To describe a population as the entire collection of things in which we are interested. According to Zikmund, (2010) and Khotari (2004), a population refers to all items in any field of inquiry and is also known as the 'universe'. The study on corporate social responsibility (CSR) and organizational performance at Safaricom Ethiopia was focused on two important categories. First, employees from various levels and departments within the firm were included to gather multiple viewpoints on CSR activities and their effects on workplace culture. second, important stakeholders, such as management personnel and community leaders participating in or impacted by CSR activities, were provide qualitative feedback on these efforts' strategic implementation and efficacy. Based on these 655 permanent employees of the institution were targeted in the study.

3.4.2 Sample Size

A series of processes were taken to establish the sample size for Safaricom Ethiopia's research on corporate social responsibility (CSR) and organizational performance. First, the target audience were identified, comprising Safaricom Ethiopia workers, customers, and key stakeholders. The sampling method included stratified random sampling for employees to ensure representation across departments and job levels, simple random sampling for customers to capture diverse perspectives, and purposive sampling for key stakeholders and management to gather qualitative data. To determine the sample size for the study, the researcher will use the following a simplified formula to calculate sample sizes. According to Yamane (1967), with 95% confidence level and 0.05 sampling error are assumed for the equation.

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

$$n = \frac{655}{1 + 655(0.05)^2}$$

=249 samples

Where n is the sample size, N is population size and e is the percentage of allowance in accuracy for making sampling errors. The level of precision or sampling error to this study was assumed to be $\pm 5\%$.

3.4.3. Sampling Technique

Sampling technique is a strategy for selecting a sample from a population by limiting the number of responders to a manageable quantity. Sampling techniques are widely categorized into two types: probability and non-probability sampling approaches. This study used a combination of simple random sample, and purposive sampling techniques. Employees were selected using simple random sampling to ensure participation across departments and job levels, collecting a range of viewpoints on CSR efforts. This method improves the reliability and precision of the results by reducing bias and enabling targeted analysis within specified groups. Purposive sampling technique was used to pick customers and community stakeholders, guaranteeing an unbiased selection process that reflects a diverse variety of perspectives.

3.5. Data collection Instruments

Surveys, interviews, and focus group discussions were the primary data collection strategies for this study on the impact of corporate social responsibility (CSR) on organizational performance at Safaricom Ethiopia. Surveys used to collect quantitative data from employees and consumers, enabling for the evaluation of attitudes toward CSR activities and their impact on organizational performance measures such as financial outcomes and customer satisfaction. This method is effective in swiftly reaching a large number of responders and producing statistically significant outcomes. In addition to surveys, in-depth interviews with key management and stakeholders will be performed to get qualitative information about the strategic implementation of CSR

practices. This strategy enables a more in-depth knowledge of the motives driving CSR projects and their perceived effectiveness. Finally, focus group talks with employees were held to encourage open debate about their experiences and perspectives of CSR in the workplace. This tool fosters participation, resulting in more detailed qualitative data that captures the intricacies of employee opinion. Together, these data gathering tools provide a comprehensive strategy that combines quantitative breadth and qualitative depth, which is critical for understanding the complex relationship between CSR and corporate success.

3.5.1 Procedure of Data Collection

As per the data collection tools and techniques, questionnaire was prepared having open ended questions. These enabled respondents to respond without limit. The questions were pre-pared based on the research questions. Then it is distributed and collected. The same went for interview. It was conducted by the researcher face to face. Related documents were also collected.

3.6. Methods of Data Analysis

The obtained data could be transformed and translated into useful information. This study's data on corporate social responsibility (CSR) and organizational performance at Safaricom Ethiopia analyzed using a mixed-methods technique. Quantitative survey data was evaluated using statistical approaches such as regression analysis and descriptive statistics to determine the correlations between CSR activities and key performance indicators such as financial success and customer happiness. This quantitative analysis allows for the testing of hypotheses and provides a clear picture of the impact of CSR on organizational outcomes, making the findings generalizable to the larger population. In tandem, qualitative data from interviews and focus group discussions will be thematically analyzed. The combination of these analytical methodologies ensures a thorough comprehension of the research issues, since quantitative results can be supplemented with qualitative narratives, offering a more complete context and increasing the overall validity of the findings. This integrative approach allows for triangulation, which increases the dependability of the study's conclusions. Therefore, the data would be analyzed, processed, and interpreted according to the nature of the data.

3.6.1. Descriptive Analysis

The descriptive results presented by tables, frequency distributions and percentages to present a condensed picture of the data. This was achieved through summarizing statistics, which included the mean value and standard deviation values which would be computed for each variable in the study.

3.6.2. Pearson correlation Analysis

In this study Pearson correlation analysis employed to determine the relationships between the studying variables i.e. The effect of corporate Social Responsibility on Organizational performance of foreign direct investors; The Case of Safaricom Ethiopia.

3.6.3. Multiple Regressions Analysis

Regress functions

The equation of multiple regressions on this study built on around the two sets of variables, namely dependent and independent variables. The basic objectives of using regression equation is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables.

$$Y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e$$

Where Y is the dependent variable- Organizational Performance

α is constant

X1 is Philanthropic Responsibility, x2 is Legal Responsibility, x3 is Ethical Responsibility and X4 is Environmental Responsibility

Beta is the intercept term it refers to the coefficient of their respective independent variables which measures the change in the mean value of Y, per unit change.

3.7. Validity and Reliability Test

3.7.1. Validity

Validity refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index. According to Kothari (2004), validity aims establishing the results which are linked with the condition. It is concerned with the extent that the scale accurately represents the construct of interest. In order to assure the validity of the measurement instrument of the study conducted based on the literally accepted associated with conceptual framework that clearly indicate the theoretical construct and associated with the measurements valid to evaluate the effect of corporate Social Responsibility on Organizational performance. So that pre-questionnaire distributed to check the validity of questions to further data collection process.

3.7.2. Pilot Test

A pilot test was carried out prior to the data collection stage. Das M. (2009) refers pilot study as a testing of questionnaire on a small sample of respondent to identify and eliminate potential problem. The appropriateness of questionnaire was tested including question content, wording, sequence, form and layout. The pilot study carried out on 30 respondents and with the use of Cronbach Alpha and confidence interval test, reliability of the questionnaire was checked.

3.7.3. Reliability

Reliability test carried out to assess the consistency of each item in measuring that variable or the same underlying construct, whenever, two or more items are assigned to measure the same variable. According to George and Mallery (2003, as cited in Joseph & Rosemary, 2003) Cronbach's alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examines. Cronbach's alpha reliability coefficient normally ranges between 0 and 1.

Table 3.1: Rule of Thumb of Cronbach's Alpha

NO	Cronbach's Alpha	Description
1	\geq to 0.9	Excellent
2	\geq 0.8 but less than 0.9	Good
3	\geq 0.7 but less than 0.8	Acceptable
4	\geq 0.6 but less than 0.7	Questionable
5	\geq 0.5 but less than 0.6	Poor
6	\leq 0.5	Unacceptable

Source: (Zikmund, 2010)

3.8. Ethical considerations

There are certain considerations which are made in this study. Primarily, study subjects were included upon their consent. Once this is done, the information they provided through the data collection instruments kept confidential. Furthermore, their identity was also kept confidential and only the aggregated results obtained from the data they provide was made public where required. In other words, before starting the actual data collection for the purpose of the study, the right of customers to give or deny the required information was explained. In addition to this, the researcher tried to avoid leading questions. Confidentiality of the information was also guaranteed by informing respondents not to write their names or anything that makes them be identified by others. Finally, the researcher provided the research output to decision makers ethically with relevant recommendations.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

The data analysis and discussion of the research findings derived from the survey questionnaire data are presented in this chapter. To make the responses to the questionnaire's measurements easier to understand, they are compiled and displayed using tables and charts. Descriptive statistics have been used to describe the demographic profiles of the study sample, and other inferential statistics have also been used to analyze survey data. In order to test the hypothesis and accomplish the study's goal of examining how corporate social responsibility affects organizational performance, standard multiple regressions were employed. Additionally, the measure's internal consistency and quality were assessed using the Cronbach's Alpha and Pearson correlation coefficients.

4.1. Overview of Data Presentation and Analysis Methodology

This section describes the methods used to present and analyze the data collected from the survey. The data are displayed using tables, charts, and descriptive statistics, with additional inferential statistics applied to test the research hypothesis. These methods will support the analysis of how corporate social responsibility affects organizational performance.

4.2. Survey Response Rate

A total of 249 surveys were distributed, and 170 surveys were gathered; 17 of these were deemed incomplete, leaving 153 surveys or 63.8% of the total for analysis. A minimum of 50% of responses should be statistically significant for analysis, according to Mugenda and Mugenda (2003).

Table 4.1: Response Rate of Respondents

	Number of questionnaires	Percentage
Completed	156	63.8%
Not completed	100	36.2%
Total	256	100%

Source: own survey result (2020)

Checking the reliability of the scales used in the data collecting tool was the first analysis done after the data had been coded and entered into SPSS version 25. Reliability, according to Malhotra and Birks (2007), is the degree to which a measurement yields consistent results in the event that the measurement procedure is repeated. All of the scales employed in this study are deemed reliable because their respective alpha values are greater than 0.7 and, for the most, closer to 1. Cronbach-alpha, a commonly used measure of internal consistency, was calculated using SPSS version 25. The following table displays each scale's Cronbach's alpha.

Table 4.2: Reliability Statistics

Studying Variables	Cronbach's Alpha if
Philanthropic responsibility	.784
Legal Responsibility	.761
Ethical Responsibility	.776
Environmental Responsibility	.811
Organizational Performance	.702
Total	.809

Source: survey result, 2025

4.3. Demographic Profile of Respondents

This section provides an overview of the sample's demographics, including the respondent's age, gender, degree of education, and employment history. In order to make the analysis more understandable for readers, the demographic analysis in this study aims to characterize the sample's attributes, including the percentage of men and women, age range, and educational attainment.

4.3.1. Gender

The table that shows the gender proportions below shows that there were more men than women (34% versus 66%). This demonstrates the unequal distribution of women.

Table 4.3: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	103	66.0	66.0	66.0
	female	53	34.0	34.0	34.0
	Total	156	100.0	100.0	100.0

Source: obtained from survey, 2025

In terms of respondent age, the 20–30 age group (62.2%) and the 31–40 age group (18.6%) make up the majority of the sample population. This suggests that the majority of the sample populations are young people who actively seek out media advertisements. 10.3% and 9% of the population are between the ages of 41 and 50 and over 50, respectively.

4.3.2 Age

Table 4.4: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 years	97	62.2	62.2	62.2
	31-40 years	29	18.5	18.5	18.5
	41-50years	16	10.3	10.3	10.3
	above 50 years	14	9.0	9.0	9.0
	Total	156	100.0	100.0	100.0

Source: obtained from survey, 2025

4.3.3. Education level

The distribution is not very equitable when it comes to schooling. 5.8% obtained a certificate, 15.4% obtained a diploma, 3.8% were below the 12th grade, and 6.4% had no formal education. Of the responders, 67.3% had a degree, and the remaining 1.3% had a master's degree.

Table 4.5: Education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	87	55.8	55.8	55.8
	BA/BSC	44	28.2	28.2	28.2
	MA/MSC	24	15.4	15.4	15.4
	PhD	1	.6	.6	.6
	Total	156	100.0	100.0	100.0

Source: Obtained from survey, 2025

A total of 156 respondents' answers about their greatest level of schooling are included in the dataset. With 87 respondents, or 55.8% of the total, holding a diploma, it is the most prevalent educational qualification among them. According to this, over 50% of the participants have finished a diploma program. After this, 44 respondents (28.2%) have a bachelor's degree (BA/BSc), which is over one-third of the total, indicating that a sizable portion of people have completed more education than a certificate.

4.3.4. Work type

The data on work type from a sample of 156 people shows that a sizable majority, 129 respondents (82.7%), are in the sales and marketing industry, which is the most common occupation among the participants and suggests that there is a high focus on sales-driven roles in the population surveyed. 21 respondents (13.5%) are sales supervisors, which represents a smaller but significant group of people in supervisory roles in the sales domain.

On the other hand, only one respondent (.6%) is a finance manager, and only five respondents (3.2%) are HR managers. These numbers imply that positions in human resources and finance management are very uncommon within this group, suggesting that jobs in sales and marketing may be more prevalent than in these areas. When accounting for both sales and marketing responsibilities as well as sales supervisors, the cumulative percentages reveal that 96.2% of respondents are included, leaving just 3.8% for HR and finance management functions taken together.

Table 4.6: Work type (Position)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sales & Marketing	129	82.7	82.7	82.7
	Sales supervisor	21	13.5	13.5	13.5
	HR manger	5	3.2	3.2	3.2
	Financial manger	1	.6	.6	.6
	Total	156	100.0	100.0	100.0

Source: obtained from survey, 2025

4.4. Descriptive Analysis

Measures of central tendency are used in descriptive statistics to characterize data. The most effective way to summarize the features of big data sets is to use descriptive statistics. Cooper and Emory (1995) state that in a statically analysis, the analyst computes one or a few numbers that provide insight into the properties of big data sets. The study included frequency, mean, and standard deviations as descriptive statistics. Five scales, with 1 denoting strongly disagree, 2 disagree, 3 neutral (no view), 4 agree, and 5 strongly agree, were used to create the questionnaire.

The following ranges of values were reassigned to each scale for ease of interpretation: a mean score of less than three was deemed "disagree," a mean score of more than three was deemed "agree," and a mean score of three was deemed "neutral" (quoted in Yonas, 2013). For scale-typed surveys, descriptive statistics were employed together with regression and correlation analysis.

Aaker et al. (2004) state that a frequency is a report of the quantity of answers to an inquiry. The sum of the values in the data group divided by the total number of values is known as the arithmetic mean, or the mean.

Since the standard deviation is based on the difference between each value in the data set and the group mean, it is comparable to the average deviation (Kaizmier, 1988). The standard deviation is the square root of the variance. The degree of score variation from the mean is documented by the standard deviation.

Table 4.7: Descriptive Statistics of Philanthropic Responsibility

	N	Mean	Std. Deviation
The organization has to leave this world by ensuring it is a better place for the next generation.	156	4.56	.497
The organization donates money to charitable organizations regardless of what the government does	156	4.44	.497
Government is not solely responsible for funding charitable causes and public	156	4.53	.501
The organization supports cultural and social events in the community	156	4.51	.539
The organization has both financial and non-financial support to NGO's Support activities related to health and wellness of the community	156	4.44	.614
Valid N (listwise)	156		

Source: obtained from survey, 2025

The philanthropic responsibility descriptive data shed light on the organizations' members' thoughts toward their dedication to social and community welfare. According to the mean scores of 156 respondents, there is broad agreement regarding the significance of charitable deeds. Organizations should aim to leave the world a better place for future generations, according to the opinion that has the highest mean score, 4.56 (standard deviation = 0.497). This suggests a strong consensus among responders regarding the moral necessity of sustainability and intergenerational accountability.

The statement about the organization's independent charitable donations came in second, with a mean score of 4.44 (standard deviation = 0.497), indicating that members firmly believe that proactive philanthropy is essential regardless of what the government does. A common understanding of the government's and the organization's joint responsibility for social welfare is reinforced by the mean score of 4.53 (standard deviation = 0.510) for the belief that the government shouldn't be the only entity responsible for sponsoring charitable activities. Likewise, a mean score of 4.51 (standard deviation = 0.539) shows strong support for the organization's participation in social and cultural community events, demonstrating a dedication to improving community cohesion and engagement. Finally, the statement about financial and non-financial support to health and wellness-related NGOs received a mean score of 4.44 (standard deviation = 0.614), indicating that the organization is prepared to help health-related projects. Overall, respondents' strong collective belief in the organization's charitable obligation and its role in creating a helpful and sustainable community are indicated by the comparatively low standard deviations across all questions.

The survey's descriptive statistics demonstrate that participants are firmly committed to the philanthropic responsibility tenets. The average ratings for the different assertions show a strong agreement on the part organizations play in promoting social good, based on a sample size of 156. Interestingly, the highest mean score of 4.56 indicates a strong ethical commitment to sustainability and indicates that most members feel that it is essential to leave the earth in a better state for future generations.

Further highlighting a belief in shared responsibility for social welfare, a mean score of 4.44 also shows considerable support for the notion that businesses should proactively contribute to charity

causes, regardless of government activities. This is further supported by the mean score of 4.53, which emphasizes the idea that humanitarian endeavors are not exclusively funded by the government.

A realization of the significance of community engagement is also indicated by the mean of 4.51, which indicates strong support for organizational participation in cultural and social events. Last but not least, the notion that NGOs promoting health and wellbeing should get both financial and non-financial support, with a mean score of 4.44, highlights a holistic approach to philanthropy. All things considered, the low standard deviations for these questions show that respondents have a strong and consistent view of their organization's charitable obligations, highlighting a proactive and cooperative attitude to improving society.

Table 4.8: Descriptive Statistics of Legal responsibility

	N	Mean	Std. Deviation
The company respect and implement governmental rules and regulations	156	4.39	.515
Respect the rights of internal and external stakeholders beyond the legal requirement	156	4.55	.512
Ensure that the operation their employees act within the standards defined by the law	156	4.60	.505
The company avoids from putting aside their contractual obligation	156	4.57	.497
Avoids bending the law even it helps to improve performance	156	1.59	.493
Valid N (listwise)	156		

Source: obtained from survey, 2025

The descriptive statistics for the different dimensions of Legal corporate social responsibility (CSR) as reported by a sample of 156 people are shown in Table 4.8. The mean scores show that people generally have a positive opinion of the organization's Legal practices. The statement "

Ensure that the operation their employees act within the standards defined by the law " received the highest mean score of 4.60, indicating that people strongly believe the organization adheres to standards defined by the law. " The company avoids from putting aside their contractual obligation," which has a mean score of 4.57, indicates that respondents strongly agree that the organization strictly functions within their contractual obligation when addressing employee's and community issues.

The average score of 4.55 for " Respect the rights of internal and external stakeholders beyond the legal requirement " indicates that the company conducts fair practices and that people have a positive opinion of how fair the organization's operations are. " The company respect and implement governmental rules and regulations," which has a mean score of 4.39, indicates that respondents strongly agree that the organization respects and apply governmental rules and regulations in order to functions within their contractual obligation when addressing Legal issues. Though it is marginally lower than the others, the statement "Avoids bending the law even it helps to improve performance" nonetheless indicates a good view with a mean of 4.40.

According to these findings, respondents generally believe that the organization is dedicated to Legal and social responsibility, placing a high dedication on governmental rules and internal and external stakeholder's rights.

Table 4.9: Descriptive Statistics of Ethical Corporate social Responsibility

	N	Mean	Std. Deviation
This organization conducts fair practices	156	4.41	.493
This organization obeys Ethical norm which is required by the society	156	4.50	.502
The organization Strives to help social and ethical problems in the community	156	4.54	.500
This organization tries to avoid unethical behaviors Avoids compromising Ethical standards in order to achieve corporate goals	156	4.40	.492
Valid N (listwise)	156		

Source: obtained from survey, 2025

The descriptive statistics for the different dimensions of ethical corporate social responsibility (CSR) as reported by a sample of 156 people are shown in Table 4.9. The mean scores show that people generally have a positive opinion of the organization's ethical practices. The statement "This organization obeys ethical norms which are required by society" received the highest mean score of 4.50, indicating that people strongly believe the organization adheres to societal ethical standards. "The organization strives to help social and ethical problems in the community," which has a mean score of 4.54, indicates that respondents strongly agree that the organization is committed to addressing community issues.

The average score of 4.41 for "This organization conducts fair practices" indicates that people have a positive opinion of how fair the organization's operations are. Though it is marginally lower than the others, the statement "This organization tries to avoid unethical behaviors and avoids compromising ethical standards in order to achieve corporate goals" nonetheless indicates a good view with a mean of 4.40. All statements have standard deviations between 0.492 and 0.502, indicating a low degree of response variability that suggests participants agree on the organization's ethical position.

According to these findings, respondents generally believe that the organization is dedicated to moral behavior and social responsibility, placing a high value on active participation in community support and adherence to social norms. The organization's ethical framework is strongly affirmed in its activities by the consistent mean scores above 4.4 mean ranges.

Table 4.10: Descriptive Statistics of Environmental Responsibility

	N	Mean	Std. Deviation
The organization implements practices to reduce environmental impact.	156	4.47	.501
The organization prioritizes sustainability in our business operations.	156	4.38	.537
Environmental considerations are integrated into our decision-making processes.	156	4.37	.535

The organization actively promotes recycling and waste reduction among employees.	156	4.37	.547
Valid N (listwise)	156		

Source: obtained from survey, 2025

The descriptive data for the organization's environmental procedures, as evaluated by 156 respondents, are shown in Table 4.10. The organization's dedication to environmental sustainability is seen favorably, according to the mean scores. With the highest mean score of 4.47, the statement "The organization implements practices to reduce environmental impact" indicates that respondents had strong opinions on how well the organization's efforts to lessen its ecological footprint are working.

Subsequently, the average score for "The organization prioritizes sustainability in our business operations" is 4.38, indicating strong consensus regarding the significance of sustainable practices in the organizational structure. Both "The organization actively promotes recycling and waste reduction among employees" and "Environmental considerations are integrated into our decision-making processes" have a mean score of 4.37, suggesting that respondents view these practices as essential to the organization's operations.

There is modest agreement among respondents about the organization's environmental initiatives, as indicated by the standard deviations for these claims, which vary from 0.501 to 0.547. These findings generally imply that the respondents are aware of and value the company's proactive approach to environmental sustainability, emphasizing its dedication to incorporating eco-friendly procedures into all facets of its business operations. The organization's environmental duty is strongly affirmed by the continuous mean scores above 4.3 mean range.

Table 4.11: Descriptive Statistics organizational performance

	N	Mean	Std. Deviation
Increase the value of the company	156	22.23	1.254
Increase Revenue	156	4.47	.526
Reduce operational costs	156	4.43	.509
Enhancing Loyalty	156	4.63	.485
Improve company's image	156	4.63	.485
Customer retention	156	4.53	.501
Meeting deadlines	156	4.63	.498
Quality control	156	4.56	.498
Improving employee's competence	156	4.51	.501
Valid N (listwise)	156		

Source: obtained from survey, 2025

Descriptive statistics of organizational performance as assessed by a sample of 156 respondents are shown in Table 4.11. The organization's efficacy across a range of performance indicators appears to be positively evaluated, as indicated by the overall mean score of 22.23 for organizational performance. Together with this overall score, the individual performance indicators provide detailed information about particular areas of strength.

The two statements with the highest mean scores, "Enhancing loyalty" and "Improve Company's image," both at 4.63; show that respondents strongly agreed that the company has been successful in building customer loyalty and improving its public image. The statement "Meeting deadlines" likewise receives a score of 4.63, indicating a strong capacity to follow schedules, which is essential for operational effectiveness. With a mean score of 4.53, "customer retention" comes in second, highlighting the company's ability to retain a base of devoted clients.

The average score for "Quality control" is 4.56, indicating that respondents have faith in the company's ability to uphold high standards for its goods and services. With a mean score of 4.51 for "Improving employee's competence," which measures perceived investment in workforce development, the firm also does exceptionally well. The phrase "Reduce operational costs" also receives a mean score of 4.43, indicating that although there is a favorable attitude, it is marginally lower than other performance criteria.

These performance measures' standard deviations, which vary from 0.485 to 0.526, show that respondents generally agree about the organization's performance and that answer variability is generally minimal. Overall, these findings imply that respondents think the company is successful and effective in a variety of performance areas, with special strengths in meeting deadlines, retaining customers, and projecting a positive corporate image. Its overall performance is probably influenced by its operational efficacy and favorable organizational reputation, which are highlighted by the consistently high mean scores.

4.5. Correlation Analysis

Correlations are the measure of the linear relationship between two variables. The correlation and regression analysis can be used to examine the presence of a linear relationship between two variables. They measure the strength and direction of a relationship between variables. A correlation coefficient has a value ranging from -1 to 1. Values that are closer to the absolute value of 1 indicate that there is a strong relationship between the variables being correlated whereas values closer to 0 indicates that there is little or no linear relationship. As described by Andy (2009), the correlation is a commonly used measure of the size of an effect: values of $\pm 0.10 - 0.29$ represent a small effect; $\pm 0.30 - 0.49$ is a medium effect and ± 0.50 and above is a large effect. The relationship between budget and budgetary control on non-financial performance in the case of Carter center in Ethiopia was investigated using Pearson correlation analysis. This provided correlation coefficients indicated the strength and direction of relationship. The p-value also indicated the probability of this relationship's significance. Correlation analysis shows the relationship between the variables of interest, hence to answer the proposed research questions the following correlation analysis is undertaken by the researcher.

Table 4.12: Correlations Table

		PHRT	LRT	ETHRT	EVRT	OPT
PRT	Pearson Correlation	1	.364	.413	.359	.693
	Sig. (2-tailed)		.000	.000	.000	.000
	N	156	156	156	156	156
LRT	Pearson Correlation	.364	1	.803	.467	.634
	Sig. (2-tailed)	.000		.000	.000	.000
	N	156	156	156	156	156
ETHRT	Pearson Correlation	.413	.803	1	.575	.643
	Sig. (2-tailed)	.000	.000		.000	.000
	N	156	156	156	156	156
EVRT	Pearson Correlation	.359	.467	.575	1	.445
	Sig. (2-tailed)	.000	.000	.000		.000
	N	156	156	156	156	156
OPT	Pearson Correlation	.693	.634	.643	.445	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	156	156	156	156	156

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

Source: obtained from survey, 2025

The correlations between the independent variables PHR (Philanthropic Corporate social responsibility), LRT (legal responsibility), ETHRT (ethical responsibility), and EVRT (environmental responsibility) and the dependent variable, OPT (organizational performance), are shown in Table 4.12. At the 0.01 level, the results show strong positive correlations between all variables. Interestingly, organizational performance and Philanthropic Corporate social responsibility have the strongest association ($r = 0.693$), indicating that organizational performance tends to improve significantly as Philanthropic Corporate social responsibility levels rise. This suggests that total performance indicators may be significantly impacted by human resources training initiatives that are successful. This study result was consistent with the study of Okwemba et al. (2014) conducted on the Kenyan banking industry to investigate the

impact of CSR on organizational performance, however the results were inconsistent, making generalization difficult. This is because the study includes four measures to assess the dependent variable (CSR), and the effects of those variables have been compared to organizational performance

Additionally, Legal responsibility and Organizational performance show a substantial association ($r = 0.634$), underscoring the significance of leadership development in raising organizational efficacy. This implies that spending money on leadership development can have a big impact on improved performance results. The fact that ethical responsibility and Organizational performance have a positive association ($r = 0.643$) further suggests that ethical training plays a crucial role in promoting organizational success. Furthermore, it is important to observe the correlations among the independent variables. The substantial association between Legal responsibility and ethical responsibility ($r = 0.803$) indicates that companies who fund leadership development programs are probably also going to give ethical training programs top priority. Furthermore, the correlations between environmental responsibility (EVRT) and Legal responsibility ($r = 0.467$) and Organizational performance ($r = 0.445$) imply that, although environmental training improves organizational performance, its effects might not be as great as those of other training modalities.

All things considered, these associations show how different training programs are related to one another and how they work together to improve organizational performance, underscoring the significance of an all-encompassing strategy for staff development.

4.6. Tests of Assumptions of Regression Analysis

4.6.1. Multi-collinearity Test.

Multicollinearity is the intercorrelation of more than two independent variables. The predictor variables in the same direction model cannot independently predict the value of the independent variable when they are correlated. To find the relationship between the independent variables, multicollinearity and autocorrelation between variables were examined.

In order to assess multicollinearity, this study used the variance inflation factor (VIF), which measures how severe multicollinearity is in regression analysis. The ideal VIF factor is near one

and should not be greater than ten. The table that follows demonstrates that multicollinearity does not exist. How much of the variability of a given independent variable cannot be explained by the other independent variables in the model is shown by tolerance. Multicollinearity may be possible if this number is very small (less than one), which suggests a high multiple correlation with other variables. According to Collinearity Statistics, the table below verifies that multicollinearity does not exist. The tolerance is over 0.1 and the VIF factor did not surpass 10, indicating that multi-collinearity is not an issue.

Table 4.13: Coefficients Table

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	1.346	1.513		.890	.035	1.644	4.337		
	PHRT	.541	.057	.502	9.515	.000	.428	.653	.804	1.243
	LRT	.284	.079	.287	3.608	.000	.128	.439	.354	2.828
	ETHRT	.485	.218	.193	2.225	.028	.054	.916	.297	3.367
	EVRT	.053	.151	.021	.350	.027	.245	.351	.651	1.536

A. Dependent Variable: OPT

B. Predictors: (Constant), EVRT, PHRT, LRT, ETHRT

Source: obtained from survey, 2025

The coefficients of a regression analysis that looks at how different independent variables PHRT (philanthropic responsibility), LRT (legal responsibility), ETHRT (ethical responsibility), and EVRT (environmental responsibility) affect the dependent variable, OPT (organizational performance), are shown in Table 4.13. The Tolerance and Variance Inflation Factor (VIF) values given in the table can be used to evaluate multicollinearity among the independent variables.

All of the independent variables' tolerance values PHRT (0.804), LRT (0.354), ETHRT (0.297), and EVRT (0.651) are higher than the generally recognized cutoff point of 0.1. Similarly, PHRT (1.243), LRT (2.828), ETHRT (3.367), and EVRT (1.536) all have VIF values below the crucial number of 10. These results suggest that since there is little correlation between the independent variables in this model, multicollinearity is not a major issue. All things considered, the findings imply that every independent variable makes a distinct contribution to the prediction of organizational performance, enabling a trustworthy assessment of the influence of every training style free from the confusing effects of multicollinearity. This bolsters the reliability of the regression analysis and the inferences made about the importance of training programs.

4.6.2. Auto-correlation Test

The Durbin-Watson test was performed to ascertain the autocorrelation between observations. The value of the Durbin-Watson statistic is between 0 and 4. Non-autocorrelation is indicated by a number close to 2, positive autocorrelation is shown by a value close to 0, and negative autocorrelation is indicated by a value close to 4. The premise of independent error has most likely been satisfied, as seen in table 4.8 below, with a Durbin Watson value of 1.846, which is near to 2.

Table 4.14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.814 ^a	.663	.654	.761	2.370

A. Predictors: (Constant), EVRT, PHRT, LRT, ETHRT

B. Dependent Variable: OPT

Source: obtained from survey, 2025

The model summary for the regression analysis that looks at the link between the dependent variable, OPT (organizational performance), and several variables, including EVRT (environmental responsibility), PHRT (philanthropic responsibility), LRT (legal responsibility), and ETHRT (ethical responsibility), is shown in Table 4.14. The Durbin-Watson value, which is given in the summary, is an important statistic to evaluate in this situation.

In this model, the Durbin-Watson statistic is 2.370. This number is essential for determining whether autocorrelation exists in the regression model's residuals. A score of about 2 indicates no autocorrelation, according to the Durbin-Watson statistic, which goes from 0 to 4. Positive autocorrelation is indicated by values significantly less than 2, and negative autocorrelation is suggested by values significantly greater than 2. In this instance, the residuals show no signs of autocorrelation, as indicated by the Durbin-Watson score of 2.370. This implies that the residuals are unrelated to one another, which is a crucial regression analysis premise.

The validity of the conclusions made regarding the impact of the independent variables on organizational performance and the dependability of the model's estimations are strengthened when autocorrelation is absent. As a result, the findings suggest that the model's relationships can be confidently understood without worrying about the impact of auto correlated mistakes.

4.6.3. Normality Test

According to Field (2009), the assumption of normalcy is crucial when employing regression in research and aids in extrapolating the analysis's findings outside of the sample. Therefore, using a P-P plot (probability-probability plot) to determine whether a distribution is normal is one of the many methods to verify the normality assumptions for linear regression analysis. Therefore, the researcher also uses a bivariate P-P plot to verify for the residuals' normality in order to validate these assumptions. A normal distribution is represented by the straight line in this plot, and the observed residuals are represented by the spots.

“Consequently, any point in a data set with a perfect normal distribution will fall on the line (Field, 2009). As a result, the basic linear regression assumptions have been satisfied, and we may presume that the model is reliable and likely to generalize to the population. The Normal Probability Plot (P-P) graph was utilized graphically in the study to evaluate normality, and Skewness and Kurtosis were used numerically.

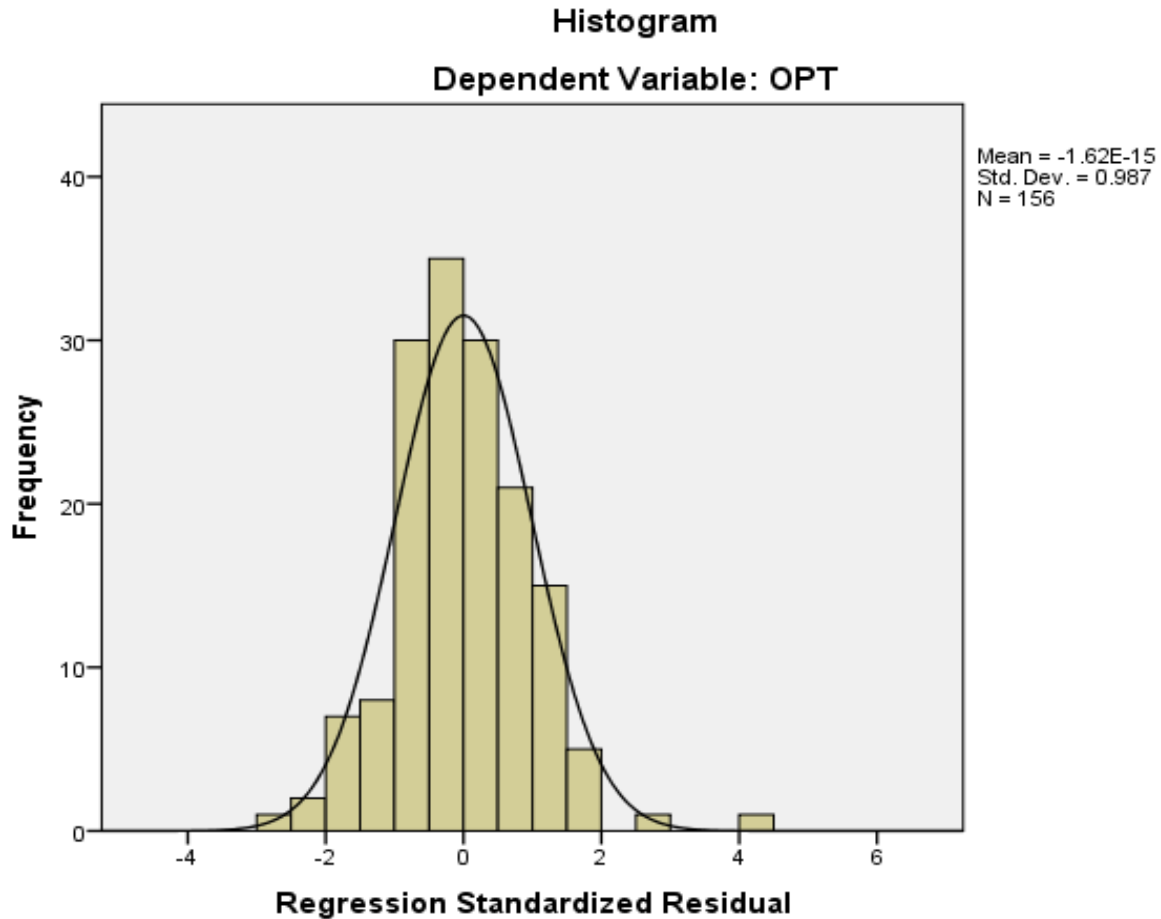


Figure 4:1: Histogram, Normality test (Source: -Own survey result, 2025)

The frequency of distribution is a normal curve, as seen in the above image, proving that the data support the normality assumption. Additionally, the bell-shaped histogram suggests that the residuals (errors or disturbances) are regularly distributed. As a result, the regularly distributed error term assumption is not broken. As seen in the normal p-plot picture, the normality assumption was also tested using the normal probability plots. The data were regularly distributed and in accordance with the normal distribution assumption, as seen by the residuals being normally distributed around their mean of zero. The normalcy assumption was validated by the p-plot figures.

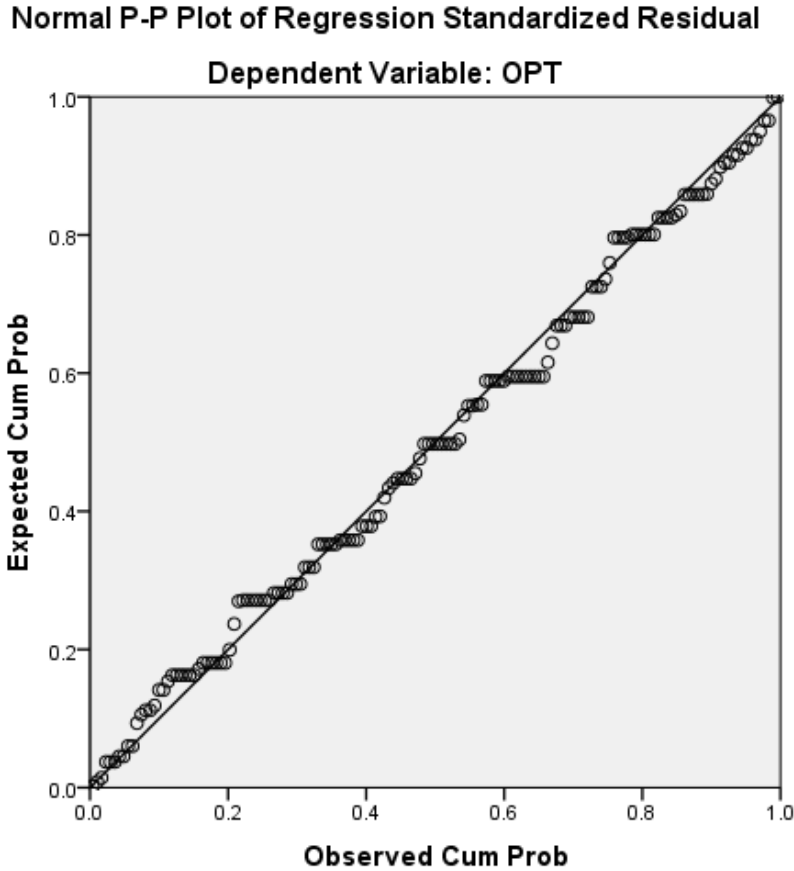


Figure 4:2: Normality P-P plot (Source: - obtained from survey, 2025)

4.6.4. Homoscedasticity

The degree to which the variances of the data values for the independent and dependent variables are equal is known as homoscedasticity (Field 2009). The variance of the residual terms should be constant at every level of the predictor variables. This simply indicates that the residuals at every predictor level should have the same variance; thus, it is beneficial to verify this assumption for the regression model's fitness. According to Field (2009), the researcher plots the standardized residuals, or errors (ZRESID), on the Y axis, and the standardized predicted values of the dependent variable based on the model (ZPRED) on the X axis in order to plot the homoscedasticity analysis. The outcome is shown as follows.

If the assumption of homoscedasticity is to be satisfied, the graph of ZRESID and ZPRED should resemble a random array of dots uniformly distributed about zero, as Field (2009) explains. The points are also uniformly and randomly distributed throughout the plot, as seen in

the picture below, and there are no clear outliers on this cloud of dots that are arranged around zero. Homoscedasticity, according to Garson (2012), aids in determining whether the relationship being studied is the same over the dependent variable's whole range. Higher errors (residuals) for specific range segments indicate a lack of homoscedasticity, which is seen on the scatter plot.

Along its length, the scatter plot ought to display a reasonably uniform rectangular shape. Both positive and negative values must be represented by scores below and above 0 points in the plot. Prior to doing a multiple regression analysis, it is necessary to ensure that the residuals have constant variance and that homoscedasticity the difference between the values of the observed and predicted dependent variable is normally distributed (Burns & Burns, 2008). If heteroscedasticity a violation of the assumption of homoscedasticity occurs. The graph has shown the study's homoscedasticity because the mistakes (the dots) are near the line.

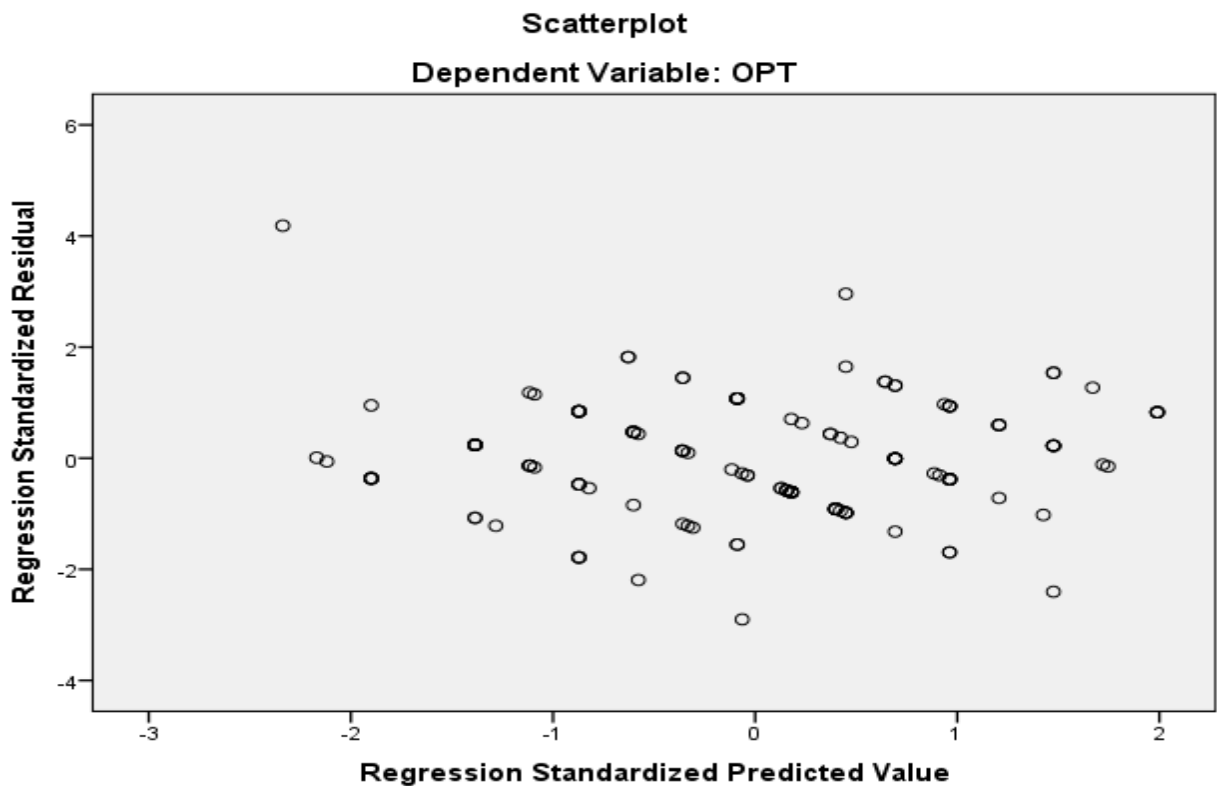


Figure 4:3: P-Plot tests (Source: obtained from survey, 2025)

4.6.5 Multiple Regressions

The researcher then looked at the impact of corporate social responsibility on organizational performance once the study passed the regression assumptions tests. Based on the regression analysis, the researcher investigated the three hypotheses that were initially planned. The researcher thinks that by determining which elements had the biggest impact on organizational success, the corporation can use the regression analysis results to inform future decisions.

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.814	.663	.654	.761	2.370

a. Predictors: (Constant), EVRT, PHRT, LRT, ETHRT

b. Dependent Variable: OPT

Table 4.16: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	171.725	4	42.931	74.153	.000 ^b
	Residual	87.422	151	.579		
	Total	259.147	155			

a. Dependent Variable: OPT

b. Predictors: (Constant), EVRT, PHRT, LRT, ETHRT

Table 4.17: Coefficient Variable

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	1.346	1.513		.890	.035	1.644	4.337		
	PHRT	.541	.057	.502	9.515	.000	.428	.653	.804	1.243
	LRT	.284	.079	.287	3.608	.000	.128	.439	.354	2.828
	ETHRT	.485	.218	.193	2.225	.028	.054	.916	.297	3.367
	EVRT	.053	.151	.021	.350	.027	.245	.351	.651	1.536
a. Dependent Variable: OPT										

Regression analysis of the independent factors on the dependent variable, consumer purchasing behavior, as shown in the model summary table above, shows a positive and statistically significant association between the variables under consideration. The table that summarizes the model with an adjusted R-squared value of 0.663, the four independent factors accounted for 66.3% of the variation in organizational performance, with the remaining 33.7% coming from random error and other independent variables not included in the model. As a result, the dependent and independent variables have a somewhat strong association. This yields the regression equation, which is as follows:

Regression Equation result

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4$$

$$Y = 1.346 + 0.053EVRT + 0.284LRT + 0.485ETHRT + 0.541PHRT$$

4.7. Multiple Linear Regression Equation Interpretation

Philanthropic corporate social responsibility is the predictor variable that contributes the most to the variation of the independent variable, according to the regression result of the effect of CSR on organizational performance displayed in the regression equation. This is because its coefficient (0.541) is the highest when compared to other predictor variables. A coefficient of 0.541 means that, when all other factors were held equal, an increase of one unit in philanthropic corporate social responsibility led to a 70.2% improvement in organizational performance. Therefore, the most important aspect influencing an organization's performance is philanthropic corporate social responsibility.

The findings of this study were in line with those of Khan et al.'s (2023) investigation, which evaluated the effect of anonymous charitable giving on company performance and ascertained if CEO compensation and firm size mitigated this link. Based on the legitimacy and stakeholder theory, the results show that companies can legitimize their activities, win favors from significant stakeholders, and subsequently boost their performance through philanthropic endeavors. Additionally, the association between firm success and silent philanthropic gifts is positively impacted by CEO compensation and business size. CSR initiatives are thought to affect a company's performance in the modern business climate.

Due to its second-highest coefficient (0.485) when compared to other predictor factors, ethical responsibility is the predictor variable that contributes the second-highest to the variation of the dependent variable. A coefficient of 0.485 means that, while all other factors are held constant, an increase of one unit in this variable leads to a 48.5% improvement in organizational performance. Therefore, the second important component influencing organizational success is ethical responsibility. The study by Kotler, P. and Keller, K.L. (2006), which discovered that magazines provide a sharp contrast to broadcast media, was in line with this outcome. Magazines' self-paced format allows them to convey user and usage pictures and offer a wealth of specific product information.

In comparison to other predictor factors, legal responsibility has the third-highest coefficient (0.284), making it the predictor variable that provides the third-highest variation to the dependent variable. A coefficient of 0.284 means that for every unit increase in legal responsibility,

organizational performance increased by 0.271. The third important factor influencing organizational performance is therefore legal responsibility. This finding aligned with the theories of (Ducoffe, 1996; Goldsmith & Lafferty, 2002; NBE, 2016) that the Internet has gained popularity as a platform for advertising because marketers have discovered that it offers more flexibility and control over the advertising materials.

The fourth-highest coefficient (0.053) among the predictor factors indicates that environmental responsibility is the predictor variable that contributes the fourth-highest to the variation of the dependent variable. An increase in environmental responsibility of one unit boosts organizational performance by 5.3%, according to the coefficient of 0.053. The fourth important element that influences organizational success is environmental responsibility. This finding aligned with a study conducted in Dubai by Rettab et al. (2008), which found that most customers are not aware of their environmental responsibilities and that most banks would rather take part in well-known CSR programs than ones that are straightforward.

4.8. Hypothesis Testing

A statistical hypothesis is a claim or a hypothesis about one or more populations. Absolute knowledge would be required to demonstrate with absolute certainty whether a hypothesis is true or untrue. In other words, the entire population would need to be examined. Rather, hypothesis testing focuses on how to use a random sample to determine whether or not the data supports the hypothesis.

Ho1. There is no positive and significance effect of Philanthropic Social responsibility and organizational performance

The results of the coefficient, which are shown in table 4.11 above, indicated that, at a 95% confidence level ($p < 0.05$), philanthropic social responsibility has a positive and significant relationship with organizational performance ($\beta = .541$). As a result, the researcher disproved the premise that philanthropic social responsibility had no meaningfully good impact on company performance.

This study's results were consistent with Khan et al.'s (2023) analysis, which assessed the impact of anonymous philanthropic contributions on business performance and determined if CEO pay

and firm size lessened this relationship. The findings, which are based on the legitimacy and stakeholder theory, demonstrate that businesses can use charitable undertakings to get the support of important stakeholders, legitimize their operations, and improve their performance.

Ho2. There is no positive and significance effect of Ethical responsibility and Organizational Performance

The coefficient table, which is shown in table 4.11 above, showed that, at a 95% confidence level ($p < 0.05$), ethical responsibility and organizational performance have a positive and significant relationship ($\beta = 0.485$). As a result, the researcher disproved the claim that environmental responsibility and organizational performance had no meaningfully positive relationship. This result was consistent with the study of Kotler, P. and Keller, K.L. (2006), which found that magazines offer a stark contrast to broadcast media. Magazines may convey user and usage pictures and provide a variety of detailed product information because of their self-paced format.

Ho3. There is no positive and significant effect of legal responsibility on Organizational Performance.

According to the coefficient's results, which are displayed in table 4.11 above, at a 95% confidence level ($p < 0.05$), legal responsibility and organizational performance have a positive and significant relationship ($\beta = .284$). Consequently, the researcher disproved the theory that legal responsibility has no appreciable and beneficial impact on organizational performance.

Ho.4 There is no positive and significant relationship between environmental responsibility and organizational performance

The outcome of correlation coefficient, as presented in table 4.11 above, showed that perceived risk has a negative and significant relation with consumer buying behavior ($\beta = 0.053$), at 95% confidence interval level ($p < 0.01$). Therefore, the researcher rejected the hypothesis stated that there is no a positive and significant relationship between environmental responsibility and organizational performance This finding aligned with a study conducted in Dubai by Rettab et al. (2008), which found that most customers are not aware of their environmental responsibilities and that most banks would rather take part in well-known CSR programs than ones that are straightforward.

4.9. Discussions of interview results

In this study respondents selected from the management staff were asked this question. , what can you say about the Philanthropic responsibility of your company and what other practices are there? And their response organized as follows:

Safaricom Ethiopia demonstrates a strong commitment to philanthropic responsibility through a number of programs targeted at social welfare and community development, Safaricom Ethiopia exhibits a strong commitment to philanthropy. The business actively participates in initiatives that promote environmental sustainability, health, and education. For example, it has improved educational achievements in underprivileged communities by supporting local schools by offering instructors training and technical tools. The group also addresses important community health issues by taking part in health campaigns like immunization drives and public health awareness initiatives. This charitable strategy enhances the company's reputation as a socially conscious organization while also promoting goodwill among nearby communities.

Secondly, the respondents were asked, the following question what other Legal practices are there in your organization? And their response was stated as follows:

Regarding legal procedures, Safaricom Ethiopia complies with the rules set forth by the Ethiopian government, guaranteeing adherence to both national and international laws. The business promotes fair competition and consumer rights by placing a strong emphasis on operational openness. It has put strict measures in place to deter corruption and unethical behavior, such as channels for reporting wrongdoing and grievances. The company also makes investments in educating staff members on ethical behavior and legal compliance, making sure that everyone is aware of their legal responsibilities. This dedication to ethical behavior not only reduces risks but also builds stakeholder trust.

The third question presented for the interviewee was that what are can some of the Ethical practices of your company? And their cumulative responses organized in the following ways:

Safaricom Ethiopia's ethical principles are distinguished by a dedication to honesty, responsibility, and human rights. Employees are encouraged to act responsibly while making

decisions by the company's corporate culture, which places a strong emphasis on ethical behavior. A code of conduct has been put in place by Safaricom Ethiopia to direct staff behavior and encourage moral behavior in all company interactions. To make sure that their opinions are heard and taken into account when making business decisions, the organization also interacts with stakeholders, such as consumers and local communities. In addition to encouraging sustainable business practices, this ethical framework enhances an organization's reputation.

The final interview conducted was on the performance of the company and the interviewees answered as follows:

Business goals and corporate social responsibility programs are strongly aligned in Safaricom Ethiopia's performance. Customer loyalty and brand reputation have increased as a result of the company's dedication to corporate social responsibility. Responsible business practices can lead to economic success, as seen by the numerous social initiatives that have improved market share and customer involvement. Additionally, Safaricom Ethiopia has established itself as a pioneer in the telecom industry and raised the bar for corporate responsibility in the area by investing in ethical business practices and community development. In addition to being advantageous for the community, the integrated approach to CSR plays a key role in the organization's ability to grow sustainably.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1. Introduction

This chapter provides an overview of the key findings, conclusions, and recommendations. Examining how corporate social responsibility affects organizational performance was the main objective of the study. Employees who were actively working at the company answered questionnaires and participated in interviews, which produced both quantitative and qualitative data, and relevant literature was reviewed in order to achieve the study's objective. The data collected from the questionnaire was displayed, analyzed, interpreted, and discussed using the statistical package for social science (SPSS 24) version. Consequently, the inquiry produced the following findings, conclusions, and recommendations for the private sector.

5.2. Summary of Findings

- The descriptive study of Safaricom Ethiopia according to 156 respondents shows that corporate social responsibility (CSR) initiatives in Ethiopia are highly regarded. A mean score of 4.56 indicates a strong commitment to philanthropic duty and a belief in leaving a better world for future generations. A low score of 1.59 indicates a strong position against breaking the law, while high scores indicate adherence to rules and stakeholder rights. Legal compliance is also prioritized. The average score for ethical procedures is 4.54, which is a positive rating, especially when it comes to resolving community issues. People respect environmental responsibility, especially when it comes to minimizing effect and emphasizing sustainability. With an average score of 22.23, the overall performance of the firm is rated positively, indicating strengths in operational effectiveness, company image, and customer loyalty.
- Philanthropic Corporate Social Responsibility, Legal Responsibility, Ethical Responsibility, and Environmental Responsibility are independent variables that have strong positive relationships with the dependent variable, Organizational Performance,

according to the correlation analysis shown in Table 4.7. Interestingly, there is the largest association between philanthropic duty and corporate success ($r = 0.693$), indicating that increased charitable endeavors have a major positive impact on organizational performance. Although generalizations may be limited because of the variety of CSR indicators, this conclusion is consistent with earlier research conducted in the Kenyan banking sector by Okwemba et al. (2014). Additionally, there is a substantial association between Legal Responsibility and Organizational Performance ($r = 0.634$), suggesting that expenditures in leadership development can have a positive impact on the success of a company. The significance of ethical training in promoting organizational performance is further demonstrated by the considerable positive correlation ($r = 0.643$) between ethical responsibility and OPT. Organizations that prioritize leadership development are likely to engage in ethical training as well, according to the analysis, which shows a substantial link between Legal responsibility and Ethical responsibility ($r = 0.803$).

- Despite having a favorable correlation with legal responsibility ($r = 0.467$) and organizational performance ($r = 0.445$), environmental responsibility seems to have less of an effect on organizational performance than other training areas. All things considered, these associations highlight how different training initiatives are related to one another and how they all work together to improve organizational performance, highlighting the necessity of an all-encompassing strategy for staff development.
- According to the regression result, the most significant predictor of organizational performance, according to the regression study, is philanthropic corporate social responsibility, which has the highest coefficient (0.541). The vital role that philanthropy plays in improving performance is highlighted by the fact that a 70.2% improvement in organizational performance is linked to a one-unit increase in charitable activities. The results are consistent with those of Khan et al. (2023), who contend that charitable endeavors can increase performance and validate business operations.
- The second most important element is ethical responsibility, which has a coefficient of 0.485, meaning that an increase of one unit improves OPT by 48.5%. In line with Kotler and Keller's (2006) research on the influence of comprehensive product information in the media, this highlights the significance of moral behavior in promoting organizational success.

- With a coefficient of 0.284, Legal Responsibility (LRT) comes in third place and shows that every unit increase in legal compliance results in a 27.1% improvement in performance. This lends credence to current theories that emphasize how crucial legal compliance is to marketing and corporate operations.
- The last factor is Environmental Responsibility (EVRT), which has the lowest coefficient at 0.053, indicating that an increase of one unit in environmental initiatives boosts organizational performance by 5.3%. This echoes findings from Rettab et al. (2008) about customer knowledge of environmental responsibilities and implies that, although environmental responsibility is positive, its influence is less evident than other CSR dimensions.

5.3. Conclusion

Based on the findings of the study, the researcher provided the following conclusion. According to 156 participants' comments, Safaricom Ethiopia's corporate social responsibility (CSR) efforts demonstrate a strong dedication to environmental responsibility, ethical behavior, legal compliance, and philanthropy. Respondents who scored an average of 4.56 strongly believe that the organization has a philanthropic obligation to improve the well-being of society for coming generations. The importance of legal compliance is demonstrated by the low score of 1.59 for breaking the law and the high rating of 4.54 for ethical practices, especially when it comes to resolving community issues. Although it is recognized, environmental stewardship has a relatively minor effect on corporate success.

The independent variables, Philanthropic Corporate Social Responsibility, Legal Responsibility, Ethical Responsibility, and Environmental Responsibility and Organizational Performance have high positive correlations, according to the correlation analysis. Significantly, Philanthropic responsibility has the strongest correlation with organizational success ($r = 0.693$), indicating that performance is much improved by greater humanitarian endeavors. Organizational performance is also significantly correlated with ethical responsibility and legal compliance, highlighting the need of ethical training and leadership development.

These results are further supported by the regression analysis, which shows that the most important predictor of business success is philanthropic corporate social responsibility. A coefficient of 0.541 indicates that performance improves by 70.2% for every unit increase. Following ethical duty, which accounts for 48.5% of performance, are legal and environmental responsibility, which have lower contributions (coefficients of 0.284 and 0.053, respectively). Finally, the results demonstrate that generosity and moral behavior emerge as major motivators for Safaricom Ethiopia's CSR programs, which have a substantial impact on organizational performance. In order to improve overall efficacy and sustainability in corporate operations, the study emphasizes the need for a comprehensive strategy to CSR that integrates multiple dimensions.

5.4. Recommendation

The following suggestions are sent to the management of the company by the researcher in light of the study's findings and conclusions.

- Safaricom should increase its charitable endeavors in light of the study's goal of evaluating how philanthropic corporate social responsibility affects organizational performance. This could entail boosting funding for health, education, and community development projects in order to strengthen its dedication to social welfare and enhance overall performance.
- I recommended to the company that it should provide its staff with thorough ethical training. These initiatives ought to emphasize moral decision-making, be consistent with the company's principles, and foster a robust integrity culture
- Programs for leadership development should be funded by the company. By making this investment, executives will be better prepared to comprehend and adhere to legal requirements, improving the efficacy and reputation of the firm.
- Safaricom should create and carry out sustainability programs in order to enhance the effect of environmental responsibility on organizational performance. Also actively

participate in governmental initiatives carried out to preserve natural resources such as Green Legacy projects.

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APPENDIX



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!



COLLEGE OF BUSINESS AND ECONOMICS

MSC IN INTERNATIONAL BUSINESS SPECIALIZATION IN IMPORT AND EXPORT

Dear respondents,

I kindly request you to participate on this survey questionnaire to examine **The effect of Corporate Social Responsibility on Organizational Performance in the case of Safaricom Ethiopia**. The information you will provide will be used as primary data for partial fulfilment of the requirements for the second degree in **MSC IN INTERNATIONAL BUSINESS SPECIALIZATION IN IMPORT AND EXPORT**

Your participation in this study is completely voluntary. Your genuine response and cooperation is vital for this study and will take approximately 10 minutes. All your responses are strictly confidential and data from this research will be reported only in the aggregate. Please don't write your name anywhere on this questionnaire .Please Tick (√) where appropriate in the box. Five scales, with 1 denoting **disagree**, 2 **Strongly disagree**, 3 **neutrals** (no view), 4 **agree**, and 5 **strongly agree** are provided. I would like to express my heartfelt gratitude in advance for your kind participation.

Section A: Demographic Information

1. Gender

Male

Female

2. Age

20-25 years 26-30 years 32-45 years above 46

3. Education level

Diploma Degree Master's Degree PhD and Above

4. Departmental Position(Only for Safari employees)

Employee Sales person Sale Supervisor

Marketing Manager HR manager Financial Manager

Section B: The effect of Corporate Social Responsibility on Organizational Performance

Please indicate your level of agreement with each statement by selecting a number from 1 to 5 based on the scale provided. Your responses will contribute to understanding the relationship between the variables and organizational performance. Thank you!

No	Philanthropic Responsibility	1	2	3	4	5
1	The organization has to leave this world by ensuring it is a better place for the next generation.					
2	The organization donates money to charitable organizations regardless of what the government does					
3	Government is not solely responsible for funding charitable causes and public					

4	The organization supports cultural and social events in the community					
5	The organization has both financial and non-financial support to NGO's Support activities related to health and wellness of the community					
6	The organization voluntarily conducts environmental practices and gives financial support beyond government environmental regulation					
	Legal Responsibility	1	2	3	4	5
1	The company respect and implement governmental rules and regulations					
2	Respect the rights of internal and external stakeholders beyond the legal requirement					
3	Ensure that the operation their employees act within the standards defined by the law					
4	The company avoids from putting aside their contractual obligation					
5	Avoids bending the law even it helps to improve performance					
	Ethical Responsibility	1	2	3	4	5
1	This organization conducts fair practices					
2	This organization obeys Ethical norm which is required by the society					
3	The organization Strives to help social and ethical problems in the					

	community					
4	This organization tries to avoid unethical behaviors Avoids compromising Ethical standards in order to achieve corporate goals					
	Environmental responsibility					
1	The organization implements practices to reduce environmental impact.					
2	The organization prioritizes sustainability in our business operations.					
3	Environmental considerations are integrated into our decision-making processes.					
4	The organization actively promotes recycling and waste reduction among employees.					
	Organizational Performance	1	2	3	4	5
1	Increase the value of the company					
2	Increase revenue					
3	Reduce operational costs					
4	Enhancing Loyalty					
5	Improve company's image					
6	Customer retention					
7	Meeting deadlines					
8	Quality control					

9	Improving employee's competence					
10	Quickly adapting new technology					
11	Continuous professional education					

Section C: Interview Questions

1. Overall, what can you say about the Philanthropic responsibility of your company and what other practices are there?

2. Overall, what other Legal practices are there in your organization?

3. What can you say about the Ethical practices of your company?

4. What can you say about the performance of your organization?

Thank you for Your Cooperation!!