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**THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON
BANKS' COMPETITIVE ADVANTAGE: THE CASE OF BUNNA
BANK S.C**

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**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLEGE OF
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MASTERS OF SCIENCE INTERNATIONAL BUSINESS**

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT
MSC IN INTERNATIONAL BUSINESS

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CERTIFICATE

This is to certify that the thesis entitled: “the effect of corporate social responsibility on banks’ competitive advantage: the case of Bunna bank S.C” submitted to Addis Ababa University for the award of a master ‘s degree in International Business (MSC) is a record of genuine research work carried out by Yonas Mekonnen under my guidance and supervision. Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree or diploma.

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Date: FEB 04, 2024

DECLARATION

I, hereby declare that this paper entitled “The effect of Corporate Social Responsibility on Banks’ competitive advantage: the case of Bunna Bank S.C” is my original work and all source of materials used for the study have been duly acknowledged. I also approve that the thesis has not been submitted in any university for fulfillment of any Degree. This paper is submitted in partial fulfillment of the requirement for the award of master’s degree in International Business.

Name: Yonas Mekonnen

Signature -----

Date: FEB 28, 2024

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List of Acronyms

CSR – Corporate Social responsibility

CA – Competitive Advantage

ENV – Environment

EMP – Employees

CUS – Customers

COM – Community

Abstract

The contemporary economic climate in a developing country is competitive due to globalization and technical advancement, necessitating a firm's participation in CSR to maintain its competitiveness. Therefore, this study prioritized the contribution of these CSR stakeholders to the banking industry's competitive advantage and examined the relationship between various CSR engagement dimensions (customer, employee, community, and environmental). The study used Simple Random Sampling with a framework of stratified sampling technique. The study employed correlation and regression analyses to explore the relationships between these variables and analyze their relationships. Additionally, hypotheses were formulated to demonstrate how the independent variables (customer, employee, community, and environmental) of corporate social responsibility impact the dependent variable of competitive advantage. To this end, a structured 5-point Likert scale close ended questionnaire-based survey was employed to collect data. Descriptive statistics also conducted in the research through the aid of SPSS 26th statistical tools. The findings revealed that different stakeholders of CSR (like customers, the community, employees, and the environment) had a positive impact on the elements that make a bank stand out competitively. Specifically, Bunna bank S.C is most focused on customer-related CSR, considering it the most crucial factor for their competitive advantage. On the other hand, they pay the least attention to CSR related to the environment. Therefore, it's suggested that bank employees should give more importance to environment-related CSR and incorporate it into the company's business operations. This could have a significant impact on the bank's competitive advantage, ensuring sustainable development.

Keywords: CSR, Competitive advantage, Environment, Employee, Customer, Community

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

In simpler terms, Corporate Social Responsibility (CSR) involves businesses choosing to include social, environmental, and economic considerations in their day-to-day operations and interactions with stakeholders (European Commission, 2001; Van Marrewijk, 2003). The World Business Council for Sustainable Development defines CSR as businesses committing to promote economic growth while enhancing the well-being of employees, their families, the community, and society at large. According to Bagnoli and Watts (2003), Strategic CSR occurs when a business integrates the marketing of its products or services with providing public goods.

The European Commission (EC) stresses the importance of supporting voluntary initiatives within the business sector to achieve sustainable development goals and recognizes CSR's role in fostering a dynamic and competitive economy (Petrovic-Randelovic et al., 2015). Implementing a CSR strategy not only allows businesses to improve stock returns but also addresses stakeholder needs (Karagiorgos, 2010). Moreover, businesses focused on CSR gain increased stakeholder confidence, leading to benefits like higher returns, fair compensation, timely payments, an enhanced reputation, and goodwill (Mishra & Suar, 2010). Additional studies (Burke & Logsdon, 1996; Gras-Gil et al., 2016; Lin et al., 2011) support the idea that a company's CSR investment contributes to restoring corporate credibility during product and company crises, improving the firm's public image, and fostering a more positive reputation within the community.

In today's banking environment, the competition among financial institutions is intense, prompting a shift in focus from acquiring new customers to ensuring the satisfaction of existing ones. Ethiopian businesses operate based on sentiments and interests, lacking sufficient regulatory power to enact or enforce legislation. A significant portion of the population resides in rural areas with limited access to education. Businesses can distinguish themselves by contributing to society philanthropically or by offering high-quality products at competitive prices, which consumers notice. The role of commercial enterprises in Ethiopia's economic

growth and poverty alleviation is growing, but current reports mainly address customers and staff, overlooking broader societal and environmental issues. Notably, a study by Kesto (2017) found no link between financial contributions to Corporate Social Responsibility (CSR) initiatives and corporate financial success. Commercial Banks of Ethiopia (CBE) are crucial contributors to the socio-economic development of the nation through the provision of vital services like managing deposits, extending business loans, and maintaining an extensive customer base and branch network (Auka, 2006; Bimir, 2016; Uvaneswaran & Ayele, 2017). Conversely, private commercial banks generally take a more permissive stance, particularly in endorsing environmentally sustainable sectors and offering restricted financial assistance to individuals with lower incomes and small enterprises. Their commitment to community development is not as conspicuous, and a deficiency in comprehending sound financial management practices within banking entities can lead to negative repercussions on both the environment and society. Despite these challenges, these banks play a role in funding national projects that positively impact a considerable portion of low-income individuals (Mamo, 2017; Tadesse, 2015).

Encouraging economic expansion, nurturing the growth of the private sector, and upholding macroeconomic stability are essential elements that play a crucial role in generating employment opportunities and alleviating poverty, as highlighted by the International Finance Corporation (2008). Recently, banks have shifted their focus to incorporating social and environmental considerations into their business operations to achieve sustainable profitability. Addressing challenges such as poverty, illiteracy, inadequate infrastructure, poor road networks, and environmental pollution requires active engagement from these organizations (Hailu & Nigatu, 2015).

In the current business landscape, marked by globalization and technological advancements, organizations face heightened competition and activity. To remain competitive, organizations must address various concerns, including social, environmental, corporate governance, and stakeholder considerations, in their policies (Lim & Greenwood, 2017; Mahjoub, 2019). Ensuring strength, technical proficiency, and success in the banking sector can lead to reasonable returns for stakeholders and reduce the risk of bankruptcy in a dynamic and competitive environment, as asserted by Adusei (2016) and Lema (2017). Gardiner et al. (2003) and

Worcester & Balmer (2009) highlight the significance of ethics and corporate social responsibility in determining a firm's competitive advantage, as they contribute to a company's reputation and corporate image.

1.2 Back ground of the organization

Bunna Bank S.C, established on June 25, 2009, is part of Ethiopia's private banking sector. Its founding aligns with the guidelines set for in Licensing & Supervision of Banking Business Proclamation No. 592/2008 and adheres to the Commercial Code of Ethiopia dating back to the 1960s. The Bank officially commenced its operation on October 10, 2009 with subscribed & paid-up capital of 308 million Birr and 156 million Birr, respectively. It has rapidly expanded its operations and become a trusted financial institution within the country. The bank operates across various regions of Ethiopia, providing a wide range of banking services to both individual and businesses. The bank offers an extensive portfolio of services including deposit accounts, loans, remittances, international banking, and various electronic banking solutions. The bank envisions becoming one of the top three commercial banks in Ethiopia by 2030, striving for this goal through the delivery of innovative financial solutions tailored to customer needs. Its mission is centered on providing commercial banking services to enhance stakeholder values and gain public trust, utilizing professional employees and cutting-edge technology. Serving a diverse customer base, including individuals, micro and small enterprises, medium-sized enterprises, and larger corporations, the bank is dedicated to financial inclusion. Efforts to reach the unbanked population, particularly in rural areas, highlight its commitment to providing basic banking services for all. With a widespread branch network, ATMs, and mobile banking services, Bunna Bank ensures convenient access to accounts for its customers. The bank prioritizes efficiency and security through the implementation of advanced technologies, offering a safe and reliable banking experience. Beyond its core operations, Bunna Bank actively engages in corporate social responsibility, supporting education, healthcare, environmental sustainability, and community development in Ethiopia. By demonstrating a commitment to community welfare, the bank aims to make a positive impact on society.

Bunna Bank S.C acknowledges the significance of corporate social responsibility (CSR) and actively engages in diverse initiatives to support the community and foster sustainable development. The bank's CSR initiatives span various key areas, encompassing education,

health, environment, and entrepreneurship. Education holds a central position in Bunna Bank's CSR agenda, as the bank recognizes its transformative impact on lives and the overall development of individuals and communities. In 2022, the bank allocated 1 million birr to support the Addis Ababa City School Feeding Program, providing financial assistance to educational institutions, scholarships, and infrastructure projects. Additionally, Bunna Bank conducts workshops and seminars to promote financial literacy, empowering individuals with essential financial skills. The bank also demonstrates its commitment to public health by contributing to healthcare programs that enhance access to essential medical services, improve health education, and actively participate in blood donation camps. In response to the COVID-19 pandemic, Bunna Bank has donated 2 million birrs to support the national efforts in controlling the spread of the virus.

Environmental sustainability stands as a pivotal focus in Bunna Bank S.C Corporate Social Responsibility (CSR) endeavors. Recognizing the significance of safeguarding the environment for future generations, the bank incorporates sustainable practices in its operations, encompassing the adoption of energy-efficient technologies and initiatives for effective waste management. As part of its commitment to environmental conservation, Bunna Bank contributes 10 million birrs to the 'Gebeta le Hager' initiative, supporting endeavors such as reforestation campaigns and measures against climate change. Moreover, the bank is actively engaged in fostering entrepreneurship and economic empowerment in Ethiopia. Bunna Bank endeavors to stimulate economic growth, foster job creation, and play a role in alleviating poverty in the country by offering financial support to small and medium-sized enterprises (SMEs) through loans and advisory services.

1.3 Statement of the Problem

As per Porter (2010), a company's dedication to corporate social responsibility (CSR) is crucial for ensuring its long-term sustainability. Longevity requires involvement in activities beyond the core business that not only contributes to the organization's survival but also enhances its competitive advantage, increasing the chances of sustained success. In competitive sectors like banking, organizations aim to adhere to CSR norms to set themselves apart. Meehan et al. (2006) highlight that the competitive dynamics in the banking industry prompt entities to adopt innovative approaches in managing stakeholders while ensuring growth in terms of revenue and

profit. It is noteworthy that in the developing world, particularly in Ethiopia, where CSR practices are not well-established, there is a need for fresh perspectives on business-related CSR initiatives.

A proficient company committed to sustainable business practices is widely believed to excel in performance. Corporate Social Responsibility (CSR) serves as a catalyst for corporations to enhance their competitive success, generating overall benefits for distinct stakeholders in terms of corporate reputation, growth, and increased shareholder value. CSR is steered by competitive success, emphasizing various dimensions such as social, economic, environmental, and voluntariness. Companies that prioritize innovation and growth strategically allocate their CSR resources. Therefore, a genuine commitment to societal improvement serves as the linchpin for competitive success. When a business genuinely and systematically commits to societal betterment, it creates a competitive advantage, contributing to the creation of a better world (Porter & Kramer, 2012).

In Ethiopia, the corporate social responsibility (CSR) of banks remains unaffected. The National Bank of Ethiopia (NBE) predominantly regulates the financial performance of commercial banks to protect the general public and foster trust in bank services, following national laws and regulations. Although banks registered by the NBE are required to publish annual reports, these reports mainly focus on financial matters. However, achieving sustainability necessitates greater attention from banks to integrate social and environmental considerations into their corporate operations. The changing nature of the banking industry, driven by technological advancements like mobile money transfer, has prompted players in the banking sector to develop CSR strategies for organizational growth and competitiveness (Dereje, 2020). This raises the question of whether CSR activities aim for a positive social impact or gaining a competitive edge.

Several authors have explored the relationship between Corporate Social Responsibility (CSR) and competitiveness through qualitative assessment and literature review (Lu et al., 2020; Vilanova et al., 2009). Empirical studies have yielded mixed findings, with some indicating a positive correlation between CSR activities and competitive advantage (El-Garaihy et al., 2014; Nyuur et al., 2019; Panwar et al., 2016; Porter & Kramer, 2006), while others have found no or negative associations (Hassel et al., 2005; Nelling & Webb, 2009). Despite these studies, the nature of the relationship between CSR and competitiveness remains unclear, as suggested by

Porter and Kramer (2006). In Ethiopia, numerous studies have employed various statistical analyses to investigate the impact of CSR activities on banks' financial performance (Bimir, 2016; Kebede & Tegegne, 2018; Kesto, 2017; Lema, 2017; Mamo, 2017; Uvaneswaran & Ayele, 2017). Anteneh and Demoz (2020) specifically examined the relationship between different dimensions of CSR engagement (customer, employee, community, and environmental) and the competitive advantage strategy of the banking industry using confirmatory factor analysis and structural equation modeling. This study aims to assess how CSR dimensions targeting Environment, Employee, Community, and Customer affect Bunna Bank S.C competitive advantage strategy and ranked the contribution of these CSR stakeholders to competitive advantage.

1.4 Basic research questions

Hence, this study is primarily aimed to answer, who do CSR dimensions targeting Environment, Employees, Community, and Customers affect Bunna Bank S.C competitive advantage strategy and more specifically to answer the following basic research questions.

1. How do CSR dimensions aim at the environment effect the bank's competitive advantage?
2. How do CSR dimensions aim at the employee effect the bank's competitive advantage?
3. How do CSR dimensions aim at the community effect the bank's competitive advantage?
4. How do CSR dimensions aim at the customer effect the bank's competitive advantage?
5. How do stakeholders rank the contribution of CSR dimensions to their bank's competitive advantage strategy?

1.5 Objective of the Study

1.5.1 General Objective

This research intends to investigate the connection between diverse aspects of CSR (Corporate Social Responsibility) and the competitive advantage strategy within the banking sector. Additionally, it aims to assess and rank the contributions made by various CSR stakeholders to the competitive advantage of Bunna Bank S.C.

1.5.2 Specific Objective

The study will try to address more specific objectives as follows:

- Assess the effect of CSR dimensions targeting the environment on Bunna Bank S.C competitive advantage.
- Assess the effect of CSR dimensions targeting the employee on Bunna Bank S.C competitive advantage
- Assess the effect of CSR dimensions targeting the community on Bunna Bank S.C competitive advantage.
- Assess the effect of CSR dimensions targeting the customer on Bunna Bank S.C competitive advantage.
- Rank the contribution of CSR dimensions to their bank's competitive advantage strategy.

1.6 Significance of the study

Apart from its academic achievements, conducting this research offers advantages to various stakeholders. The aim of this study report is to bring attention to perspectives that may have been overlooked by the company. Second, it has given students great possibilities to learn more about the subject, gain more experience in the field, and gain knowledge on how to do research. Research on CSR with an Ethiopian focus is scarce, and both the practice of CSR and societal awareness are not well developed in Ethiopia. Accordingly,

- This research can serve as stepping stone for other research in similar area
- It could offer insights to top-level managers and decision-makers regarding the aspects to contemplate when formulating strategic decisions.
- It may give an insight to any of concerned bodies about the effects of CSR on Banks' competitive advantage.
- This research could serve as a starting point for additional studies in the field. The study, among its objectives, aims to explore the connection between various dimensions of CSR engagement and the competitive advantage strategy in the banking industry. This could provide valuable guidance for evaluating effective performance.

1.7 Definitions of Key Terms

CSR: - is a concept denoting a company's responsibility to be answerable to all its stakeholders

in every aspect of its operations and endeavors. Ethical businesses, in their decision-making processes, weigh the demands of stakeholders against the imperative of generating profits, considering the comprehensive scope of their influence on communities and the environment (Jutterstrom and Peter Norberg, 2014).

Competitive Advantage: is involves securing an advantage over competing businesses by delivering customers superior value, achieved through either offering lower prices or providing additional products and services that justify comparable or potentially higher prices. Identifying and cultivating a competitive advantage can lead to enhanced profitability, ensuring the sustainability and profitability of a business in the long run, particularly for farmers and producers involved in niche marketing (Ayman Abu Rumman and Ahmad Yousef, 2019).

1.8 Scope of the Study

Numerous scholars have attempted to investigate the link between corporate social responsibility and competitive advantage by bringing up and linking various factors including economic, legal, ethical, and discretionary; however, this research article will not take such factors into consideration. This study was only meant to look at how Bunna Bank's competitive advantage in Ethiopia is impacted by the framework of four CSR variables: customers, employees, communities, and the environment. The majority of the data kinds were of a quantitative nature. As a result of the data that was gathered, the paper's intrinsic flaw is that the target respondents expected to get their responses from specific Bunna Bank branches in Addis Ababa.

1.9 Limitation of the study

In simpler terms, this study aimed to explore theories related to corporate social responsibility and competitive advantage, with a specific focus on relevant topics. Due to constraints in time and resources, the study concentrated on a few key theories that were most applicable to the industry and country being examined. It's important to note that, based on the chosen sample, the study primarily captures the perspectives of employees, who are internal stakeholders in the business. While there could be various other factors influencing Bunna Bank S.C competitive advantage, these were not considered in this study. The study's scope is limited to Bunna Bank S.C CSR activities and their impact on the competitive advantage strategy. Although the research was conducted in Bunna bank S.C available throughout the country, due to constraints of time,

resource and being difficult for reaching, the research was limited in Addis Ababa branches.

1.10 Organization of the Paper

The research will consist of five chapters. The first chapter includes the study's background, problem statement, objectives, significance and scope, delimitation, and a glossary of terms. The second chapter focuses on the review of related literature. The third chapter details the research methodology and strategy. The presentation, analysis, and interpretation of data are addressed in the fourth chapter. The fifth chapter encompasses the study's summary, conclusions, and recommendations. The thesis will also include appendices and reference.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 Conceptual definition

Carroll (1979, 1991) describes corporate social responsibility (CSR) as a business's duty to meet the expectations of society in economic, legal, ethical, and philanthropic areas. He suggests that companies shouldn't just fulfill economic and legal duties but should also behave ethically and be good corporate citizens. The non-economic part of CSR highlights what a company does for others, while the economic part emphasizes the crucial role businesses play for their own good in society (Carroll, 1999). When we talk about strategic CSR compared to responsive CSR, the first one actively tries to make good social and environmental impacts and reduce bad ones. Responsive CSR, on the flip side, is mainly about avoiding problems and meeting what stakeholders expect (Porter & Kramer, 2006). How much a company includes CSR ideas in its way of doing business really matters for how competitive it is in terms of being socially and environmentally responsible. These two approaches play a big part in how well CSR is blended into the business.

According to Pearce and Robinson (2010), business managers make decisions about strategies they believe will lead to their company's success. Success in business means being better than other competitors. This superiority can come from either having lower costs or being different from other businesses (Hoffman, 2000). Companies that leverage these advantages often earn more profits than their industry counterparts. On the flip side, businesses without lower costs or unique qualities usually make an average or below-average amount of money (Barney, 1991). Developing a competitive strategy depends on understanding what a business is good at and not good at, considering the market conditions, and evaluating what other businesses are like (Thompson and Strickland, 2006).

According to Porter (1985), competition in an industry is influenced by five fundamental factors, namely: the threat of new entrants, the threat of substitute products or services, the bargaining power of suppliers, the bargaining power of buyers, and rivalry among existing firms.

2.2 Conceptual reviewing

Effectively combining social concerns, environmental limits, and corporate goals in a business often shows great promise for how CSR (Corporate Social Responsibility) relates to competitive advantage. This means that when a company considers social and environmental issues alongside its business goals, it can benefit both the business and society in general, according to Porter & Kramer (2011). Competitive advantage, as highlighted by Barney (1991) and Porter (1980, 1991), is mainly about how well a company competes and continues to do well. Branco and Rodrigues (2006) suggest that companies engaging in CSR aim to gain support from stakeholders by having loyal customers, attracting investors, collaborating effectively with partners, being viewed as legitimate by the community, and receiving positive attention from the media. Additionally, according to Luo and Bhattacharya (2006), CSR helps increase a company's value in the market, allowing managers to succeed and earn more money.

CSR innovation involves having the interest and ability to find, use, evaluate, and apply new technologies, products, services, or ways of doing things to benefit the environment and society (Brik, 2007). There are many opportunities in the products a company sells and how it conducts business to be the first to introduce something new that benefits both society and the company (Gugler & Shi, 2009; Porter & Kramer, 2006). Making a product or service stand out from others by adding elements that customers appreciate, such as design, brand image, technology, and good customer service, is referred to as differentiation, as explained by Panwar et al. (2016). Companies aiming for long-term success need to see CSR as part of their plan to protect their business and manage internal affairs well. They must align with external expectations and the desires of different groups (Porter & Kramer, 2006). Grasping the link between CSR and competitiveness reveals how companies can improve their long-term business prospects by aligning financial objectives with social goals (Porter, 1985). To stand out and surpass others in the long run, a company needs to either produce a product more cost-effectively than others for greater returns or develop something distinctive and special that customers are willing to pay a premium for (Porter, 1980). On the flip side, Pertusa-Ortega et al. (2009) propose that companies frequently opt for strategies that combine both differentiation and cost-effectiveness rather than focusing exclusively on one aspect.

2.2.1 Concept of Strategy

The idea of research strategy involves presenting key components of the project such as the research focus, topic area, study approach, research design, and methodology. The study specifically aimed to investigate how corporate social responsibility influences Bunna Bank's overall competitiveness.

2.2.2 Corporate Social Responsibility

According to Moon (2011), Corporate Social Responsibility (CSR) involves striking a balance between a company's profit-making and its commitment to societal well-being, all while taking into account stakeholder expectations. Various scholars offer different perspectives on how CSR influences a company. For instance, Luo and Bhattacharya (2016) assert that CSR activities positively impact a company's market value, while Hillman and Keim (2011) argue for a direct correlation between embracing CSR and a company's competitiveness. Smith (2013) contends that CSR plays a role in creating value within companies, and Day (2013) underscores the strong link between implementing CSR initiatives and cultivating consumer value, ultimately leading to substantial revenues.

Companies are regularly reminded of the importance of Corporate Social Responsibility (CSR) for their business objectives, addressing societal needs, and considering environmental aspects (Porter & Kramer, 2011). The significance of CSR for a company's competitiveness is vital, as it introduces distinctiveness to the organization's operations, representing a clear strategy for gaining a competitive advantage (Hillman & Keim, 2011). According to existing literature, companies actively engaged in social responsibility are more likely to be positively perceived by customers for their products and services compared to those that are not (Baker, 2015). This leads to ongoing customer satisfaction and financial success for these companies. Baker (2015) also proposes that companies should concentrate on their local community, the market, the environment, and the workplace to achieve these positive outcomes. Therefore, having a well-established CSR strategy consistently contributes to a competitive company with long-term growth goals and market viability.

2.2.3 Competitive Advantage

Competitive advantage is a unique position that a business attains by making wise decisions about how to use its resources, as suggested by Kubai and Waiganjo (2014). The primary aim of any organizational strategy is to be competitive or achieve a competitive advantage. Aroni (2010) also contends that maintaining a competitive advantage is what enables a company to consistently generate profits over time. Moreover, having a competitive advantage empowers a company to provide enhanced benefits to customers, particularly in terms of generating more revenue, as emphasized by Day (2013). Day highlights that possessing a competitive advantage indicates how well a company is performing financially and its capability to earn additional profits from its investments. Companies without a competitive advantage face the difficulty of surviving economically, as having a sustained competitive edge is crucial for the long-term success of an organization. Companies with a competitive advantage use strategies that add value and are hard for competitors in the industry to copy. Porter and Kramer (2011) stress that gaining a competitive edge is one of the most important strategies for a company to achieve outstanding performance.

2.3 Theoretical review

Stakeholder Theory

This theory, initially proposed by Freeman in 1984, is known as the Stakeholder Theory. The Stakeholder Theory posits that the purpose of a company is to provide a return on investment to shareholders, thereby considering companies as instruments for creating financial value for those who invest capital in the enterprise (Greenwood, 2001). From this standpoint, corporate management is seen as having shareholders as the exclusive focus, with the primary aim being the maximization of profits. Any action is deemed acceptable if it enhances the company's value for its shareholders and is considered unjustifiable if it diminishes the firm's value (Cochran, 1994). Spending on social causes by corporations is viewed as a violation of management responsibility to shareholders unless such expenditure contributes to an increase in shareholder wealth (Ruf et al., 1998). In contrast to shareholder theory, this implies that company managers are duty-bound to adhere to the objective of maximizing long-term owner value. Stakeholder theory emerged as an alternative to shareholder theory, as underscored by Spence et al. (2001).

According to Windsor (2001), the term "stakeholder" signifies a departure from strict shareholder theory, recognizing that most, if not all, companies have a broad and interconnected network of stakeholders (Cochran, 1994) to whom they have an obligation and responsibility (Spence et al., 2001). This theory challenges the perspective that shareholders have primacy over other stakeholders (Freeman and Reed, 1983). Stakeholder theory is a reaction to economic theories that argue companies should concentrate solely on maximizing the financial interests of shareholders (Orts & Schulder, 2002). Kaler (2003) proposes that the stakeholder approach represents a fundamental progressive position toward shareholder theory, intending to modify it for greater fairness and a reduced exclusive emphasis on owners' interests, rather than entirely replacing it.

Deck (1994) recognizes that the corporation's objective is wealth creation and its equitable distribution among investors. However, he broadens the scope of investors beyond mere shareholders to include other groups like employees and society, who invest in organizations through knowledge, skills, and infrastructure. Donaldson and Preston (1995) expanded stakeholder theory by highlighting the moral and ethical aspects of CSR, in addition to making a business case for participating in such activities.

Strategic Leadership Theory

The idea of strategic leadership dates back to Frederick Taylor's management theory in 1856. It encompasses learning, adaptability, and managerial skills (Boal and Hooijberg, 2001). This theory highlights the leader's responsibility in navigating crises and maintaining suitable organizational structures, processes, and culture to secure a competitive advantage. Leadership is essential for effectively managing human capital, financial resources, organizational structure, and processes to attain a competitive position in the market.

Waldman et al. (2004) apply the theory of strategic leadership to Corporate Social Responsibility (CSR) and discover that organizations led by intellectually stimulating CEOs tend to engage in more strategic CSR compared to similar firms. These authors propose that specific elements of transformational leadership are positively connected to a firm's willingness to participate in CSR, and these leaders strategically employ CSR activities. A strategic leader expresses dissatisfaction or discomfort with the existing state, and absorptive capacity (Beatty and Quinn, 2010) defines strategic leadership as a collective commitment involving the leader, the follower, and the

organization. Leadership presents challenges that bring out the best in people and unite them around a shared sense of purpose.

Strategic leadership involves determining the organization's direction, aligning its strategy with its culture, establishing and communicating high ethical standards, and adapting the company's approach as necessary. It focuses on envisioning the future, motivating members to move in that direction, and creating synergy when leaders and followers collaborate with purpose, alignment, and intentionality. In contrast, managerial leadership typically concentrates on short-term, day-to-day activities (Pearce, J.A., & Robinson, R.B., 2007). This makes the theory relevant based on the need for effective management and leadership for CSR activities carried out in Bunna Bank S.C.

Resource Based View theory

The Resource-Based View (RBV) theory, pioneered by Wernerfelt in the 1980s, explores the internal aspects of organizations to comprehend how their resources contribute to a competitive advantage. It underscores the importance of the resources that companies cultivate for effective competition. As stated by Barney (1991), firms can achieve a competitive edge by utilizing resources to execute a strategy that is valuable and not currently employed by any existing or potential competitor. The Resource-Based View (RBV) theory asserts that a firm's competitive advantage primarily stems from leveraging a collection of valuable tangible or intangible resources at its disposal, as emphasized by Mwaitu & Mercer (1983). Hart (1995) was the pioneer in applying the RBV framework to corporate social responsibility. The research specifically concentrated on environmental social responsibility, proposing that, for specific firms, demonstrating environmental social responsibility can be considered a resource or capability that contributes to sustained competitive advantage.

The Resource-Based View (RBV) theory introduces crucial concepts for managing organizations. One significant concept is Resource Heterogeneity, suggesting that each organization possesses distinct resources. According to RBV, companies gain a competitive edge by utilizing their unique resource sets, enabling them to pursue diverse strategies for outperformance, instead of having identical amounts and types of resources. The second RBV concept emphasizes that resources are not easily transferable between companies, especially in the short term. Consequently, companies cannot readily replicate their competitors' resources and

adopt similar strategies. This is particularly applicable to intangible assets such as brand value, processes, knowledge, or intellectual property, which are typically challenging to transfer (Hooley & Greenlay, 2005).

Barney (1991) introduced the VRIN framework to assess whether resources are valuable, rare, costly to imitate, and non-substitutable. Resources and capabilities that affirmatively address all these criteria are considered to result in enduring competitive advantages. Resources are deemed valuable if they enhance the value provided to customers, achieved through differentiation and/or cost reduction in production. Rarity pertains to resources that only a limited number of organizations possess. To attain at least a temporary competitive advantage, a company requires valuable and rare resources. However, for a sustained competitive advantage, these resources must also be challenging or expensive for a competitor to replicate or substitute.

McWilliams and Siegel (2001) presented a straightforward model where two companies produce identical products, but one incorporates a social aspect appreciated by certain consumers and stakeholders. Managers determine the allocation of resources to CSR activities by evaluating the demand for CSR in relation to the cost of meeting that demand, employing a cost/benefit analysis. CSR encompasses initiatives like environmental and social responsibility, addressing stakeholder requirements, and contributing to societal progress, setting businesses apart from competitors. Thus, adhering to CSR principles results in a sustained competitive advantage.

The connection between CSR and competitive advantage is further elucidated through the organizational resource-based approach. A company's financial robustness empowers it to be self-reliant, enhance technological capabilities, foster innovation, cultivate its brand, and establish a prominent position in a competitive market (Lu et al., 2020). The capacity of businesses to value both existing and potential bundles of resources provides them with a competitive edge (Maxfield, 2008). Intensified competition in the financial sector stimulates growth, efficiency, reduced costs, heightened productivity, increased innovation, and elevated quality (Hakam et al., 2013). With heightened competition, the financial industry is poised to encounter fewer financial crises, increased stability, and heightened levels of financial integrity (Serawitu, 2017).

2.4 Empirical review

Corporate Social Responsibility (CSR) significantly contributes to enhancing a company's competitive performance. When a company adopts a CSR program, it can bring about various non-financial benefits, including improvements in social and environmental aspects crucial for business success. The successful implementation of CSR initiatives can result in increased profits, an enhanced reputation, a stronger market position, differentiation from competitors, heightened customer loyalty, and improved employee productivity. Additionally, it can lead to reduced environmental costs by minimizing waste and concurrently strengthen connections with local communities and public organizations. Empirical evidence from practical studies supports the notion that there is a positive link between CSR initiatives and a company's competitive advantage (Ghosh et al., 2001; Petrovic-Randelovic et al., 2015; Bird, Hall, Momentè, & Reggiani, 2007).

Freeman's (1984) stakeholder theory emphasizes the importance of considering stakeholders in CSR efforts. In alignment with this perspective, this study highlights four primary CSR stakeholders—customers, employees, the community, and the environment—specifically tailored to the banking industry. The selection of these stakeholders is informed by insights from diverse sources (Decker, 2004; Maignan et al., 1999; Mercer, 2003; Perez et al., 2013; Ruiz et al., 2009; Turker, 2009). The conceptual model employed in this study encompasses four crucial dimensions of CSR engagement, aiming to enhance the competitive advantage of the banking industry.

2.4.1 The environment-related CSR engagement and competitive advantage.

According to the World Commission on Environment and Development (WCED), businesses not only need to avoid causing harm to the environment but also have a duty to actively protect and improve it. A modern view of Corporate Social Responsibility (CSR) considers that people who are not as educated or are from older generations may be less concerned about preserving the environment or ensuring the well-being of future generations. The first important stakeholder that is expected to become more important over time is CSR toward the environment and future generations (Turker, 2009). Effectively dealing with social and environmental challenges depends on countries increasing their wealth in line with the basic principles of sustainable

development (Petrovic-Randelovic et al., 2015).

According to Gallardo-Vázquez and Isabel Sánchez-Hernández (2014) and Mobus (2012), one thing that sets one company apart from another and gives it a strategic edge over competitors in building its corporate identity is the disclosure of environmental information as part of social responsibility. Capriotti and Moreno (2007) explain that how a company handles environmental responsibilities significantly affects how people see its reputation. Having information about social responsibility, as highlighted by Gallardo-Vázquez and Isabel Sánchez-Hernández (2014), encourages a proactive approach to sustainable development, leading to positive outcomes in the environmental aspect. CSR involves companies choosing to improve their social and environmental standards voluntarily, aiming to reduce their negative impact on the environment. It also involves investing in small-scale sustainable projects in different countries to support entrepreneurship (Militaru & Ionescu, 2006). As companies face increasing pressure to take on more social and environmental responsibilities, those dealing with environmental challenges can influence their financial performance, the marketability of their products, and their competitive position (Billing & Scott, 1995; Post & Altman, 1992). Carroll (2016) describes economic CSR as the responsibility of firms to produce goods and services, make profits, and add value to products. These economic efforts improve business operations for long-term growth while following laws and ethical standards, including philanthropy and environmental practices. Moreover, environmental CSR includes helping the natural environment by adopting practices such as using clean energy, making eco-friendly products, and participating in recycling or conducting business with an awareness of the environment (Han et al., 2020). Based on this literature review, the first research hypothesis is as follows:

H1: The banking industry CSR to environmental responsibility has a direct and positive influence on their competitive advantage

2.4.2 The employee -related CSR engagement and competitive advantage.

Employees are a crucial group in the organization and play an active role in responding to its CSR policies, especially those directly affecting them. The internal aspect of CSR involves treating employees with social responsibility, shaping their behavior within the company (Zulfiqar et al., 2019). Even though organizations often overlook it, issues related to employment are vital, as content and happy employees tend to be more productive (Elrehail et al., 2019).

Notably, training and development have a significant impact on employee satisfaction, creating a positive work environment that boosts both required and voluntary work engagement. Content employees not only contribute to the organization's competitive advantage but also improve its overall financial and non-financial performance.

The company's socially responsible actions have positive effects on its workforce. These initiatives have the potential to give the company a competitive advantage by creating a more motivated, dedicated, and hardworking team. According to established theories, human resources are crucial for businesses, and having an improved workforce can indeed lead to a competitive edge (Pearce & Doh, 2005; Porter & Kramer, 2006). A competitive workforce that aligns with the company's long-term strategy offers various benefits, including the ability to adopt cutting-edge technologies and participate in ongoing projects (Markota-Vuki, 2015). Therefore, we propose the following hypothesis.

H2: There is a direct and positive relationship between the actions the banking industry carries out on CSR to the employee and their competitive advantage.

2.4.3 The community-related CSR engagement and competitive advantage.

Business organizations aim to meet the changing demands of society by participating in socially responsible activities. These activities involve addressing societal needs, working with stakeholders, evaluating the impact of business on society, integrating social considerations into business processes, and becoming an essential part of society. Conversely, economic responsibility involves the organization's commitment to maximizing profits, offering goods or services, and meeting market needs while contributing to the progress of the global economy (Lu et al., 2020). This dedication encompasses objectives such as enhancing operational efficiency, upholding workers' rights, reducing expenses, embracing innovative and environmentally friendly technologies, managing financial risks, and ensuring overall profitability.

The idea of "CSR" represents the concept of corporate social responsibility, emphasizing the dual commitment to making profits and behaving ethically in interactions with the local community. The primary business goal is to generate profits for its owners while also contributing to the well-being of society, creating a situation where both parties benefit (Kassa, 2018). It's crucial to emphasize that improving a company's social performance can be achieved by incorporating social innovations and business models for shared advantages. Companies

demonstrate their dedication to corporate citizenship by undertaking initiatives to reduce waste and pollution, supporting charitable and social projects, and ensuring responsible use of resources (Uvaneswaran & Ayele, 2017). Dashen Bank in Ethiopia actively participates in various community-beneficial initiatives as part of its role as a responsible corporate citizen (Dashen Bank, 2019). Building on these principles, the authors propose the following hypothesis.

H3: There is a direct and positive relationship between the CSR to community development actions undertaken by banking industries and the extent of their competitive advantage

2.4.4 The customer -related CSR engagement and competitive advantage.

Organizations can establish an enduring competitive advantage by consistently ensuring their customers are highly satisfied over an extended period (Matzler & Hinterhuber, 1998). Maintaining a positive corporate reputation assists companies in attracting customers, resulting in heightened business success, accelerated sales growth, and a reinforced competitive advantage through an ongoing cycle of satisfied customers (Davies, 2003). Both reputation and customer satisfaction play pivotal roles in acquiring a competitive advantage, with a positive business reputation influencing and contributing positively to standing out from competitors (Awang & Jusoff, 2009; Gupta, 2002).

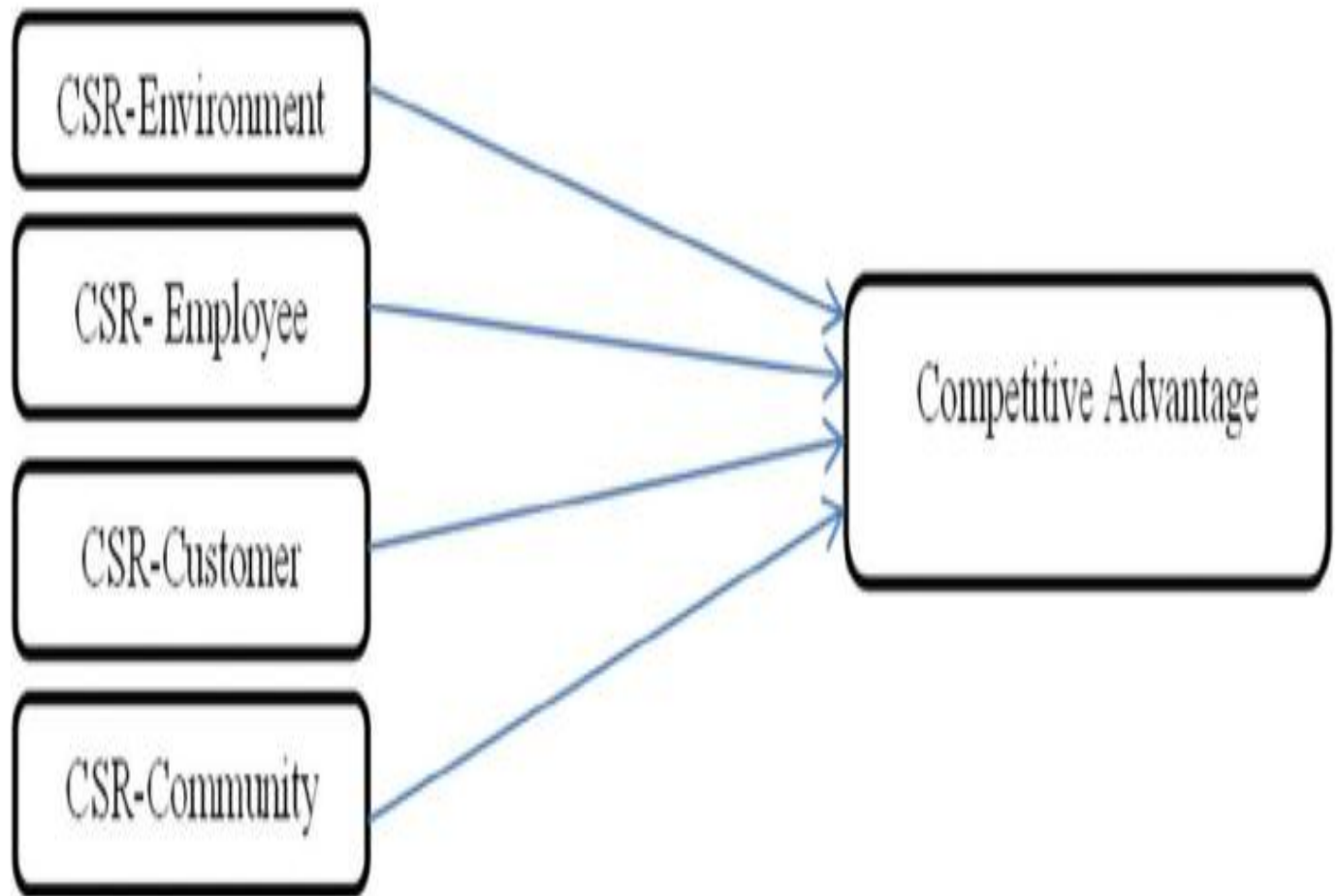
Corporate Social Responsibility (CSR) is viewed as an effective business strategy to establish a long-term competitive advantage in highly competitive markets (ACCA, 2009). When a company attains a higher level of competitive advantage, it can deliver enhanced value to its customers (Dunk, 2007). Providing high-quality products and services at a competitive price contributes to generating value for customers, ultimately leading to increased customer satisfaction (Chi & Gursoy, 2009; Williams & Naumann, 2011). Consequently, businesses with a more robust competitive advantage demonstrate improved performance (Ma, 1993; Majeed, 2011).

CSR initiatives within banks can function as an effective marketing strategy to attract and retain customers (Al-Ghamdi & Badawi, 2019). In the present era, customers frequently make purchasing decisions based on a company's demonstration of respect for individual and community interests, fostering secure, healthy, and equitable communities (Carroll & Shabana, 2010; Lu et al., 2020). Getting involved in CSR helps companies align with what customers want, leading to more sales and a greater willingness of customers to pay. The quality of goods

and services is crucial for competitiveness, ensuring customer loyalty and contributing to building a positive company reputation and image (Li, 2011). The significance of customer loyalty is highlighted by Orel and Kara (2014) and Sindhu et al. (2017). In accordance with these principles, the following theory is proposed.

H4: The banking industry's customer-related CSR initiatives have a direct and beneficial impact on their ability to compete.

Fig: 1 Conceptual frame work



Source: Adopted from Eyasu, A. M., & Arefayne, D. (2020).

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 The Research Design and Methodology

This chapter focuses on the research design, data sources, and population and sampling Techniques, method of data analysis collected from Bunna Bank S.C respondents in Addis Ababa.

3.1.1 Research Design

A research design is a conceptual framework that illustrates the integration of key components within a research project. It serves as the structure guiding data collection, measurement, and analysis, as articulated by Kothari (1985). In this study, the researcher adopted descriptive research design method in order to collect Detailed and factual information, since; the aim of the research is to describe the effects of CSR on Bunna bank S.C competitive advantage strategy. Quantitative research design method was used. Thus, applying this technique helps to obtain the desired data type for the study.

3.1.2 Data source

To obtain relevant, detailed and factual information about the effects of CSR on Bunna bank S.C competitive advantage strategy, the researcher applied primary data. The primary data was collected from branch managers, customer service managers, branch accountants, loan officers, auditors, and customer service officers, through questionnaire.

3.2 Target Population, sample size and sampling techniques

3.2.1 Target Population

The target population is defined as the entire group a researcher is interested in. Leedy (1997) stated that the population can be viewed as a group or individual or object that would illustrate common features that would be advantageous to the researcher's interest. The target population for the study was employees of Bunna Bank branch managers, customer service managers,

branch accountants, loan officers, auditors, and customer service officers working in Addis Ababa city branches which are 650 employees.

3.2.2 Sample Size

Kotheri (2004) highlighted that sample size determination involves selecting the number of observations or replicates for a statistical sample, and it refers to the number of individual data pieces collected in a survey. The sampling formula relies on two essential factors: the first is the level of risk the researcher is prepared to take in the study, often referred to as the margin of error or the acceptable level of error. The second factor is the alpha level, representing the researcher's willingness to accept the risk that the actual margin of error exceeds the acceptable margin of error (Sangeeth, 2007). Frequently, the sample size is articulated in terms of variance.

Provides the Following simplified formula to calculate sample sizes Yamane, (1967)

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

Where n is the sample size, N is the population size, and e is the level of precision

Sample Size for $\pm 5\%$ Precision Levels where Confidence Level is 95%, $N = 650$ and $P = 0.05$. Therefore for questioners $n = \frac{650}{1 + 650(0.05)^2} = \frac{650}{2.625} \approx 248$ employees. Gay (1987) suggested that a sample size equal to 10% of the population is suitable for social studies. Following this recommendation, the researcher has chosen 248 respondents as the study's sample, constituting 47% of the total intended population of 650.

Table 3.1 Sample Size

No	Grade Level	Branch No.	No. of Employee	Sample Size
1	Grade 1	85	475	181
2	Grade 2	12	96	37
3	Grade 3	4	32	12
4	Grade 4	1	17	6
5	Grade 5	1	30	12
	Total	103	650	248

3.2.3 Sampling Techniques

Sampling involves the selection of an appropriate subset to determine parameters or characteristics of an entire population. When conducting a study, considerations include determining the sample size, ensuring statistical justification for the chosen size, and deciding on the method of sampling (Leedy, 1997). The researcher employed stratified sampling techniques to address the challenge of covering all branches nationwide. In this method, the researcher chose respondents randomly using a random selection method. The use of probability sampling made sure that every person in the whole group had an equal chance to be chosen for the study. This method, which is based on randomization, ensures a fair chance for everyone in the group to be selected, reducing the possibility of bias (Kotheri, 2004). So, to achieve the goal of the study, the researcher chose probability sampling within the framework of stratified sampling. When selecting employee samples, the researcher used stratified sampling to gather important information, taking into account different factors like job levels, market shares, service quality, and diverse employee characteristics such as gender, age, education, batch, customer status, and work experience across different branches in the banking industry.

3.3 Types of Data Collected

To ensure the study is thorough and sufficient, primary data has been gathered. Employing primary data collection methods is essential for obtaining ample information, particularly from employees, and facilitating the acquisition of new insights.

3.3.1 Primary Data collection

The primary data was gathered from employees of Bunna bank S.C which is working on Addis Ababa city branches.

3.4 Method of Data Analysis

In this study, the primary research approach employed is a descriptive study. Given the focus on assessing the existing conditions of Corporate Social Responsibility (CSR) and competitive advantage within Bunna Bank S.C. The researches fall within the realm of descriptive research, aiming to establish the correlation between CSR and competitive advantage in the mentioned bank. In this research, demographic characteristics of respondents were analyzed and presented

using frequencies and percentages. These statistical tools were appropriate for visualizing the numbers and proportions of respondents at each level of demographic and responded-related variables (gender, education, work experience, etc.). In addition to these, by using SPSS different descriptive statistics was generated to help the researcher to make inferences and generalizations.

3.5 Validity and Reliability

To check the reliability of the questionnaire, the researcher employed Cronbach's alpha (α), which measures how consistently the questionnaire items provide responses. The Cronbach's alpha (α) coefficient, ranging from 0 to 1, helps assess the reliability of research instruments. Researchers find Cronbach's alpha (α) crucial as it enables them to determine if the instruments will produce reliable and consistent responses, even if questions are replaced with similar alternatives. Thus, Cronbach's Alpha (α) was utilized to evaluate the questionnaires' reliability. for the purpose of this study, 10 % of the total sample, 30 instruments were distributed and the Cronbach's coefficient alpha was calculated for each item of the questionnaire and to over all items.

Table 3.2 Reliability result

Variables	No. of items	Cronbach's Alpha (α)
Environment Related CSR	6	0.85
Employee Related CSR	7	0.91
Customer-related CSR	6	0.86
Community-related CSR	6	0.89
The competitive advantage of the firm	5	0.93

The reliability statistics for this study are shown in the table above, revealing that Cronbach's Alpha values for each construct varied from 0.85 to 0.93. This range is deemed satisfactory, assuring the reliability of each section of the questionnaire.

3.6 Ethical Considerations

In this study, the information about everyone taking part and the data we gather are kept private. We also respect the privacy of the people answering our questions when we share the research findings. We promise the participants that their answers will be kept confidential and won't be shared with anyone else. The responses are only used for this research. The questionnaire comes with a cover letter that explains the study's goals and gives participants the choice to agree or say no to taking part.

CHAPTER FOUR

4. DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction

This chapter discusses the interpretation and presentation of findings obtained from the field. Data were collected to examine the effect of corporate social responsibility on banks' competitive advantage: This chapter presents the background information of the respondents and finding of the analysis based on the objective of the study.

4.2 Response Rate on the Questionnaires

For this study, a total of 248 questionnaires were distributed to the employees currently working in Buna Bank S.C to assess the effects of CSR on competitive advantage. Out of 448 questionnaires distributed 227 questionnaires were filled and returned with response rate of 96%.

Table 4.1 Response rate

Questionnaires	Frequency	Percent
Correctly filled	227	91.53%
Incorrectly filled	21	8.47%

Source: SPSS output from survey data, 2024

4.3 Demographic Characteristics relation with corporate social responsibility

This section begins by examining the demographic details obtained from the participants, employing frequencies and percentages. Descriptive statistics such as tables, percentages, and frequencies were utilized by the researcher to elucidate this information. The following outlines the overall characteristics of the participants, encompassing gender, age, marital status, education, experience, and job positions.

Table 4.2 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	128	56.4	56.4	56.4
	Female	99	43.6	43.6	100.0
	Total	227	100.0	100.0	

In terms of gender, 56.4 percent of the respondents were male and 43.6 percent were female.

Table 4.3 Ages

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	49	21.6	21.6	21.6
	26-35	148	65.2	65.2	86.8
	Above 35	30	13.2	13.2	100.0
	Total	227	100.0	100.0	

In terms of the ages of the majority of the respondents (65.2%), they fell within the range of 26 to 35 years, 21.6 percent were aged between 18 and 25 years, and 13.2% were older than 35 years.

Table 4.4 Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	141	62.1	62.1	62.1
	Married	82	36.1	36.1	98.2
	Widowed	1	.4	.4	98.7
	Divorced	3	1.3	1.3	100.0
	Total	227	100.0	100.0	

In terms of marital status, 62.1 percent of the respondents were single, 36.1 percent was married, 1.3 percent was divorced and the remaining 0.4 percent was widowed.

Table 4.5 Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	5	2.2	2.2	2.2
	Degree	138	60.8	60.8	63.0
	Masters	84	37.0	37.0	100.0
	Total	227	100.0	100.0	

In terms of educational attainment, the majority of respondents (60.8%) possess a bachelor's degree, 37.0% hold a master's degree, and 2.2% have completed a diploma.

Table 4.6 Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3	136	59.9	59.9	59.9
	4-6	61	26.9	26.9	86.8
	7-9	22	9.7	9.7	96.5
	>10	8	3.5	3.5	100.0
	Total	227	100.0	100.0	

A majority of participants (59.9%) reported work experience in the bank service sector ranging from one to three years. Additionally, 56.9% of respondents had work experiences spanning from 4 to 6 years, 9.7% fell within the range of 7 to 9 years, and the remaining 3.5% indicated work experience greater than 10 years.

Table 4.7 Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manager	39	17.2	17.2	17.2
	customer service manager	10	4.4	4.4	21.6
	loan officer	5	2.2	2.2	23.8
	Auditor	13	5.7	5.7	29.5
	customer service officer	115	50.7	50.7	80.2
	junior customer service officer	39	17.2	17.2	97.4
	Other	6	2.6	2.6	100.0
	Total	227	100.0	100.0	

It has been demonstrated that 50.7% of bank employees held the position of customer service officers, 17.2% were junior customer service officers, 17.2% were managers, 5.7% were

auditors, 4.4% were customer service managers, 2.2% were loan officers, and 2.6% were in other positions.

4.4 Effect of Bunna Bank S.C Corporate social responsibility on competitive advantage

Table 4.8 Descriptive Statistics

	Mean	Std. Deviation	N
Environment	3.6402	.34104	227
Employees	3.7357	.32489	227
Customers	3.8223	.31631	227
Community	3.8113	.38213	227
Competitive advantage	3.7410	.34723	227

Source: SPSS output from survey data, 2024

According to the descriptive results in Table 4.8, employees rated the banking industry's CSR operations and indicated better for CSR linked to their customer (mean = 3.8223), community (mean = 3.8113), employee (mean = 3.7357), and environment (mean = 3.6402), in that order. CSR actions relating to the environment, on the other hand, were among the least valued dimensions (mean = 3.6402). In this context, the connection between customer CSR involvement and the banking industry's CSR initiatives seems to significantly enhance product quality, commitment to health and safety standards, and adherence to responsible business practices prioritizing customer well-being. It involves transparent and honest communication, effective management systems for customer satisfaction, and efficient feedback mechanisms. This alignment highlights the significance of CSR not only in addressing societal and environmental issues but also in improving the overall customer experience and relationship with the bank. Community CSR engagements can also play a substantial role in Bunna Bank S.C.'s CSR operations.

When a bank aligns its Corporate Social Responsibility (CSR) practices with improving people's well-being, providing financial support, supporting education and healthcare institutions, creating job opportunities, and being recognized as a responsible corporate entity by the community, it is likely to establish a favorable reputation. This positive image can draw in customers who appreciate businesses with socially responsible practices, thereby giving the bank a competitive advantage in the banking sector. The engagement of employees in CSR and the overall CSR rating of the banking industry are pivotal factors. This highlights how a bank's dedication to socially responsible practices within its workforce can positively impact aspects such as freedom of association, skills development, environmental consciousness, gender diversity in leadership, fair compensation, and the prevention of workplace discrimination. These factors contribute to the overall CSR rating of the banking industry. A bank actively participating in these practices is perceived as socially responsible, enhancing its reputation, attracting and retaining skilled individuals, and positively influencing its competitive position. A positive work environment also results in increased employee satisfaction and productivity, reinforcing the bank's image in terms of CSR. Lastly, in Bunna Bank S.C, Environmental CSR activities, including pollution prevention, biodiversity maintenance, addressing local environmental issues, promoting awareness, preventing resource waste, and following environmental laws, are the least emphasized. Despite this, a bank that is perceived as environmentally responsible is likely to receive positive attention from customers, stakeholders, and the broader community, enhancing its reputation and competitive advantage in the industry.

4.5 Inferential Statistics Analysis Result

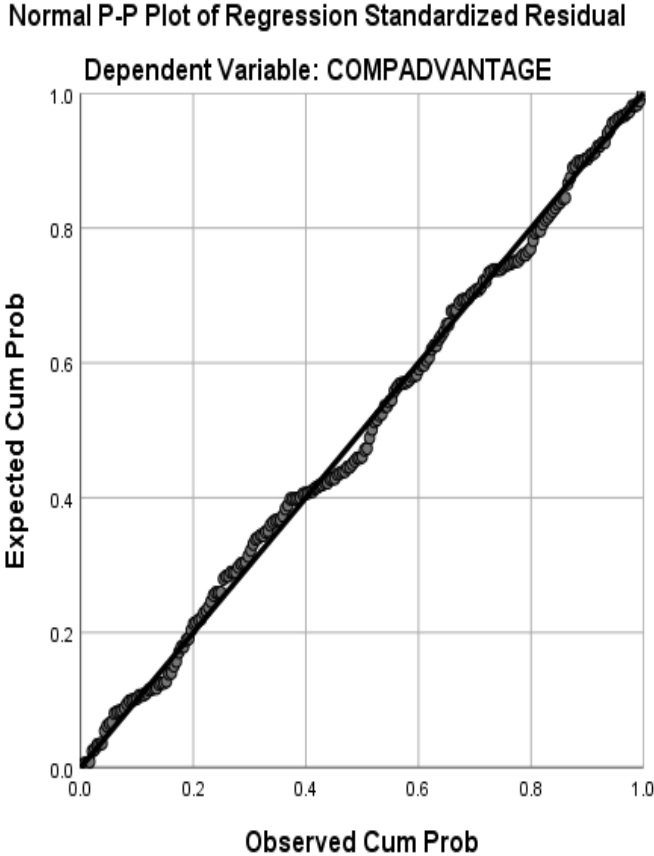
4.5.1 Assumptions Testing in Multiple Regressions

This study has conducted the assumption tests of normality and multicollinearity. The results of the tests showed that the residuals of the regression model are normally distributed and that the independent variables are not highly correlated with each other. This suggests that the basic assumptions of multiple regression have been satisfied, and that the regressed results of the study are valid and robust.

4.5.1.1 Normality Test

To check the assumption of normality, a Normal P-Plot of Regression Standardized Residuals was conducted for each of the four variables. Examining the Normal P-Plots for all variables, the points formed reasonably straight lines, affirming the tenability of the normality assumption (Tabachnick & Fidell, 2007).

Fig 2: Normal p-plot of the regression standardized residuals



Source: SPSS output from survey data, 2024

4.5.1.2 Multi Collinearity

Table 4.9 Tolerance and VIF values for each predictor variable in the model

Collinearity Statistics		
	Tolerance	VIF
ENVIRONMENT	.677	1.478
EMPLOYEES	.617	1.620
CUSTOMERS	.643	1.554
COMMUNITY	.652	1.535

Source: SPSS result by own research survey, 2024

The tolerance values for the scales of each variable fell between 0.617 and 0.677, surpassing the minimum threshold of 0.20. This observation ensures that the assumption is not violated. The Variance Inflation Factor (VIF) values, ranging from 1.478 to 1.620 and all below 10, further confirm the absence of multicollinearity, as suggested by Tabachnick and Fidell (2007).

4.6 Correlation Analysis

We used Statistical Package for Social Science (SPSS) to check how the dependent and independent variables are connected and their cause-and-effect relationship. The correlation matrix below displays the relationships between the questionnaire variables, using the Pearson Correlation coefficient to indicate how strong these relationships are. As per table Below, the coefficient show that all independent variables were positively related with dependent variable (Competitive advantage) within the range of 0.426-0.766, were all are significant at $p < 0.01$ level.

The correlation analysis was conducted to examine the connection between Corporate Social Responsibility (CSR) and Competitive Advantage. The results revealed the relationship between CSR and the overall strategy of Competitive Advantage. If the correlation value falls between -1 and 0, the two variables are negatively related, while if it falls between 0 and 1, they are positively related. Following Field's (2005) guidelines, correlations from 0.1 to 0.29 are considered small, 0.30 to 0.49 are moderate, and above 0.5 are large. The correlation coefficients for the variables are presented in Table 4.10, and each variable correlates perfectly with itself, indicated by coefficients of +1.00 in the intersection of a specific variable's row and column.

Table 4.10 Correlation between CSR and competitive advantage

		ENVIRONMENT	EMPLOYEES	CUSTOMERS	COMMUNITY	COMPETITIVE ADVANTAGE
ENVIRO MENT	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	227				
EMPLOY EES	Pearson Correlation	.549**	1			
	Sig. (2-tailed)	.000				
	N	227	227			
CUSTOM ERS	Pearson Correlation	.340**	.383**	1		
	Sig. (2-tailed)	.000	.000			
	N	227	227	227		
COMMU NITY	Pearson Correlation	.243**	.399**	.552**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	227	227	227	227	
COMPETI TIVE ADVANT AGE	Pearson Correlation	.426**	.540**	.766**	.728**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	227	227	227	227	227

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

Source: SPSS output from survey data, 2024

Looking at the correlation results in Table 4.10, we see the connection between independent variables and competitive advantage. The correlation coefficient for Environment and competitive advantage is 0.426, showing a positive relationship between these two. For Employees and competitive advantage, the correlation coefficient is 0.540, indicating a positive relationship. The correlation coefficient for Customer and competitive advantage is 0.766,

suggesting a strong and positive relationship. Lastly, the correlation coefficient for Community and competitive advantage is 0.728, signifying a positive relationship. Overall, these results show that there is a positive connection between the independent variables and competitive advantage. The competitive advantage variable is strongly linked with Customer and Community.

4.7 Regression Analysis

Table 4.11 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.502	.171		-2.944	.004
	ENVIRONMENT	.089	.041	.087	2.178	.030
	EMPLOYEE	.172	.045	.161	3.848	.000
	CUSTOMERS	.505	.045	.460	11.229	.000
	COMMUNITY	.353	.037	.389	9.538	.000

Source: SPSS output from survey data, 2024

Regression fit a predictive model to data and uses that model to predict the values of dependent variables from one or more independent variables. Linear multiple regression estimates the coefficients of the linear equation, involving one or more independent variables the best predicts the value of the dependent variable.

Model Summary

Table 4.12 the Overall Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.872 ^a	.760	.756	.17168	1.952

a. Predictors: (Constant), COMMUNITY, ENVIRONMENT, CUSTOMERS, EMPLOYEES

b. Dependent Variable: COMPETITIVE ADVANTAGE

Source: SPSS output from survey data, 2024

As indicated in table 4.12, the model summary which states that employee competitive advantage as a function of environment, employees, customer and community. Based on the model summary R square value indicated that the independent variables explained the dependent variable by 0.76. This result implies that environment, employees, customer and community are accounted for 76 percent of the variance in competitive advantage. Therefore, environment, employees, customer and community were explained the competitive advantage by 76 percent.

Looking at the model summary, the R value of 0.872 shows a positive connection between competitive advantage and the factors we're looking at (environment, employees, customers, and community). The R-square is like a measure of how well these factors explain the changes in competitive advantage. The "adjusted R² is another way of saying how much competitive advantage varies because of corporate social responsibility (CSR) factors like environment, employees, customers, and community. In this case, the adjusted R² is 0.756, meaning that 75.6% of the changes in competitive advantage at Buna Bank S.C can be explained by these CSR factors. This study used linear multiple regression analysis, with CSR as the dependent variable and the things affecting competitive advantage as the independent variables.

Table 4.13 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.706	4	5.177	175.638	.000 ^b
	Residual	6.543	222	.029		
	Total	27.249	226			

a. Dependent Variable: COMPETITIVE ADVANTAGE

b. Predictors: (Constant), COMMUNITY, ENVIRONMENT, CUSTOMERS, EMPLOYEES

Source: SPSS output from survey data, 2024

As per ANOVA results indicated on above table, there was a statistically significant correlation between dependent and independent variable at 1% significant level due to the sig value 0.000 reveals that the explanatory variables. In terms of F-statistics 175.638 at a significant level of 0.000, which means there is a relationship between independent variables and Competitive advantage in Bunna Bank S.C. According to table 4.10 the standardized coefficients for the four independent variables environment, employees, customer and community are (0.087, 0.161, 0.460 and 0.389) and their significance levels are .030, .000, .000, .000, respectively which are all less than 0.05. This indicates a significant relationship between the independent variables and the dependent one.

4.8 Result

The study's discoveries show that when the banking industry practices Corporate Social Responsibility (CSR) concerning customers, communities, employees, and the environment, it significantly helps its competitive advantage. These results support Marin et al. (2012), who also believe that CSR positively affects a company's competitiveness. Burke and Logsdon (1996) say that integrating CSR into business strategies can be a big advantage. Understanding the CSR landscape is vital for effective marketing strategies, especially for banks that need more visibility, as highlighted by Fatma et al. (2014). With these considerations in mind, this study thoroughly looks into different CSR aspects within the banking sector, checking how important they are and how much they impact the industry's competitive advantage.

Arlow's study in 1991 suggests that women tend to have a greater CSR orientation in decision-making. Age plays a crucial role in how customers view Corporate Social Responsibility (CSR), and it significantly influences their perception of CSR. Research suggests that younger individuals, especially those between 18 and 25 years old, tend to show greater interest in CSR (Arlow, 1991; Roberts, 1996). Most studies also indicate that as individuals age, there might be a decline in their cognitive ability to process complex and less frequent information, such as CSR-related data. Therefore, younger customers are expected to be more socially conscious and consider more heuristics when forming opinions about CSR compared to older customers (Arlow, 1991; Morris & Venkatesh, 2000; Pérez & Rodríguez Del Bosque, 2015; Roberts, 1996; Turker, 2009). The role of marital status in Corporate Social Responsibility (CSR) orientation and its impact on the perception of CSR can vary based on individual preferences, values, and demographic factors. Marital status may influence how individuals perceive and prioritize CSR initiatives. Research by Quazi (2003) indicated that individuals with higher educational qualifications, particularly those with college degrees, tend to form a more sophisticated understanding of the implications of Corporate Social Responsibility (CSR) for both companies and society.

H3 is verified: The most crucial dimension among stakeholders in the banking industry is customer-related Corporate Social Responsibility (CSR), exhibiting a positive and direct impact on the company's competitive advantage, thereby confirming hypothesis H3. The analysis results indicate that customers hold a pivotal role as primary stakeholders in the banking industry, influencing marketing services significantly. The study's discoveries show that when the banking industry practices Corporate Social Responsibility (CSR) concerning customers, communities, employees, and the environment, it significantly helps its competitive advantage. These results support Marin et al. (2012), who also believe that CSR positively affects a company's competitiveness. Burke and Logsdon (1996) say that integrating CSR into business strategies can be a big advantage. Understanding the CSR landscape is vital for effective marketing strategies, especially for banks that need more visibility, as highlighted by Fatma et al. (2014). With these considerations in mind, this study thoroughly looks into different CSR aspects within the banking sector, checking how important they are and how much they impact the industry's competitive advantage.

H4 is verified: The study findings reveal the significance of the community dimension within Corporate Social Responsibility (CSR) for the competitive advantage of the company in the market. Consequently, the community dimension is identified as the second-most-valued aspect of CSR operations, demonstrating a positive and direct impact on the company's competitive advantage, thus confirming hypothesis H4. The favorable result indicates that banks in Ethiopia actively take part in CSR activities related to community development, contributing to their competitive advantage. This finding aligns with the research by Fatma et al. (2014). To address crucial challenges, companies need to reconsider their role in society and position themselves as contributors to the overall progress of the community, as suggested by D'Aprile et al. (2012). The study notes a positive connection between CSR involvement and firm efficiency, particularly emphasizing the positive impact of CSR initiatives categorized as community-level CSR—those actions directed towards serving the local community. Firms more reliant on the local economy are more likely to engage in socially responsible acts at the local community level (Newman et al., 2020). Additionally, the research results reveal that a differentiation competitive strategy is positively linked with small firms' community engagement. Similarly, small firms prioritizing differentiation tend to invest more in community engagement measures (Panwar et al., 2016).

H2 is verified: The CSR-employee strategy is designed to attain organizational competitive advantage, and the banking sectors are conscientiously addressing CSR employee-related aspects to assess their impact on competitive advantage. The results indicate that employees represent the third relevant dimension of CSR, exerting a positive and direct effect on the company's competitive advantage, thereby confirming hypothesis H2. The verified structural path linking competitive advantage response with employee-related CSR aligns with findings that diverge from those of Fatma et al. (2014). Previous research by Barney (1991) highlighted that a company's human resources are a key factor in having a long-lasting competitive advantage. However, it's not enough to just have skilled individuals working on their own; there need to be systems in place to improve individual skills and build up the company's human capital (Díaz-Fernández et al., 2014). In the same way, the resources in a company are qualified, making up a valuable and unique human capital. Lepak and Snell (2002) showed that human capital is valuable when employees help make the organization more efficient, reduce costs, or provide extra benefits to clients. Human capital is seen as unique or specific to the company if it's both

hard to find and specialized within that company, making the company more competitive overall. If CSR encourages and motivates employees and helps attract highly qualified workers, it's expected to have a positive impact on the company's productivity through what's called an employee inspiration effect (Akerlof & Kranton, 2005).

H1 is verified: It is crucial to underscore the strategic priorities of a company's Corporate Social Responsibility (CSR) for competitive advantage. This study reveals that environment-based CSR receives lower ratings compared to other CSR aspects but has a positive and direct impact on a company's competitive advantage, confirming hypothesis H1. This implies that the implementation of environment-based CSR activities by the banking industry has a relatively lower influence on their competitive advantage. The positive influence of how organizations deal with the environment through CSR activities on the competitive advantage of banks is thought to boost their reputation, create goodwill in their communities, and lead to long-term financial benefits. This discovery agrees with earlier studies by Fatma et al. (2014) and Foretica (2011). Additionally, it's observed that the environmental efforts of small and medium-sized businesses contribute to more information being shared within and outside the company (Gallardo-Vázquez & Isabel Sánchez-Hernández, 2014). Investments in environmental practices are recognized as having the potential to make companies stand out from their competitors (Lin, Tan, & Geng, 2013; Reinhardt, 1998). However, Panwar et al.'s (2016) findings suggest that small enterprises might not use their involvement in environmental management to distinctly set themselves apart from competitors.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5. Introduction

This chapter mainly focused to present summary of the study, conclusions and recommendations based on the objective of the study and basic research questions. The objective of this study is to examine the linkage between dimensions (environment, employee, customer, community) of CSR engagement with Bunna Bank S.C competitive advantage strategy and ranked the contribution of these stakeholders of CSR to their competitive advantage.

5.1 Summary of Findings

The aim of this research was to investigate effects of CSR dimensions on competitive advantage on Bunna bank S.C. In this study, the researcher come-up with mixed approach and cross-sectional research design. The source of the data was both primary and secondary source. Instruments of data collection tools in this study are structured questionnaire (closed ended questionnaire).

The participants of the study were 248 branch staff. After the classification of the population by stratified random sampling, the researcher used systematic random sampling. The study variables were Environment, Employees, Customer and Community. The questionnaires in the study were developed based on five-point Likert scale ranging from one to five and the reliability of variables tested by Cronbach alpha.

The findings of quantitative results were presented and analyzed by table to describe the demographic variables. Bivariate correlation and multiple regression models were used to investigate the relation and effect of independent variables (Environment, Employees, Customer and Community) and dependent variable (Competitive advantage).

A total of 248 questionnaires were distributed to the target population in the study area. Out of the total 248 questionnaires 227 (91.53%) of the questionnaire were obtained from the respondent with complete answered of each dimension of the questionnaire. SPSS software version 26th was employed for the analysis.

The demographic statistics of respondents indicate that out of 227 participants, 56.4% were male, and 43.6% were female. Additionally, 65.2% of respondents fell within the 26-35 years age

group, suggesting a significant proportion of young employees. Regarding educational level, 60.8% of respondents were first-degree holders, and concerning years of service, 59.9% had 1 to 3 years of experience. In terms of job position, 50.7% of bank employees held the position of customer service officers.

The results of descriptive statistics on Environment, Employees, Customer, and Community indicate that employees rated the banking industry's CSR operations highest for CSR linked to customers (mean = 3.8223), followed by community (mean = 3.8113), employees (mean = 3.7357), and environment (mean = 3.6402), with environmental CSR being among the least valued dimensions.

Pearson's correlation coefficient reveals that the independent variables Environment, Employees, Customer, and Community have positive relations (.426, .540, .766, and .728 respectively) with the dependent variable, Competitive advantage. The multiple regression analysis demonstrates that the three independent variables jointly account for 76% of the dispersion in competitive advantage, with an R-square value of 0.760.

ANOVA results, with an F-statistic of 175.638 and a p-value of 0.000, indicate that the overall model fits well. The coefficient value for the environmental dimension of CSR is 0.089, implying a positive and significant impact on the bank's competitive advantage. Similarly, the coefficients for Employees, Customer, and Community CSR dimensions (0.172, 0.505, and 0.353 respectively) signify positive and significant effects on Bunna Bank S.C competitive advantage strategy, with each dimension contributing to 17.2%, 50.5%, and 35.3% change, respectively.

5.2 Conclusion

The objective of this paper was to examine the industry strategies through which dimension of CSR engagement (customer, employee, environment, and community) affects their competitive advantage and ranked the contribution of these stakeholders of CSR to their competitive advantage. Hence, to answer these objectives, a detailed study was performed through the literature review and the multivariate analysis. After reviewed the previous literature, the measurement scales and reflective dimensions of CSR activities with the banking industry's competitive advantage were developed. The study analyzed the influence of different dimensions of CSR practice on banking competitive advantage using Correlation and regression analysis.

Moreover, the study results confirmed that the survey instrument measurement scales tested for internal consistency/reliability, convergent validity, and discriminant validity was satisfied to measure the CSR activities of the banks with its competitive advantage.

The findings of this study suggest that the CSR dimension related to customers has a strong linkage with the competitive advantage of banks. Following this, the CSR dimension associated with the community comes next in terms of a strong linkage with banks' competitive advantage. Subsequently, the employee CSR dimension shows a moderate linkage with banks' competitive advantage. Finally, the environmental CSR dimension exhibits a less significant linkage with banks' competitive advantage, ranking it as the least contributing to internal stakeholder for Banks' competitive advantage in the market.

5.3 Recommendations

Following the results and conclusions of this study, the researcher recommends that there is a cause-and-effect relationship between competitive advantage and CSR through Stakeholders in the banking industry. Specifically, the various stakeholders involved in CSR (customers, community, employees, and the environment) positively impact the bank's connected aspects of competitive advantage. This suggests that the banking industry might prioritize CSR activities as a significant strategic objective. The results of the empirical study also revealed that different stakeholders of CSR practice of the bank industry to their degree of influence from largest to lowest for its competitive advantage are customer, community, employee, and environment, respectively.

First and foremost, the bank needs to actively work against workplace discrimination and create a work environment that values diversity and makes everyone feel like they belong. By putting effort into these employee-focused CSR practices, the bank can make itself more competitive by attracting, keeping, and motivating a talented and diverse group of workers. Additionally, on a different note, the banks haven't given much importance to environmental-related CSR, such as creating programs to prevent environmental pollution, preserving biodiversity, helping to solve environmental issues, promoting awareness, preventing resource waste, and following environmental laws. So, it would be a good idea for the bank managers to focus more on environmental-related CSR and blend it into the company's business operations. This could have

a big impact on the bank's competitive advantage and help ensure long-term development. Furthermore, the banking industry should also be ready to use all their abilities to find and put into action solutions to CSR problems, even if the company wasn't directly involved in causing the problem.

Furthermore, banks should focus more on customer CSR initiatives as they play a role in gaining a competitive edge. This can be achieved by exceeding customer expectations through delivering high quality products and services while adapting to evolving consumer preferences. It is also vital for banks to maintain health and safety standards across all operations to ensure client wellbeing both on digital and in spaces. Moreover, displaying commitment towards business practices fosters an environment of trustworthiness and reliability which enhances confidence, among stakeholders. Ethical considerations must be incorporated into decision making processes well. Demonstrate a firm commitment to moral and ethical business practices, creating an environment that instills confidence and reliability by incorporating ethical considerations into decision-making processes. Ensure transparent and truthful communication with clients regarding goods, services, and other relevant information. Ensure communication is clear and easily comprehensible to foster trust and uphold an open rapport with customers. Implement efficient management systems that prioritize customer satisfaction as a pivotal performance metric. Routinely assess and refine operational procedures to streamline customer interactions and enhance overall service efficiency. Establish and sustain effective feedback mechanisms to collect insights from customers. Take swift action on customer feedback by promptly addressing concerns and integrating valuable suggestions to refine products and services. Utilize technology to elevate the overall customer experience, rendering banking processes more convenient and accessible. Invest in digital platforms and user-friendly interfaces that prioritize simplicity for customers. Provide continuous training for employees in the pursuit of customer service excellence and emphasize the significance of customer-centric practices. Empower employees to serve as brand ambassadors who prioritize customer satisfaction in their interactions. By following these suggestions, the bank can focus on customers in a way that not only makes it more competitive but also helps build a strong and loyal customer base. Putting customer wellbeing and satisfaction first will have a positive impact on the overall success and lasting power of the bank.

To boost its competitive advantage through community-based CSR, the bank should concentrate on activities that improve life quality in the community. Providing financial support, especially to educational and health institutions, can make a significant contribution. Also, creating job opportunities within the community builds a better relationship and image for the bank. When seen as a good corporate entity actively helping the community, the bank can build a positive reputation. This good image can attract customers who value socially responsible business practices, ultimately making the bank more competitive.

Finally Bunna Bank strengthen its competitive edge through employee-based CSR, the bank should focus on various things that make a positive and supportive workplace. Most importantly, the bank should let employees join groups and participate in collective bargaining, making them feel empowered and involved. Introducing thorough skill development programs won't just make employees better at their jobs but also show the bank's commitment to their professional growth. Efforts to increase awareness about the environment can also create a culture of sustainability among employees, making the bank more in line with eco-friendly practices. Putting importance on having a mix of genders in leadership roles shows a commitment to fairness and inclusiveness, contributing to a diverse and creative workforce. Making sure that compensation and benefits are fair shows that the bank values what employees bring and boosts overall job satisfaction.

There are some areas where more research could be done. First, the scale used to measure CSR engagement in the banking industry didn't include every group involved. It only looked at a few representative groups to measure CSR involvement that helps in having a lasting competitive advantage. Second, because the study only looked at the opinions of employees, who are inside the business, it might be good to also look at what other groups think in future studies. Also, it's important to note that the results we found can only be applied to Bunna Bank in Ethiopia and might not be the same for other banks.

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Appendix 1: Questionnaires

Addis Ababa University

College of Business and Economics

Master of International Business

Graduate Program

The purpose of this questionnaire is to gather information about the effect of corporate social responsibility on banks' competitive advantage in the case of Bunna Bank S.C. The data or information gathered in this manner will be used as primary data in the study that I am conducting as part of my Master of International Business studies at Addis Ababa University. The researcher would like to thank you in advance for your kind response in giving your precious time in filling the questionnaire.

(Please marks “X” the appropriate box to answer from the available choices to you that best describes the question)

Section One – Background Information

1. Gender

Male []

Female []

2. Age

18–25 []

26–35 []

Above 35 []

]

3. Marital status

Single []

Married []

Widowed []

Divorced []

4. Education

Diploma []

Degree []

Masters []

Other []

5. Experience

1–3 []

4–6 []

7–9 []

>10 []

	BB promotes environmental awareness by providing information to employees & to stakeholders					
	BB promotes women to be in a senior position					
	The company pays an attractive salary to its employees					
	The company promotes actual skill development among its staff members through training and development					
	The company avoids workplace discrimination in all forms					
Customer-related CSR	BB strives to deliver quality products to its customers					
	BB provides a reasonable price for its products to customers					
	BB provides products to ensure the health & safety of customer					
	The company provides truthful information about its products to the customers					
	BB has management systems for customer satisfaction					
	BB has a mechanism to ensure effective feedback and consultation with customers					
Community-related CSR	BB improves the quality of life in the community					
	BB offers financial support to the local community					
	BB supports several educational & health institutions					
	BB creates employment opportunity to the community					
	The community considers BB as a good corporate bank					

	BB sponsors different community activities to aims					
The competitive advantage of the firm	BB provides high quality of products or services					
	The company enhanced its goodwill and reputation					
	BB improved its market share and sales volume					
	The BB is provided reasonable price to services or products					
	The company commits itself in time to market					

Thank You!