



St. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

COLLEGE OF BUSINESS ADMINISTRATION

Title: Assessment of Corporate Social Responsibility Practices in Dashen Bank, Ethiopia

A Thesis Submitted to the School Of Graduate Studies, College Of Business Administration: in Partial Fulfillment for the Requirement of the Degree of Masters of Business Administration

By:

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ADDIS ABABA, ETHIOPIA

July, 2021

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Declaration

I, CHARLES B. SENGEH, the undersigned declare that this thesis titled “Assessment of Corporate Social Responsibility Practices in Dashen Bank” is my original research work. This thesis is not submitted to any other institution anywhere for the award of any academic degree, diploma, or certificate. The views of the research participants have been duly acknowledged in this research. To the best of my knowledge, all sources of materials used for this thesis have been duly acknowledged. All the research procedures do conform to the expected standards and regulations of St. Mary’s University.

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College Of Business Administration

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Acronyms & Abbreviations

CSR	Corporate Social Responsibility
CBE	Commercial Bank of Ethiopia
EC	European Commission
FP	Foreign Policy
GDP	Growth Domestic Product
IFFs	Illicit Financial Flows
NBE	National Bank of Ethiopia
NGOs	Non-Governmental Organizations
SE	Social Entrepreneurship
UN	United Nation
WWF	World Wildlife Fund

Abstract

Corporate social responsibility (CSR) is a topic that has gained much attention lately. Various studies mainly out of Ethiopian context attempted to study aspects of CSR and its value for both the community and the corporations. Dashen bank is one of the leading private commercial bank in Ethiopia. A number of studies conducted in different areas on the bank. However, little is done on exploring practices, challenges and benefits of CSR of this specific financial institution. Thus, this thesis was envisaged with objective of critically identifying the key practices, challenges and benefits of CSR in Dashen bank. In order to achieve the objective of the study, both primary and secondary data were generated by employing qualitative (using interview) and quantitative (mainly using survey questionnaires from employees of the bank) method. Purposive sampling techniques were used to select 151 sample employees respectively. The quantitative data was analyzed using frequency and percentage while qualitative data was used to substantiate the study. The research revealed that the bank is practicing the different aspects of CSRs which are business related as well as non-business related responsibilities. Similarly, due to its practice of CSR Dashen bank gained benefits in building trust of its customers, Enhance Employee Engagement & Productivity and Positive Customer Outreach that enhanced profitability. This study also finds challenges that hindered the bank from fully engaging in CSR programs. Challenges in relation to continuous Political instability and conflicts in the country, Macroeconomic and political factors and COVID-19 pandemic outbreak which limited the bank from fully engaging in CSR programs. Based on the findings of the study possible recommendations are also suggested. Other similar financial institutions and profit making companies learn from the experience of Dashen bank. Peace and stability of the country should be guaranteed. Broader studies of CSR where the researcher investigate more than one company re-consider its role in Combating money laundering, corruption, and terrorism.

Key words: CSR, COVID 19, Corruption, Customer,

CHAPTER ONE

1. INTRODUCTION

This chapter starts with a research background to give an idea about Corporate Social Responsibility (CSR) to the reader. Followed by the problem statement, research questions, general and specific objective of the study; in addition to illustration for the significance, scope, and delimitation of the study.

1.1. Background of the Study

Concerning the fact that Corporate Social Responsibility (CSR) is an abstract concept to a certain extent; no one could accurately define its borders yet. It does not exist any uniform definition. It is because of the fact that companies do it voluntarily on their own beliefs or visions of profit. The socially responsible approach is not statutory. Individual forms of CSR concept are created always by a given company with its stakeholders. However, there is substantial agreement that CSR is concerned with societal obligations, although the nature and scope of these obligations remains uncertain (Craig Smith, 2003). Some authors (Craig Smith, 2003; Maignan and Ferrell, 2004) argue that companies should only be responsible to company stakeholders, while other authors argue that companies should be responsible to society as a whole (Brown and Dacin, 1997; Kotler and Lee, 2005). Just to whom companies are beholden continues to be debated.

In 2003, Bowd, Harris, and Cornelissen formulated their comprehensive definition of CSR based on European Commission's Reports (2001, 2002) and key papers by authors such as Carroll, Wood, Freeman, and Friedman. According to Bowdet *al.*, 2003 “*social responsibility of a firm means rigidly adhering to social contracts with internal and external stakeholders, adhering to the laws and directives given by the government and managing the firm according to ethical standards, which go beyond prescribed legal obligations*”.

The notion of CSR being a social obligation was first advocated by Carroll (1979, in Maignan and Ferrell, 2004). Carroll's (1991, 1999) CSR pyramid, one of the best-known CSR models, presents a company's social obligations as comprising economic, legal, ethical, and philanthropic responsibilities. Carroll (1991) noted that businesses were created as economic entities driven by a profit motive, thus economic performance undergirds the other three CSR components. Legal

responsibility involves businesses complying with federal, state, and local government laws and regulations (Carroll, 1991). This was followed by ethical responsibilities, those standards, norms, and expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, and respectful of stakeholders' moral rights (Carroll, 1991). Finally, philanthropic responsibility was the expectation that businesses be good corporate citizens, actively engaging in programs to promote human welfare and goodwill (Carroll, 1991).

The European Commission (EC) recognized the importance of CSR in achieving the most dynamic, competitive economy and emphasizes the need to encourage voluntary initiatives of the business sector in achieving sustainable development goals (Petrovic-Randelovic et al., 2015). Therefore adopting CSR strategy, companies may obtain higher stock returns and satisfy the needs of their stakeholders (Karagiorgos, 2010) and CSR oriented companies enjoy a higher level of stakeholders' confidence which reflected in higher returns, good wages, timely payment, enhanced reputation, and goodwill (Mishra & Suar, 2010). Moreover, as evidence by the previous researchers (Burke & Logsdon, 1996; Gras-Gil et al., 2016; Lin et al., 2011), the firm's investment in CSR lead to the recovery of corporate credibility in product and company crises, enhances a firm's public image and gives the firm unique comparative marketing advantages. Mostly among increasingly socially conscious consumers, which in turn, increases the firm's long-term revenue? Another finding supports the legitimacy theory; it could be that banks invest in CSR activities not with the immediate intention of profit-making but as a way of appreciating society. However, this helps the banks to create awareness of their banking services, and increase their customer base (Oyewumi et al., 2018).

Private commercial banking is a recent phenomenon in the Ethiopian economy. They start to flourish after the downfall of the Derg regime two and half decades ago. After the downfall of the Derg private commercial banks were allowed to operate and they started to have market share. Ethiopia's banking sector consists of 17 commercial banks that –as of 2018- collected birr 730bn in deposits (from around 33mn savers); provided birr 733bn (33% GDP) of total credit; handled close to \$10bn in annual foreign exchange trading; employed 90000 workers; delivered attractive returns roughly 115,000 shareholders; and contributed birr 13bn in yearly taxes to the government (equivalent to roughly one-fifth of annual income tax receipts in recent years) CEPHEUS research & analytics, (2019).

Commercial banks in Ethiopia play a crucial role in the country's socio-economic development. It provides services such as accepting deposits, making business loans, customer base, and branch network (Auka, 2006; Bimir, 2016; Uvaneswaran. &Ayele, 2017). Yet, the private Commercial Banks in Ethiopia have a looser attitude to support greener industries, lower lending options to low-income individuals, and small businesses (Mamo, 2017; Tadesse, 2015). It also less engagement in community development and less understanding of poor financial management in banking organizations results in an adverse effect on the environment and society. But the bank finance national projects that support the majority of low-income individuals (Mamo, 2017; Tadesse, 2015).

DashenBank, as a private commercial bank came into existence on September 20, 1995, and started normal business activities on 1 January 1996. According to the commercial code of Ethiopia, 1960 and the licensing and supervision of banking business proclamation No 84/1994. Since its establishment, the bank has been playing a pivotal role in the economy of the country. Just in the year 2019, the Bank has mobilized a record high incremental deposit of Birr 8.7 Billion, and the cumulative deposit of the Bank has reached Birr 44.7 Billion registering a 24% growth to that of the previous year. The total outstanding loans and advances of the Bank stood at Birr 32.4 Billion, which exhibited a 40% percent year-on-year growth (Dashen bank, 23rd annual report, 2019). The report also indicated that As a result of the overall operational successes, the Bank has managed to earn total revenue of Birr 5.6 Billion registering a 26% growth. After considering the total expense of Birr 4.3 Billion, the Bank has earned a profit before tax of Birr 1.3 Billion, which is a 12% growth to that of last year in the same period. Hence, the earnings per share stood at Birr 408. The total Asset and Equity of the Bank have increased by 24% and 17% and reached Birr 56.2 Billion and Birr 6.8 Billion respectively. Despite all this profit and success the role of the bank in fulfilling its social responsibility remained unclear.

Scholars strongly affirmed that financial institutions need to act responsibly while making their profit. For instance, Yeung (2011) had mentioned that no matter what kinds of countries, what kinds of culture, and what kinds of banking products and investors, banks need to be responsible for their customers in a socially responsible way. It is out of this context that this study aspires to assess the level of CSR practices of Dashen bank and see the benefit and challenges encountered.

1.2. Problem Statement

Watkins, (2011) states that the banking system is a typical capitalist activity that aims to a profit. The policy of laissez-faire believes that individuals and companies may seek to increase their financial wealth without any restrictions. The financial market presents unlimited opportunities for growth in financial wealth. However, with the introduction of the concept 'CSR' firms are considering incorporating social responsibilities despite their effort in profit-making. Gunther Verheugen (in Trapp 2009), for instance, stated, that socially responsible firms will have a better position in the future than those that have not yet adopted CSR policy, because they will enjoy more profits, including the loyalty of employees, which they can rely on. According to Adusei (2016) and Lema (2017), in a vibrant and competitive banking system strong, technically efficient, and profitable banks can promise a realistic return to their stakeholders and reduce the probability of bankruptcy. CSR and ethics are key determinants of a firm's competitive advantage and that they can help improve a firm's corporate image and reputation (Gardiner et al., 2003; Worcester & Balmer, 2009).

Positive impacts of CSR initiatives have also been noted in the banking context. For example, Lemke (1987) reports that a Massachusetts bank was successful in promoting new accounts (138 accounts worth \$11 million) by assisting endangered animal species with donations made to the WWF (World Wildlife Fund).

Ethiopia is one of the developing countries; the philosophy of CSR is not well developed. The national bank of Ethiopia (NBE) has mainly played the role of regulation on the financial performance of commercial banks as pertain to the rules and regulations set by the country to protect the public and develop confidence in the service provided by banks. However, the need for CSR requires more for the banks to pay special attention towards the integration of social and environmental concerns in their business operations to attain a sustainable profit. Ethiopia passes through a lot of socio-political turmoil especially for the last 5 years that affects the economic, social, and peaceful life of the society. As a part of this society, profit-making institutions such as banks need to turn their attention on fulfilling their CSR to support the society that requires their help. Combating the global pandemic (COVID 19), Poverty, illiteracy, poor infrastructure, environmental pollutions are some of the possible areas that necessitate the need for organizations to play an active role in society to address the problems. There are huge costs

that may be involved in engaging in social responsibilities which may affect the performance of the organizations.

Some researches related to corporate social responsibility have been conducted but none of the studies look at specifically Dashen bank's performance and practice of CSR; hence there exists a literature gap on the practice of CSR on the individual bank (Dashen). Abdulhamid, (2013) assessed CSR practices and determinants: a comparative study conducted in the Ethiopian leather industry. Other studies also used the descriptive analysis (frequency, percentage, mean and standard deviation), binary logistic regression, Tobit, Correlation, and multiple regression analysis and examined the effects of CSR activities on banks' performance from a financial perspective (Bimir, 2016; Kebede&Tegegne, 2018; Kesto, 2017; Lema, 2017; Mamo, 2017; Uvaneswaran&Ayele, 2017). However, to the best of the researcher's knowledge, there are no studies that specifically link Dashen bank to its performance on CSR leaving this area plausible for research. This study is therefore aimed at filling this gap by interrogating the question "does Dashen bank engaged itself in fulfilling its CSR?, what are the possible benefits that the bank might gain because of implementing CSR, and what challenges are there that hindered the bank from fulfilling its social responsibilities?"

1.3. Research Questions

- Does the bank engage in activities related to economic responsibility to fulfill its CSR?
- Does the bank legal responsibility attain because of engaging in CSR programs?
- Does the bank ethical responsibility give an emphasis to a specific aspect of CSR?
- Does the bank face challenges to fully involve in philanthropic responsibilities that aimed at helping the community?

1.4. Objectives

1.4.1. General Objective

The general objective of this study is to assess Dashen bank's involvement and the level of practice in fulfilling its Corporate Social Responsibilities.

1.4.2. Specific objectives

The specific objectives of this study are:

- Assess the level of community-related Corporate Social Responsibility engagement of the bank
- Explore the benefits of involvement in CSR for the bank
- Investigate the challenges that hinder Dashen bank implementing CSR within the community

1.5. Significance of the study

the motivation for undertaking this study is premised on the belief that it will generate knowledge and enhance social research, thereby improving the understanding of CSR, not just as a management tool or instrument that ensures informed policymaking, but also as a form of social order that encourages institutional commitment to fully humanizing the business environment particularly the banking industry in Ethiopia.

The output from the research will help banks, social organizations policy developers, and other concerned parties on CSR of commercial banks in Ethiopia to take some remedial actions or corrective measures on the problems identified in the research.

It will also serve as a stepping stone for other researchers who aspire to make depth study about the issue under the study. Besides, importantly, this research will educate clients in deciding on whether the industries are really fulfilling their responsibility to the environment or are just showing off to promote their business.

1.6. Scope and Delimitation

This study examines the practice of CSR in commercial banks in Ethiopia taking Dashen bank as a case. Hence, this study is only limited to Dashen bank head office and some selected branches located in Addis Ababa. Upcountry branches of Dashen bank and other private banks are not included in the study. Besides emphasizing the head office the study take one Dashen bank branch in each sub-city of Addis Ababa as a sample. The data types have both qualitative and quantitative nature. CSR of the bank was assessed taking Carroll, 1991 CSR model to the financial sector as a stepping stone. The bank's CSR Activity integrated into the business and Non-

business CSR activities were given emphasis. Accordingly, data analysis only used to infer only the Ethiopian context factual matters; it might not be used for the generalization of the rest of the world.

1.7. Organization of the thesis

This study has been divided into five chapters. They are: Introduction, Literature Review, Research Methodology, Data Analysis and Presentation, Summary, Conclusions and recommendations.

Chapter I: Introduction

Introduction chapter gives a brief outline of the topic of the study. This chapter states the background of the research studies, research problem statement and clarifies the objectives, significance of this study.

Chapter II: Literature Review

This chapter includes reviews of previous writing, studies, and related literatures that are relevant to the problem being explored, and within the framework of the theory structure. Proposed conceptual framework are also presented and discussed in this chapter using the previous research, articles and university publications. Likewise, a conceptual framework of this study is also provided in this chapter.

Chapter III: Research Methodology

It includes all the topics describing how the entire data have been collected and designed to carry out the entire tasks of the thesis report work. It basically defines: what research design was used for the research, what methods and tools were used to gather data from the respondents and what is the data processing and analysis procedure and the methodology used for the study.

Chapter IV: Analysis, Result and Discussion

This chapter first defines the type of analysis used to process the data gathered for the research. Basically, this chapter analyses various data gathered and tried to find out relationship between factors identified for the research with the help of various statistical tools. The results help in concluding the research and interpreting results of the research.

Chapter V: Summary, Conclusion and recommendation

Finally, this chapter summarizes the whole research finding and appropriate recommendations are forwarded on the basis of the conclusion of the research. It comprises of summary,

conclusions based on research question and the chapter ended with the recommendations. This chapter is based on the interpretation and findings of the results. The chapter finally provides recommendation based on the findings of the study.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Theoretical Review

2.1.1. Evolution and Concepts in CSR

Involvement of business firms in societal development activities beyond the pursuit of profit making to accelerate shareholders' wealth maximization has been gaining momentum in business and in academics. Although businesses were found to have engaged in some form of social activities during the 19th century era of factory systems the formal writings on and the developments of the CSR concept date back to 1950s (Maden et al. 2012). But understanding the nature of the impact that the CSR has on the business financial performance has recently elicited increasing academic and business interests with the escalating demand for businesses to be more responsible to the stakeholders other than the shareholders and strive to meet their multifarious needs (Aguinis&Glavas, 2012).

The CSR topic is now a common feature of corporate websites; corporations now designate a senior management member to anchor the CSR issues, while most reputable business schools now not only engage CSR subject matter professors, they also integrate CSR ideals into the business management curricular (Montiel& Delgado-Ceballos, 2014). On a global scale, business corporations have integrated the CSR ideals into their business models and operating structures, as a strategy to maximize profit through self-interest (Servaes& Tamayo, 2013). Common evolutionary trends that support increasing acceptance and growth of CSR include the increasing affluence of the global societies as well as the increasing competition and globalization (Surroca, Tribo, & Zahra, 2013), the need to redress the image crisis (Avram&Avalsilcai, 2014), advances in communication technology that aid the global broadcasting of irresponsible corporate acts (Keffas&Olulu-Briggs, 2011; Wang, Lu, Kweh, & Lai, 2014), and the increasing concern for environmental safety and ecological sustainability (Idemudia, 2011).

Despite this euphoria of social interests by business firms, there is no universally accepted definition of the CSR yet. It is described as an instrument, a concept or even a business model

that requires companies' to apply a radical change in attitude. The latter assumes a paradigm shift in business, according to which there is more to a company than return on investment and maximization of profit. It is also a community of people, which operates in a social and natural environment, the environmental and social impacts of which must be considered (Szegedi, 2014).

One of the best known and most widely accepted definitions of CSR is by *Carroll*, who says that corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations. The CSR pyramid (*see Figure 1*) distinguishes various layers of responsibilities.

The foundation is economic responsibility. At the same time, however, companies also need to comply with legal norms. Ethical responsibility equals the obligation to conduct in a fair way and to do the right thing, going beyond mere compliance with rules. It can also mean discretionary or philanthropic responsibility (Carroll, 1991).

The banking sector responded relatively late to the challenges of CSR. First it considered environmental, then social issues (Vigano – Nicolai, 2009). CSR as an instrument of the business sector serves to increase and legitimize the sector's economic performance and also appears as the embodiment of the fundamental principles of business ethics (Scholtens, 2006). The 2008 financial crisis drew attention to the necessity of CSR in this sector also, increasing the need for trust, as well as accountability and transparency that lead to it. Besides, the role of an intermediary which channels savings into investments, traditionally considered as the main social function of financial institutions, besides efficient allocation and risk management, the need for ethical and responsible conduct has led to financial and investment processes pointing beyond the protection of the legitimate interests of depositors and owners (Tzu-Kuan Chiu, 2013).

Banks' stakeholders include the owners, borrowers, depositors, managers, employees and regulators. Compared to many other sectors, a key characteristic of the banking sector is that it affects a large number and a great variety of people. This results in considerably more complex information asymmetry. Another feature of the system is that in order to ensure the stability of the banking sector, it is characterized by much stricter regulation (Yamak et al., 2005). Since the banking sector differs from other economic sectors, its CSR practices are also different. Here there is more emphasis on responsibility in the areas of bank lending, investment and asset management operations, where combating bribery and money laundering are particularly

important issues, being the key elements of anticorruption efforts, which is a crucial part of the banks' CSR activities (Vigano– Nicolai, 2009).

Although banks have smaller direct impact on the environment, their indirect environmental and social responsibility may increase if they grant credit to companies which pollute the environment, produce unsafe products or violate human rights (Idowu – Filho, 2009). This way banks act as mediators of sorts, which may cause significant damages. (Thompson – Cowton, 2004). The indirect impact may arise not only in relation to the users of banking services, but also the suppliers. As the management element of the responsible supplier chain, integrating environmental and social aspects into supplier policies has been adopted to finances as well.

Applying Carroll's CSR model to the financial sector, the levels of responsibility in terms of the banks are the following (Carroll, 1991):

Figure 1 Carroll's (1991) CSR Pyramid.



Source: Carroll, 1991

- I. ***Economic responsibility.*** This is the traditional reason for having banks, in other words to increase the owners' welfare, ensure profitability and growth. One of the means of this is financial innovation. Since individual and corporate financial interests are constantly changing, banks create new opportunities for risk management and the effective mediation of resources. This involves developing new products, redefining the existing ones and creating new channels. Interaction with stakeholders has a crucial role in determining these new products (Decker – Sale, 2009).

- II. ***Legal responsibility.*** Regulation is determined by statutes, and its aim is to minimize risk and ensure safety and confidence in the financial system. In practice, statutes are supplemented by the compliance with the guidance of various supervisory bodies and trade associations, which is signified by the compliance function (Decker – Sale, 2009). Such statutes include Recommendation No. 11/2006 or 6/2013 (III.11) of the Hungarian Financial Supervisory Authority in Hungary; Compliance and the Compliance function in banks, the Guidelines on Internal Governance (GL 44, September 2011) or the Guidelines on Certain Aspects of the MiFID compliance function requirements in the European Union; and the Foreign Account Tax Compliance Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the UK Bribery Act, 2010 (Wieland, 2013) at an international level.
- III. ***Ethical responsibility.*** Ethical norms can be interpreted through individual conscience and the expectations of external stakeholders. The motto of the London Stock Exchange „My word is my bond” embodies the basic ethical principles of honesty and sincerity, which together with trust, are traditionally linked to the financial sector (Decker – Sale, 2009). The codes of ethics that embody voluntary constraints also include the basic principles of integrity, fair conduct, respect and transparency in the financial sector. The ethical values and expectations of stakeholders are most apparent in the stakeholder dialogue, which puts communicative ethics into practice. Decker and Sale (2009) draw attention to the fact that the compliance approach, which is aimed at compliance with statutes, often does not favor the establishment of ethical business practices and business culture.
- IV. ***Discretionary (philanthropic) responsibility.*** It cannot be interpreted through external expectations; it is a voluntary activity, however, it has become common practice among banks, contributing to the better reputation of the financial sector (Decker – Sale, 2009).

In the years following the crisis, there was an apparent shift in social expectations towards the general domains of CSR in the banking sector and its preferences. There is a need for the endorsement of social expectations in CSR that are more directly linked to the bank’s business activities and clientele. (Lentner, 2011)

As far as stakeholders are concerned, the key expectations of clients include secure products and appropriate information provision. Employees want a safe workplace that is free from discrimination, and the respect of human dignity, while competitors expect fair competition. Banks not only need to watch the direct environmental impacts of their own operations, but also the impacts of their lending activities (Thompson and Cowton, 2004).

From a social aspect, there has been a new development in recent years, namely helping the poor. One example is the micro-loan program through low-income banking (Tzu- Kuan Chiu, 2013). The backdrop to this is the UN's Principles for Responsible Investment, which stresses the importance of „inclusive finance” for vulnerable groups which otherwise, could not afford financial products and services (PRIs 2011).

2.1.2. Corporate Social Responsibility Disclosure Theories

Holder-Webb et al. (2009) assert that “it is not enough for corporations to simply engage in CSR activities but it is also important and desirable to make information about these activities available to stakeholders”. Additionally, the call for disclosure of non-financial information has grown in response to the awareness that financial statement omits salient information about the firm (Adams et al., 2011; Adams, 2002). The financial statement actually portrays a limited picture of the firm through providing merely financial metrics. Therefore, the relevance of non-financial information has increased significantly over the years. The emergence of non-financial reporting can be seen as an attempt to increase transparency with respect to corporate actions concerning social and environmental issues (Nielsen and Thomsen, 2007). Further, it is acknowledged that the disclosure of non-financial information is essential to reduce information asymmetry that exists between management and key stakeholders as well as to allow investors to better assess key areas of performance and support a broader view of corporate performance that encompasses society at large (Huang and Watson, 2015). Along with the increased interest to engage in CSR activities, today, corporations across the world are more voluntarily disclosing information about their CSR performance. Unquestionably, numerous motivational bases can explain companies’ involvement in CSR reporting practices (Holder-Webb et al., 2009).

As CSR, the voluntary commitment for non-economic goals going beyond legal requirements, comes more and more to the center of public and academic debates (Schmitz and Schrader, 2015), therefore, we provide a comprehensive and analytical review of the theoretical

perspectives on corporate social responsibility disclosure. Further, we discuss the context in which the theories used to explain the CSR disclosure practices including legitimacy theory, stakeholder theory, social contract theory, and signaling theory are more appropriate.

Legitimacy Theory

Deegan and Unerman (2011) assert that the legitimacy theory relies upon the notion that there is a “social contract” between an organization and the society in which it operates. Therefore, corporations try to legitimize their corporate actions by engaging in CSR reporting to get the approval from society (societal approach) and thus, ensuring their continuing existence. The social contract as explained by Deegan (2002), represents myriad of expectations that society has about how an organization should conduct its operations. O'Donovan (2002) argues that the legitimacy theory stems from the idea that for corporations to continue operating successfully, it must act within the bounds and norms of what society identifies as socially responsible behavior. Maignan and Ralston (2002) provide that legitimacy of a firm is dependent on the maintenance of reciprocal relationship with its stakeholders, given that the firm has obligations including moral obligations to a broad range of stakeholders in to their shareholders (Adams et al., 1998). According to Kyle et al. (2005), CSR reporting practices have become a key management tool to the growing complexity to multinational business management. They further argue that CSR reporting helps to integrate CSR activities into companies’ strategic risk management so that the impact of CSR activities can be maximized. Waddock et al. (2002) argue that employee’s perceptions about how a corporation accepts and manages its responsibilities are often part of the employee’s decision about where to work. Therefore, publication of sustainability related information can play a role of positioning a firm as an „employer of choice“ and as such, this status can enhance loyalty, reduce staff turnover and increase a firm’s ability to attract and retain high quality employees. Margolis and Walsh (2003) claim that corporation’s engagement in CSR activities and its disclosure can foster corporate performance and as such their research conclude a positive relationship between CSR performance and financial performance (shareholder approach). Roberts (1992) asserts that one way that firms consider CSR disclosure is to increase access to capital and shareholder value by satisfying stakeholder’s expectation. Investors are choosing to invest in organizations that are demonstrating a high level of CSR. Branco and Rodrigues (2008) argue that CSR disclosures play an important mechanism to enhance the effect of CSR on corporate reputation as well as representing a signal of improved social and

environmental conduct. Bayoud et al. (2012) confirm that a high level of CSR disclosures is strongly associated with corporate reputation for stakeholder group (stakeholder approach).

Stakeholder Theory

Consistent with stakeholder approach, organizations are not only accountable to their shareholders but should also consider the contrasting interest of all other stakeholders that can affect or be affected by the achievement of organization's objective (Freeman, 1984). The stakeholder theory is used to analyze those groups to whom a firm should be responsible. Boatright (2003) affirms that corporations are operated or ought to be operated for the benefit of all those who have a stake in the firm. Hence, like shareholders invest their money in enterprises, employees invest their time and intellectual capital, customers invest their trust and repeated business and communities provide infrastructure and education for future employees (Graves et al., 2001). The stakeholder theory embraces that business organizations must play an active role in society in which they operate. Consequently, Wicks et al. (2004) assert that corporations should consider the effect of their actions upon stakeholders who have an interest or "stake" in the corporations. Wearing (2005) provides that stakeholder theory stresses the importance of all parties, who are affected, either directly or indirectly, by a firm's operation. The stakeholder theory can also be explained using managerial and ethical branches (Deegan, 2013). The managerial branch posits that organizations will respond to those stakeholders who can have necessary economic impact upon the organization (O'Dwyer, 2003) or those who are not directly engaged in the organization's economic activities but have an interest in the actions of the organization and can influence it (Savage et al., 1991). On the other hand, the ethical branch simply provides that all stakeholders have a right to know about social and environmental implications of an organization's operations at all times (Deegan, 2013). ***Social contract theory*** Social contract thinking has its historical precedence in Hobbes (1946), Rousseau (1968), and Locke (1986). Donaldson (1982) views the business and society relationship from the philosophical thought. He argues that there exist an implicit social contract between business and society and this contract implies some indirect obligations of business towards society. Social contract thinking is explicitly recognized as a form of post conventional moral reasoning (Rest, 1999). The social contract theory is further extended by Donaldson and Dunfee et al. (1999) who in turn propose an integrative social contract theory as a way for managers to take decision in an ethical manner. According to the societal approach, firms are responsible to society as a whole,

of which they are an integral part. The main idea behind this view is that business organizations operate by public consent in order to serve constructively the needs of society to the satisfaction of society (Van Marrewijk, 2003). The societal approach appears to be a strategic response to changing circumstances and new corporate challenges previously not occurred such as CSR.

Signalling Theory

Signalling theory explains why firms have an incentive to report information voluntarily to the capital market: voluntary disclosure is necessary in order for firms to compete successfully in the market for risk capital. Insiders know more about a company and its future prospects than investors do; therefore, investors will protect themselves by offering a lower price for the company (Omran and El-Galfy, 2014; Thorne et al., 2014). However, the value of the company can be increased if the firm voluntarily reports (signals) private information about itself (i.e., CSR) that is credible and reduces outsider uncertainty (Connelly et al., 2011; Mahoney, 2012).

Although the signaling theory was originally developed to clarify the information asymmetry in the labor market (Spence, 1973), it has been used to explain voluntary disclosure in corporate reporting (Ross, 1977). As a result of the information asymmetry problem, companies signal certain CSR information to investors to show that they are better than other companies in the market for the purpose of attracting investments and enhancing a favorable reputation (Verrecchia, 1983). CSR disclosure is one of the signaling means, where companies would disclose more CSR information than the mandatory ones required by laws and regulations in order to signal that they are better (Mahoney, 2012; Thorne et al., 2014). Toms (2002) suggests that implementation, monitoring, and disclosure of environmental policies and their disclosure in annual reports contribute significantly to the creation of environmental reputation as prior financial performance has no impact and there is no evidence that environmental reputation is created by a financial halo effect or by the availability of slack financial resources. Hasseldine et al. (2005) integrate quality-signaling theory and the resource based view of the firm to test the differential effects of the quantity and quality of environmental disclosures on the firm's environmental reputation. Thorne et al. (2014) suggest that quality of CSR disclosure rather than mere quantity has a stronger effect on the creation of environmental reputation amongst executive and investor stakeholder groups. Connelly et al. (2011) provide a concise synthesis of the signalling theory and its key concepts; review its use in the management literature, and put forward directions for future research that will encourage scholars to use signalling theory in new

ways and to develop more complex formulations and nuanced variations of the theory (Mahoney, 2012).

2.2. Empirical Review

2.2.1. CSR Practices and Benefits in the Banking Industry

The research conducted on CSR is extensive, however, the banking industry is often excluded from the studies (Cormier and Gordon, 2001; Monteiro and Aibar-Guzmán, 2010; Siregar and Bachtiar, 2010). Khan, Islam, Fatima, and Ahmed (2011), and Kiliç et al. (2015) argued that the gap is a consequence of the general perception that the banks have limited contribution to various environmental and social issues (e.g. pollution or product safety).

Contrary to this general perception, banks do have an important role to play since they finance other companies with activities that affects the overall environment and the society. Banks both indirectly foster other companies' negative impact on the environment by granting them finance (Simpson and Kohers, 2002), and directly by e.g. utilizing energy and producing waste (Branco and Rodrigues, 2006). According to Achua (2008), banks also have a crucial role in socio-economic development of countries. Wu and Shen (2013) claimed that banks have an essential importance amid a financial crisis. As a result, nowadays most banks tend to include information regarding mentioned aspects in their CSR disclosures. For instance, information regarding the banks' efforts in energy conservation and waste policies are common features in the banks' CSR reports (Branco and Rodrigues, 2006). According to Khan (2010) banks often disclose actions to e.g. restrain poverty and unemployment, as well as their overall contributions to the society, in an attempt to legitimize their existence.

Barako and Brown (2008) claim that the perception of banks as not contributing to social and environmental issues has now changed. Because of this, most banks are now presenting information regarding their impact and actions regarding CSR. Common platforms for these disclosures are annual reports and sustainability reports. (Scholtens, 2009)

In a study published in 2011 the correlation between social and financial performance of banks was evaluated. This study was conducted in banks from Italy, highlighting that there is not a significant link between social implications and business of banks. There negative elements of this study are not presented. The study shows that investments in CSR of the banks do not

contribute to economic benefits for banks and that these activities bring a balance in the image created in the financial market (Costa and Menichini, 2013; European Commission, 2001).

Lipunga in 2012 presents research results on the same direction. The study is conducted on commercial banks in Malawi. Yeshmin (2012) explores CSR concerns in private commercial banks. Annual review of the 30 banks in 2009-2010, includes information on their CSR practices. In this study, 36.67% of the banks show CSR related activities. In the same year, 2012, in Bangladesh, it was presented the study on CSR practices for the period 2010- 2011. The study reveals that 100% of banks reported the implications on CSR practices (Masud and Hossain, 2011).

The study published in 2013 highlights the growing interest of the banking industry for CSR. In the study conducted in Nigeria (Akinpelu, et al., 2013) CSR practices in banks are included in activity reports, as important elements in developing a favorable image. The study shows that most banks engage in social activities and less on the environment. The findings show that CSR approach contributes to a favorable image in the economic environment (Rendtorff and Mattsson, 2012).

According to Lenka and Jiri in 2014, the implications of banks in CSR activities are important because the financial crisis has highlighted the need to integrate these concepts into the banking industry. From the study made the following conclusions were obtained:

- Social responsibility and banking ethics are perceived by the bank management as a tool for communicating with the public, not needed to be inserted in the bank policy,
- Most banking institutions develop such activities, being a concept addressed in a complete and complex way,
- The results from the banks involvement in social activities are quantifiable for the society

Contrary to the benefits of rolling in CSR practices, some authors strongly argue that CSR has no importance for the banking sector or any business in general. The impact of CSR engagement on financial performance is a complex phenomenon, as confirmed by the conflicting theoretical positions that have been derived from mixed empirical findings over the past decades. Carroll (2000), one of the major CSR theorists, recognizes that being both profitable and simultaneously engaged in social, ethical and philanthropic behavior is challenging for companies in the new

millennium. By contrast, Friedman's proposition (1970) asserts that the sole social responsibility of a company is profit. From this perspective, CSR underlies an agency problem between managers and shareholders (McWilliams et al., 2006). In particular, according to the path traced by Friedman and continued by Jensen and Meckling (1976), the manager is an agent whose primary responsibility is the protection of ownership. Therefore, if a manager opts for the implementation of social expenditures, he is applying a form of taxation to shareholders, thus violating his mandate. Moreover, as CSR is expensive, CSR engagement puts the bank at a disadvantage compared to competitors that are not engaged in such practices (Barnett & Salomon, 2006; McWilliams & Siegel, 1997).

For agency theorists, having too many goals in addition to profit is the same as having no goal at all (Jensen, 2001). The difficulty of measuring extra-financial results could make managers' decision-making power opaque, a situation that could favor the risk of excessive decisional discretion and inefficiencies in capital allocation. The problem, therefore, would be represented by the difficulty of controlling and measuring a manager's performance, thus encouraging opportunistic behaviors. According to Barnea and Rubin (2010), commitment to CSR is an agency issue because managers would have an interest in over-investing in CSR to achieve personal benefits in terms of building a reputation as "good citizens", but this would come at the cost of investing stakeholders. In this perspective, shareholders implicitly suffer residual losses deriving from the manager's decision to employ resources in CSR initiatives, instead of investing in other business opportunities. However, managers might not be driven only by personal benefits in satisfying social and environmental issues. In fact, in an ethical perspective, moral managers (Carroll, 1991) might engage in purely altruistic CSR activities, "negatively affecting FP" (Wu & Shen, 2013, p. 3530).

Furthermore, authors have argued that investing in CSR does not convey an automatic strategic advantage (Gangi & Varrone, 2018). Scholtens and Dam (2007, p.1316) observe that banks that adhere to the Equator Principles³ "have a significantly lower return on average assets, indicating that there might be real costs associated with implementing the Principles". Moreover, Write & Rwabizambuga (2006) consider that CSR screening is difficult and costly. These additional expenses could be not sustainable by banks that suffer from financial constraints.

Finally, even if a bank does not experience such financial limitations, in the absence of an effective stakeholder influence capacity (Barnett, 2007), the CSR would not repay the resources invested by the banks. In this case, the more they spend on CSP, the more they lose (Barnett & Salomon, 2012). According to Porter and Kramer (2006), the achievement of economic benefits that surpass the costs of socially responsible practices is conditioned by the “acid test” of an effective strategic approach to CSR. Converging with this perspective, Zimmerman and Fliess (2017) found that banks that engage exclusively in philanthropic projects are organizations that do not include CSR in their business models.

Therefore, according to the considerations mentioned above, the relationship between CSP and CFP would entail a trade-off. CSR efforts can be a waste of resources, thus weakening the bank instead of strengthening its competitive capability. From the perspective of the agency model, the choice of managers to invest in CSR is an unjustified hazard (Jensen, 2001) due to the costs potentially being higher than the economic benefits.

2.2.2. CSR in Developed and Non Developed Countries

CSR from Developed Countries Perspective

“...The CSR movement has since its emergence then had a rapid development and a number of international frameworks and guidelines have been developed in Western Countries. A number of stakeholders have been involved in the development of the CSR agenda including governments, NGOs, researchers and consultants resulting in a myriad of definitions of the concept, defined to fit the stakeholder in question. The majority of definitions integrate the three dimensions: economic, environmental and social aspects into the definition. A number of business drivers for implementing CSR strategies have emerged, including increased brand value, stronger risk management and corporate governance, enhanced public image and customer loyalty. Apart from realizing that there are different ways of framing the business benefits from working with CSR. It is also important to recognize that the different factors are often interrelated. There are many factors influencing how organizations address their CSR agendas. I have in the theoretical framework chosen two aspects, cultural and managerial traits, to get a deeper understanding of how companies in Ethiopia address CSR and why. With regard to organizational culture there is an enormous variation in definition of the term but basically we can address organizational culture as the personality of the organization...” (ÅsaHelg, 2007)

CSR Concept in Low and Medium Income Countries

The idea of CSR aims both to study the role of business in society and to make the most of the positive societal out-comes of business activity. In practice, much of the business activity that has so far been labeled, CSR has been driven by the concerns of investors, companies, campaign groups and consumers based in the world's richest countries. CSR concept in developing countries have been less visible globally and have frequently not been labeled CSR. The effect has been CSR practices that are mainly framed in wealthy countries, then internationalized and transferred to other businesses and social settings through global trade, investment, and development backing. The strategic challenge for governments at national and local levels is how best to form a program that has been mostly market driven and responsive to concerns of developed country stakeholders (UN, 2007). In a relative survey of CSR in fifteen countries in Europe, North America, and Asia, Welford (2005) hypothesizes that the low response rates from countries like Hong Kong, Malaysia, Mexico, and Thailand may in itself be a sign of CSR being less widespread in developing countries. This seems to be borne out by the research findings, in which these countries quite consistently underperform when compared with developed countries across twenty features of CSR measured by the survey. CSR is evenly contested idea (Moon, 2002b).

The challenge for CSR in developing countries is framed by an idea that was distilled in 2000 into the Millennium Development Goals, a world with less poverty, hunger and disease, greater survival prospects for mothers and their infants, better educated children, equal opportunities for women, and a healthier environment' (UN, 2006: 3). According to a study of CSR reporting in Asia, (Chappell and Moon, 2005) found that almost three quarters of large companies in India present themselves as having CSR policies and practices versus only a quarter in Indonesia. Falling somewhere between these two extremes are Thailand, Malaysia, and the Philippines 42%, 32% and 30% respectively. Moreover, they gather from the research that the evolution of CSR in Asia tends to take place in three waves, with community participation being the most established form of CSR, following by successive second and third waves of socially responsible production processes and employee relations.

A review of literature on CSR in Africa is mainly dominated by South Africa while other pockets of research exist for Kenya, Nigeria and very few papers are focused on industry sectors, with traditionally high impact sectors like agriculture. This is confirmed by a review of the CSR

literature on Africa between 1995 and 2005 (Visser, 2006a), which found that that only twelve of Africa's fifty-three countries have had any research published in core CSR journals, with 57% of all articles focused on South Africa and 16% on Nigeria. CSR in South America is the least covered of the developing country regions, with the center mainly on Argentina, Brazil and Mexico, even though Nicaragua and Venezuela also feature. One useful collection of papers is the Journal of Corporate Citizenship special issue on CSR in South America (Haslam, 2007). (De Oliveira, 2006) notes that the CSR agenda in South America has been mainly shaped by socioeconomic and political conditions, which have tended to make worse many environmental and social problems such as deforestation, unemployment, inequality, and crime. (Schmidheiny, 2006) frames this in a positive way, claiming that CSR is considered by a lot of South Americans as the hope for optimistic change in the face of persistent poverty, environmental degradation, corruption, and economic stagnation.

2.2.3. CSR Implementation Challenges

Corporations face difficulty in CSR implementation and in its effectiveness (Jonker& Witte 2006). The main reason of challenge in practical work was that CSR requires high cost and corporations' in adequate financial resources to train the staff (Jonker& Witte 2006). It is most commonly understood that the greatest main challenge for implementing and developing CSR were steady competitive tension, inadequate backing from the government and other nongovernment organizations beside the huge cost of implementation (Jonker& Witte 2006). Moreover, lack of support from customers and investors was an additional challenge. Complimenting to these, the core challenge in implementation of CSR was difficulty in changing traditional business practices to CSR agenda that requires leaders' great commitment in managing and in changing their focus and behavior. Furthermore, the lack of managers' expertise and capability to successfully implement desired changes was also creating challenge in CSR implementation process. Edelman (2004) argues that a change is not an easy process and it requires commitment and hard work to make a desired change.

It became evident that the changes in developed CSR plans means that they are not easy to administer it and there is also an increasing proof that a basic transformation in the business model cannot happen without a major dedication by the leadership and an alteration in the target

area and behavior of leaders (Edelman 2004). Considering the changes required for effective CSR implementation, it is crucial to follow up on how changes could be most actively done.

Past researches indicated that it is not easy to introduce and make change in corporations because of which most of the instructions and ways of change were unsuccessful in bringing needed results. However, more current research points out that there are other ways of thinking about and coming to change which is most of the time directs to greater favorable results. Change could be a linear process and should be done from the upper level of corporations and made uniformly across all levels in reference to specific plans (Kotter 1998; Hammer & Champy 1999; Duck 2000).

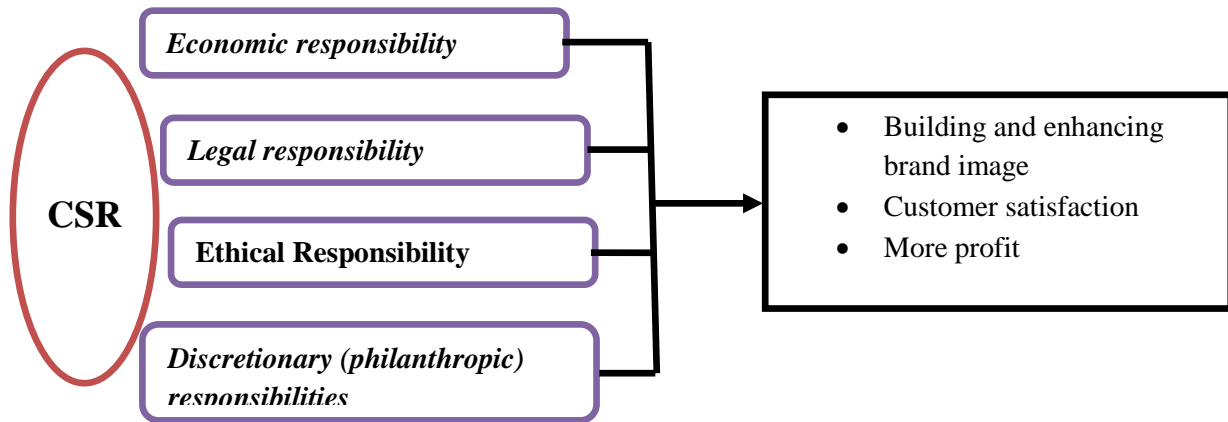
2.3. Conceptual Framework

Today, more and more companies are realizing that in order to stay productive, competitive, and relevant in a rapidly changing business world, they have to become socially responsible. In the last decade, globalization has blurred national borders, and technology has accelerated time and masked distance. Given this sea change in the corporate environment, companies want to increase their ability to manage their profits and risks, and to protect the reputation of their brands. Because of globalization, there is also fierce competition for skilled employees, investors, and consumer loyalty. How a company relates with its workers, its host communities, and the marketplace can greatly contribute to the sustainability of its business success.

The conceptual framework for this study organized based on reviewed literatures mainly taking Carroll's 1991 CSR aspects which are Economic, legal, Ethical and Philanthropic as basic responsibilities that Dashen bank needs to fulfill. From fulfilling CSR it is assumed that Dashen bank would be beneficiary in Building and enhancing its brand image, in increasing Customer satisfaction as it create a sense of belongingness with the bank. Most importantly the bank can generate more profit because of fulfilling its CSR. Brand image in this sense refers to the perception of the bank in the mind of the customer. It is an aggregate of beliefs, ideas, and impressions that a customer holds regarding the bank. Customer satisfaction on the other hand indicates how services provided by the bank meet **customer** expectations. **Customer satisfaction** is one of the most important indicators of **consumer** service intentions and loyalty

towards the bank. Profit in this sense can be understood as the value remaining after the bank's expenses including costs associated with fulfilling its CSR have been paid.

Figure 2 Conceptual frameworks



Source: own construction after reviewing Carroll, 1991 model, January 2021

CHAPTER THREE

3. RESEARCH DESIGN & METHODOLOGY

3.1. Research Design

Research design gives the overall outline of the research and it provides a framework for the collection and analysis of data and subsequently indicates which research methods are appropriate (William, 2006). It is important to choose a proper design in conducting research to collect relevant data and consequently, the researcher used a **descriptive study** that involved a mix of quantitative and qualitative research designs.

According to Creswell (2003), the **mixed design** is less well known than either the quantitative or qualitative strategies or it involves collecting and analyzing both forms of data in a single study. He also argued that all methods have limitations and hence researchers felt that biases inherent in any single method could neutralize or cancel the biases of other methods. Therefore, mixed design triangulates data sources to get a reliable result. Triangulating data sources is a means for seeking convergence across qualitative and quantitative methods.

3.2. Research Approach

According to Frascati Manual (2015), the qualitative approach involves studies that do not attempt to quantify measurements and includes techniques like interviews and observations without formal measurement. It involves understanding human behavior by asking a broad question, collecting data in the form of words, images, videos, etc. that is analyzed, and searching for themes. On the other hand, quantitative approach uses for quantitative results through statistical summary or analysis. It involves a systematic empirical investigation of quantitative properties and phenomena and their relationships by asking narrow questions and collecting numerical data to analyze it utilizing statistical methods.

Taking the advantages of qualitative and quantitative research approaches into account, the blend of the two was used for this study.

3.3. Data Collection Instruments

To conduct this research and collect the required data, both primary and secondary sources of data were used. Secondary data collected from published books and articles as well as from different documents and manuals from the bank and government. The primary sources of data collected through questionnaires and interviews from the selected bodies. These data collection techniques to be used are discussed below.

Questionnaire

For Gault (1907), a questionnaire is a research instrument consisting of a series of questions or other types of prompt which is used to gather the necessary information from respondents. In this work, the structured questionnaire used to draw information from the respondents. The designed questionnaires were distributed to the respondents and collected carefully.

Interview

Weiss (1994) makes an extensive argument on the interview as a method of data gathering for qualitative research and he defines interview as a conversation where a series of questions are asked to elicit information. Oakley (1998) also claimed that interview is the most common format of data gathering in qualitative research and it is a technique in which the practices and standards are not only recorded, but also achieved, challenged, and reinforced. The research at hand also used interview to gather data from selected informant from the bank head office.

3.4. Population and Sample Size

Cooper and Schilndler (2003) define a population as the total collection of elements in which a researcher wishes to make some inferences. For this study, the targeted population includes the staff members and concerned body from Dashen bank head office in Addis. Sample size refers to the number of variables to be included in a study (Malhotra and Briks, 2005). The choice of employees of the Dashen bank is based on their work experience. From each branch, questionnaire distributed to 15 employees totally (150) whose experience in the bank exceeds 5 years. Similarly, Responsible body from the head office was selected for interview.

Purposive sampling technique is a type of sampling technique where the sample size is selected following the objective of the researcher. The reason for the choice of technique is largely due to the interest of the researcher as well as time constraint as this research is time-bound and the

current global situation related to COVID 19 which restricts the researcher’s full engagement in data gathering.

Table 1: Summary of the sample population

<i>No</i>	<i>Survey Conducted</i>	<i>Research tools</i>	<i>Sample size</i>
<i>1</i>	Employees	<i>Questioner</i>	<i>150</i>
<i>2</i>	Dashen bank Head Office	<i>Interview</i>	<i>1</i>
<i>Total</i>			<i>151</i>

3.5. Methods of Data Analysis

This section discusses the process of analyzing the data after it is collected, transcribed, and coded. To achieve the objectives of the study data were analyzed through both qualitative and quantitative approaches. Quantitative data analyzed using the descriptive technique. Similarly, qualitative data which obtained from the in-depth and key informant interview analyzed thematically. Thematic analysis is a method used for identifying, analyzing, and reporting patterns (themes) within the data. The thematic analysis used open coding to help better analyzing the qualitative data gathered through interviews. The reason to choose this method was based on the belief that ‘thematic approach can produce an insightful analysis that answers particular research questions’ (Braun and Clarke, 2006). Thematic analysis functioned as the main research analysis method for this study, which described and reported on experiences, meanings and reality of participants. This helped the researcher to draw some inference or to make some generalization from the collected data.

3.6. Ethical Considerations

Research ethics is important in our daily life research endeavors and requires that researchers should protect the dignity of their subjects and publish well the information that is researched (Fouka and Mantzorou, 2011). Research ethics serves to protect the right so participants and ensure they are not exposed to unnecessary harm, and ensure that methodological approaches are appropriate to the study aims. The main role of human participants in research is to serve as

sources of data. Researchers have to ‘protect the life, health, dignity, integrity, right to self-determination, privacy and confidentiality of personal information of research subjects’.

All the beneficiaries of this research were conveyed that the researcher has maintained utmost honesty and sincerity in expressing the truth as best I know it and not conveying it in a way likely to mislead or betray anyone. I extended my due diligence to all respondents and treat them with civility, courtesy, decency, tolerance, and acceptance of their views to my questionnaires and interviews without having any bias. I took full accountability, respect for the cause, and self-restraint while presenting the survey results under the spell of fairness and equity.

CHAPTER FOUR

4. Data Presentation, Analysis, and Interpretation

This chapter presents the analysis, discussion, and interpretation of data collected during the study. The analysis is mainly based on primary data which were collected through the questionnaire filled by 150 respondents, interview from concerned officials and secondary data. The data has been analyzed with references to the objectives of the study as mentioned in the first chapter. The data are presented with tables and diagrams to make it convenient possible to interpret.

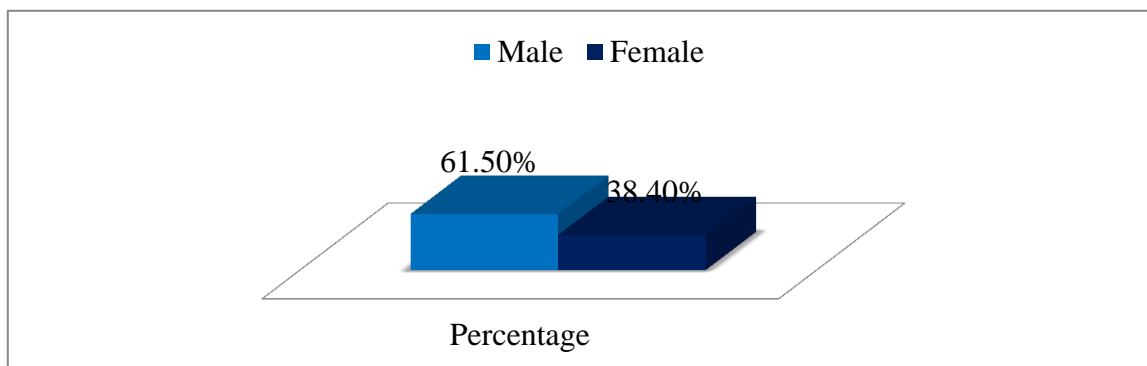
4.1. Demographic Profile

This section contains the demographic profile of respondents who were involved in this study. Their gender, age, and educational attainment, briefly presented and analyzed under this section. The questionnaire was distributed to 150 employees of Dashen Bank who were purposively selected because of their experience and 1 interview with concerned officials in Dashen bank from the head office. Out of the 150 questionnaires, all (150) valid responses were collected. Hence, the response rate was 100 percent.

4.1.1. Sex Distribution

Sex is one of the important variables in a given social situation or activity which can affect and be affected by the social or economic phenomenon. The frequency and percentage of the gender of the respondents depicted below in figure 3.

Figure 3 Sex distributions of respondents



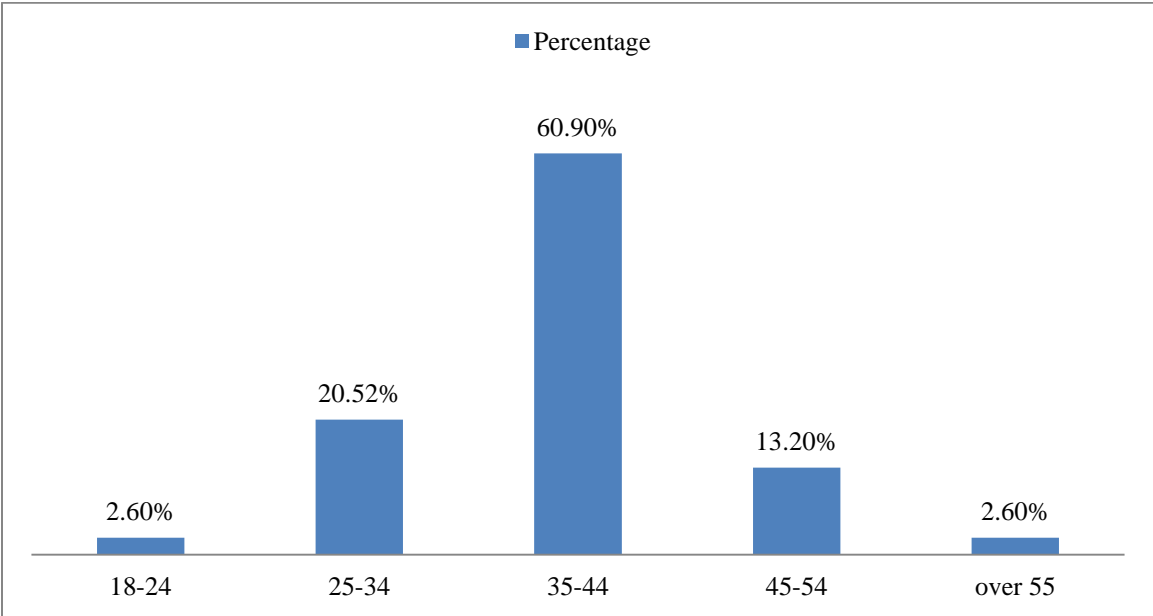
Source: own survey April 2021

The according to figure 3 above, male respondents are more than that of female respondents in the sample size of 151. The percentage of male and female respondents was 61.5 % and 38.4% respectively. This indicates that the number of male staff in the bank is higher than their female counterparts.

4.1.2. Age Distribution of Respondents

Age is another important parameter that required attention in the analysis of data. Age indicates the level of maturity of individuals which are more often and are not directly related to the understanding of the importance of social responsibilities. Below in figure 4 the age distribution of respondents is presented.

Figure 4 Age distribution of respondents



Source: own survey, April, 2021

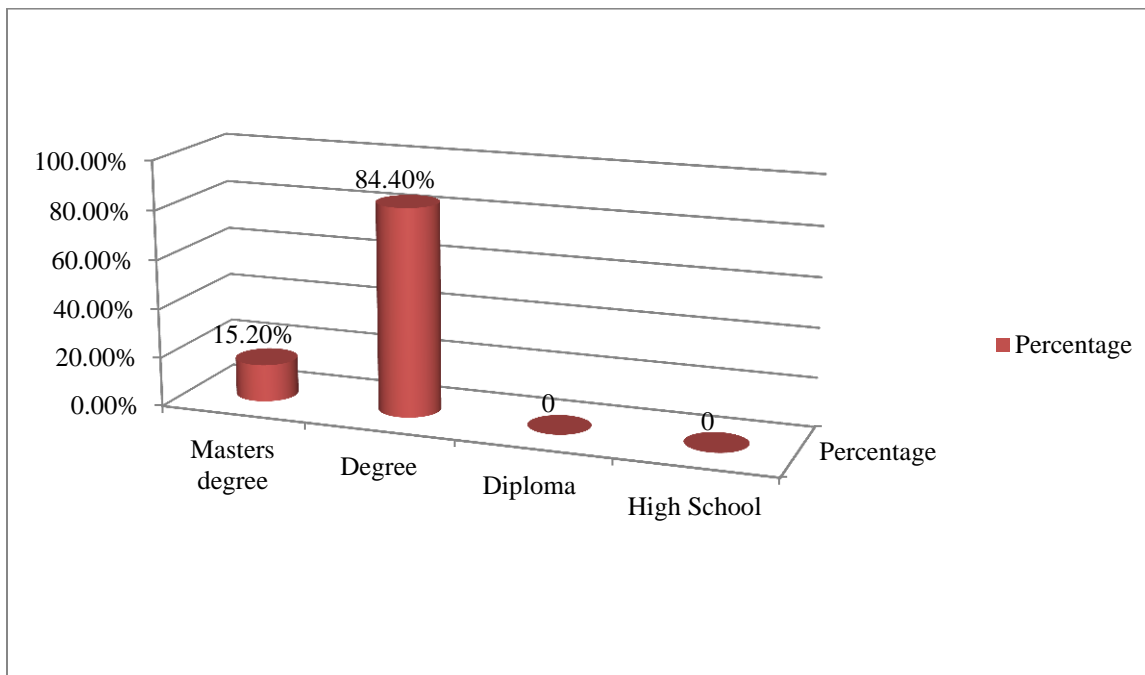
As shown above Out of 151, majority of respondents belongs to age group of 35-44 years consisting 60.9% of the total respondents. In addition to this, 13.2% respondents were of age group between 45-44 years, 20.5% respondents were of age group 25-34 years, and 2.6% respondents were of age group 18-24, while the remaining 2.6% of respondents are above the age of 55.

This clearly stated that the bank is dominated by an age group of employees who are in their active age of working.

4.1.3. Educational Status of respondents

An individual's way of perceiving any phenomena and his/her attitude can be affected or influenced by Education. Individual's educational status is more likely going to impact on the response of the study participant. Hence the researcher finds it important to know the level of respondent's educational attainment. Data concerning to education is presented below in Figure 5.

Figure 5: Educational Status of respondents



Source: own survey, April 2021

As shown in the figure above, all respondents are educated. Out of the 151 of the total number, 128 (84.4%) of respondents hold first degree while the rest 23 (15.2%) have their master's degree. Therefore, it is fair to say that all study participants are educated and may have a good level of understanding about Corporate Social Responsibilities and issues pertaining issues.

4.2. Corporate Social Responsibility engagement/Practice of the bank

This section deals with the descriptive analysis of the data collected through the questionnaires during the research process. For this purpose, ‘Five Point Likert Scale’ questions were asked to the respondents which scaled from 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree) and 5 (strongly agree) for all variables in survey research. Number of respondents (N) in each question item was 150.

Questions related to each aspect and their descriptive statistic are shown below which shows the agreement level of the respondents. The interview responses are also included thematically with the quantitative results for analysis.

Dashen Bank is corporate citizen that stands on side of its society by returning what it has got from the community. During the review period, the Bank spent Birr 92.4 million in support of various causes. Dashen Bank sponsored mega project on entrepreneurship development dubbed Ethiopian Talent Power Series is the key contribution of the Bank to the society as its impact is versatile and significant on social and economic transformation. The Bank showed its alliance towards Covid-19 prevention, enhancing good governance, rehabilitating displaced people, school feeding and urban developments.

4.2.1. Ethical and philanthropic aspects

In most environments, each individual, group, institution, corporation, a political party can potentially impact the society in which they live and operate in many ways. With this in mind, it can be argued that in terms of reach, scope, significance, or consequence, corporate practices have even greater responsibilities when it comes to their responsibility to sustainable development and the social environment at large. One of the philanthropic aspects that corporations can fulfill as their responsibility is supporting disadvantaged groups. Respondents were therefore requested to show their level of agreement in relation to the following CSR practices.

There is an increasing number of people who think that business decision-making must not only consider profit maximization, but businesses should also voluntarily contribute to solving social issues, since it is not their economic interest, but their moral responsibility (Barclift, 2012). CSR

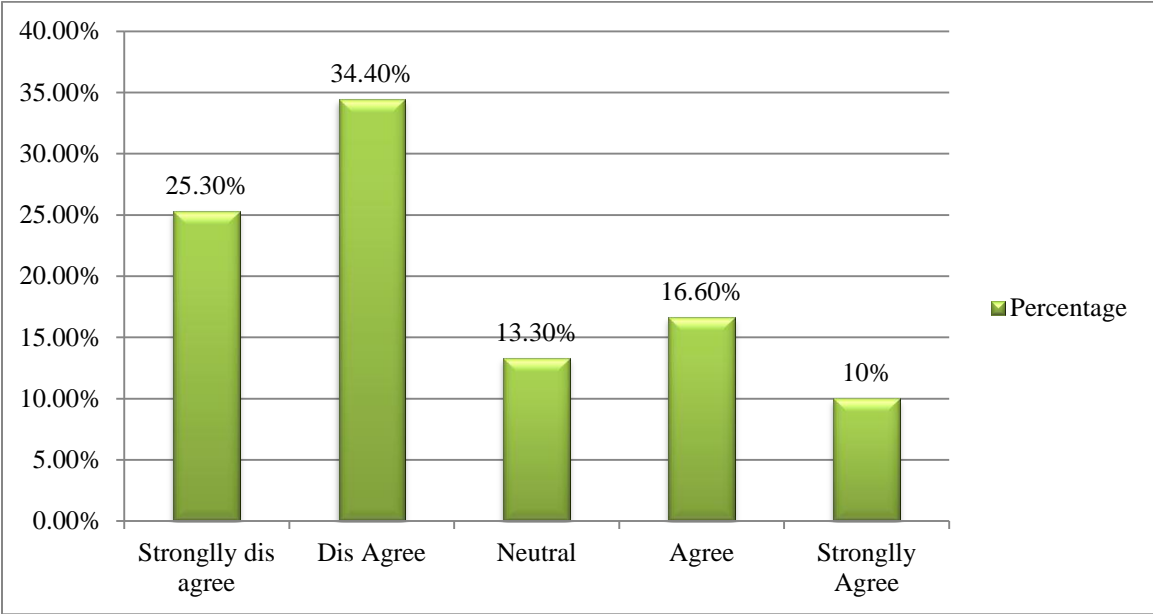
needs to apply a value-oriented approach that becomes an integral part of the banks' everyday operations and is incorporated into the organizational culture.

4.2.1.1. Supporting disadvantaged groups

CSR is the ideal way of turning an organization into a citizen within the community it is working in, by making a concerted effort to commit services to their environment. Businesses such as banks operate with social resources and it is the management's responsibility to put these resources to the best possible use. The bank would be benefitted by being concerned about societal problems such as supporting disadvantaged groups as part of its philanthropic responsibilities.

In figure 6 below, respondent's level of agreement concerning the banks practice of supporting disadvantaged groups of the community is presented.

Figure 6:Support for disadvantaged groups



Source: own survey, April, 2021

The figure above clearly depicted the level of respondent's agreement on the bank's engagement in supporting disadvantaged groups of the society. The majority of respondents pointed out that they don't agree that their bank undertakes activities to support disadvantaged groups in the community. About 25.3% of the participants strongly disagree when asked if their bank

participates in supporting disadvantaged groups. Accordingly, another 34.4% said that they disagree. 13.3% of the participants took a neutral stand for the question. A relatively smaller portion of respondents 16.6% agreed that their bank involves in donations activities that aimed to support disadvantaged groups in the community. The rest 10% show their strong agreement with the question raised.

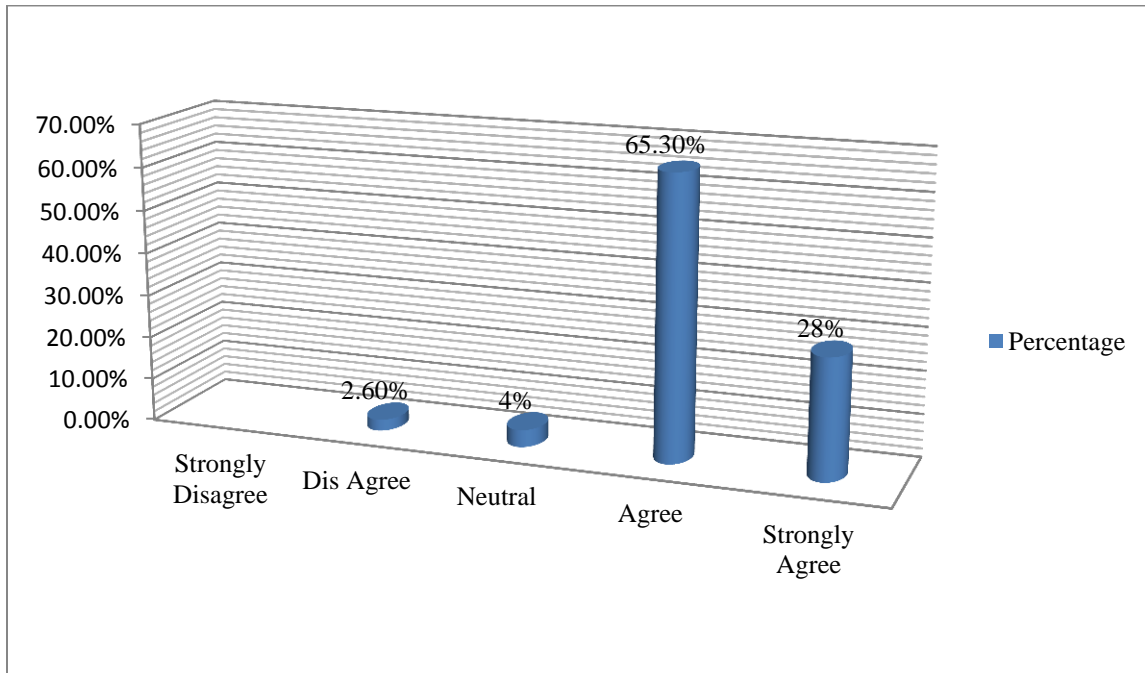
As it can be understood from the data that, there is limited effort on the side of the bank to provide support for disadvantaged groups of the community. However, the result obtained from the interview contradicts with the above data gained from the questionnaire. The head of CSR department in the bank asserted that their bank is engaged in supporting disadvantaged groups with other similar activities that aimed at supporting the community. When asked if their bank (Dashen Bank engages in fulfilling its CSRs) the head of the department leading CSR programs of the bank said:

“In fact we are a profit making organization; however, we are not solely focused on profits. We involve in several societal affairs that can better build our community. We believe that when the community is better our business will be better as well. Our Bank’s Corporate Social Responsibility (CSR) is fully integrated into the Bank’s core values. The Bank spends millions of Birr every year to support national and local development initiatives.” (Male, 45, M.A in Marketing and Business Management, April, 2021).

4.2.1.2. Participation in charitable activities

Similar with the above philanthropic activities respondents were asked to respond the level of their agreement on the bank’s participation in charitable activities. Making donations to charitable organizations, and or directly forming/establishing such organizations that are owned by the bank are another way to demonstrate corporate social responsibilities.

Figure 7: Charitable Activities



Source: own survey, April, 2021

The figure above depicted respondents' level of agreement on their banks Participation in charitable activities which has an important benefit to the community. The majority which is 65.3% of respondents agreed about the banks participation on charitable programs and activities. Similarly, 28% of respondents strongly agreed that the bank undertake such task. Relatively a smaller number of participants preferred to remain neutral. While, 2.6% of participants indicated their disagreement about the bank's role in charitable activities.

The above result is in line with the data obtained through interview with the bank's head of CSR department. Despite making a lot of donations often initiated by the government, Dashen bank involves in making financial as well as material donations to charitable organizations. On this regard the key informant who is the head of CSR department in the bank stated that:

“We have supported school feeding programs and make donations to charitable organizations who are especially working with school children, environment protection, and healthand community empowerment programs. For instance only last year we make donations to ‘Mary Joy’ charity organization a total of 50,000birr. Accordingly, ‘Ye EnatWog charity association’ also received 296,000birr just only in the year 2020. We

are also making donations to the Ethiopian cancer society as a way to show our concern and partnership with the community we are working with. (Male, 45, M.A in Marketing and Business Management, April, 2021).

Hence, in relation to making charitable donations the bank is doing very well. An organization that cooperates with the community can sustain and boost its productivity.

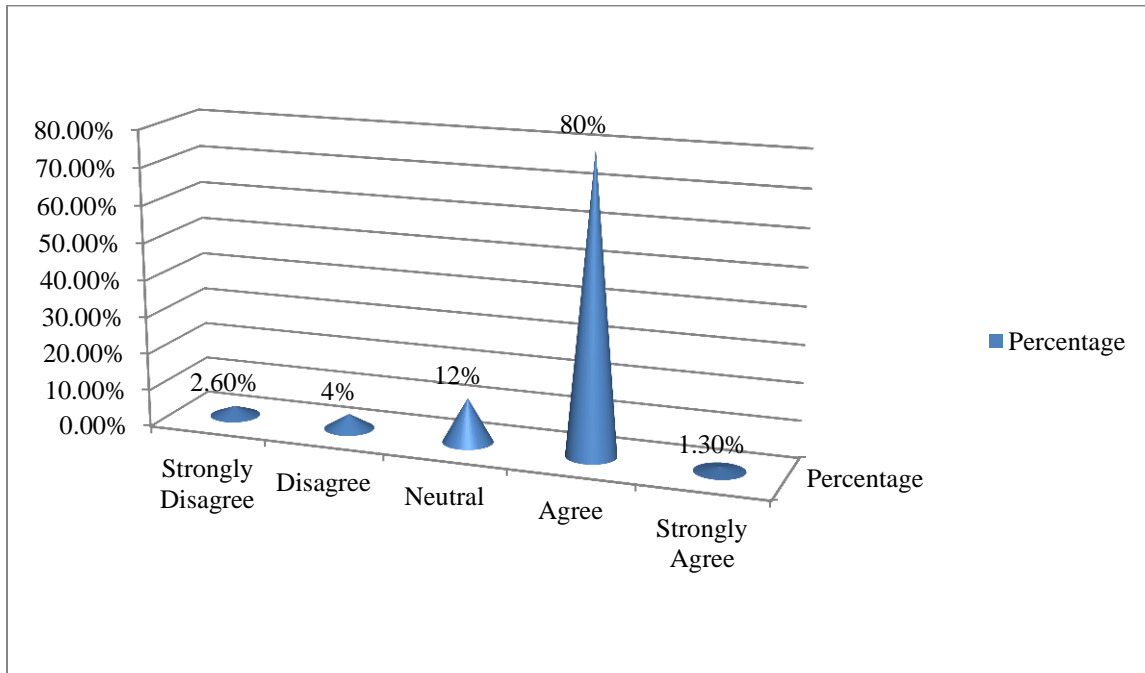
4.2.1.3. Supporting educational institutions

As part of their corporate social responsibility, Corporations are expected to engage in supporting educational institutions. Their involvement can be seen in Organizing educational seminars for students and teachers for updating syllabuses and preparing for examinations, Donations of books, uniforms and food, Building libraries in schools, Organizing English language support programs, particularly for rural students, Organizing disability support activities for disabled children (providing Braille keyboards, text-to-speech programs, learning aids for slow learners), Organizing skills development program for undergraduates and school leavers, and Organizing day care centers and pre-schools for children is a way of giving back to society what due to it.

These activities are special to school communities in Ethiopia. The Ethiopian People deserve and expects these services from profitable companies such as Dashen bank as part of their social responsibility. These activities are provided as free services and primarily benefit children. In relation to this (Visser 2007) argue students are future investors, consumers and administrators, and that contributing to their development is a good investment for the country. Therefore, companies undertake these CSR activities as a philanthropic responsibility. There are no any mandatory requirements for these social services.

The figure below depicts Dashen bank's engagement in philanthropic responsibilities in supporting Education in Ethiopia.

Figure 8: Supporting Educational Institutions



Source: own survey, April, 2021

As shown in the figure above, 80% majority of the respondents participating in the survey agreed that their bank support **educational institutions** in Ethiopia. Accordingly, 1.3% strongly agrees on the participation of their bank in activities that aimed at supporting educational activities in Ethiopia. 12% of participants remain neutral about the issue when asked. However, a relatively smaller number of respondents 4% are not in agreement with the idea. And, 1.3% of participants strongly disagree when asked if their bank support education development in Ethiopia.

The result obtained through interview is also in a complete agreement with the result from the questionnaire. The bank engages in supporting educational development activities as part of their business strategies. During last year only the bank donated total of 13,000,000 birr for education and/or school related activities. In relation to this the key informant who is the head of CSR department in the bank stated that:

“We understand the economic situation of many parents in our country. Oftentimes students come to school without eating their breakfast or lunch. This can affect not only their health but also their ability to properly attend their education. Hence, understanding this, our bank supports student feeding programs. Last year only we gave

3,000,000birr for school student feeding programs. Similarly, as there are several students with financial problems to buy their book we donated 10,000,000birr that aim to solve this problem”. (Male, 45, M.A in Marketing and Business Management, April, 2021).

Figure 9: Donation for education development

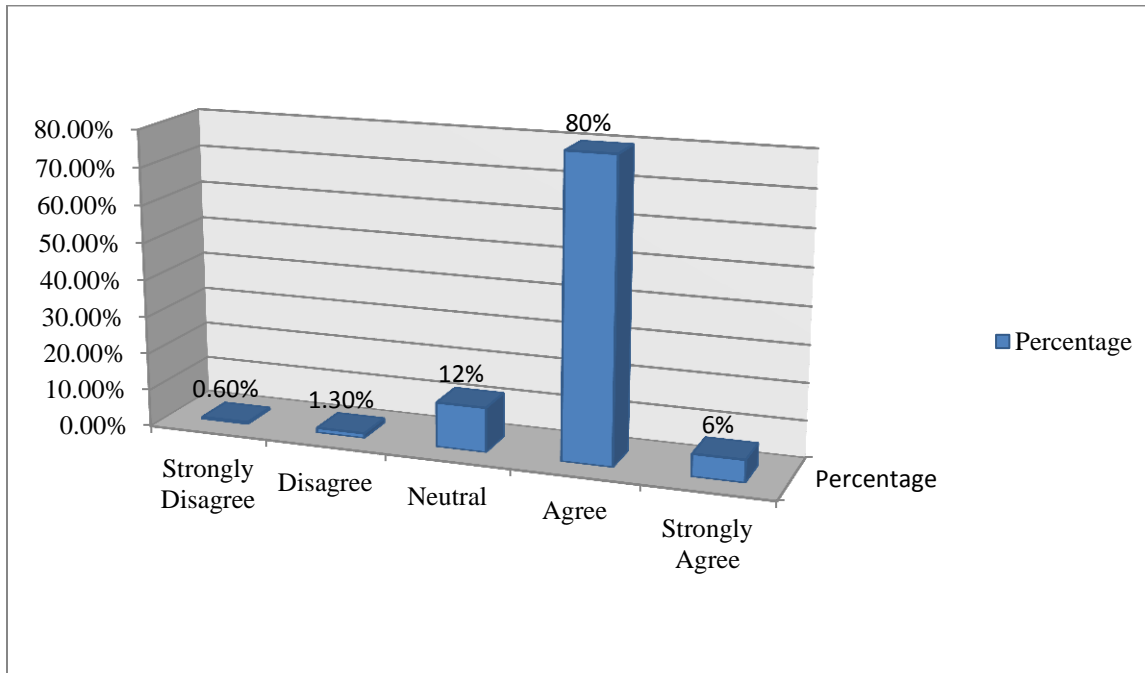


Source: Dashen bank, 2020 annual report

4.2.1.4. Participation in projects improving community life

Another way for corporations can demonstrates their social responsibility is engaging in Projects that helps to improve community life. Community-driven projects serve as the perfect way for institutions such as Dashen bank to recognize the challenges that their own neighborhood is facing, and to provide solutions to common problems that the entire community can benefit from. In the figure below, respondents’ level of agreement on the Dashen banks practice in supporting projects improving community life is depicted.

Figure 10: Participation in projects improving community life



Source: own survey, April, 2021

As shown in the above figure, majority of the respondents demonstrated their agreement when asked whether their bank Participates in projects improving community life. 80% of the respondents agree and 6% strongly agree. While 12% of respondents are neutral when asked the same question. Unlike with the others, the smaller majority 1.3% of study participants show their disagreement about the Participation of their bank on projects improving community life. Accordingly, the rest 0.6% strongly disagree about their banks participation in undertaking different projects that improves community life.

The result obtained from the interview also indicates the involvement of the bank in projects that aim improving community life and the image of the country at large. Dashen Bank S.C donated Birr 10 million for ‘**Gebeta le Hager**’ Project which has been initiated by Prime Minister Abiy Ahmed. The project is geared towards constructing and beautifying recreational centers in ‘Gorgora’ shores of Lake Tana in the Amhara Regional States, Wonchi in Oromia and also Koysha in SNNPR aimed to promote ecotourism. The key informant who is the head of CSR department in the bank stated that:

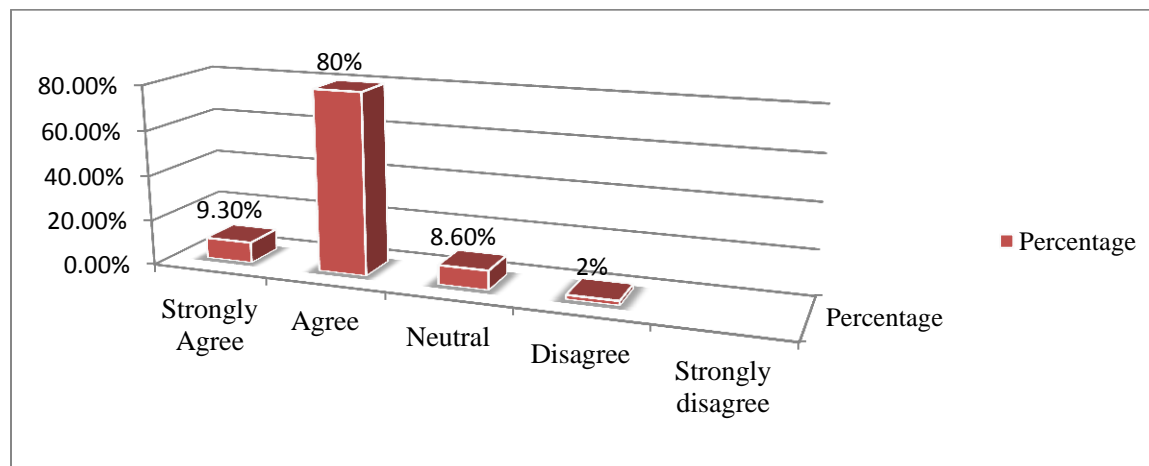
“In response to the Prime Minister Abiy Ahmed Dine for Ethiopia locally known as ‘Gebeta le Hager’ initiative, Management of the Bank has decided to pledge Birr 30 Million. We also made similar donation to ‘Gebeta-le-Sheger’ project last year. As you can see, The Bank is always committed to stand by the side of national initiatives and support socio-economic endeavors of the country” (Male, 45, M.A in Marketing and Business Management, April, 2021).

Such projects will certainly improve the life of communities living around the sites. After the completion of the project many tourists (both local and international) are expected to visit the area. In relation to this World Tourism Organization, (1998) stated that Tourism is a major contributor to employment creation particularly for women, youth, migrant workers, rural communities and indigenous peoples and has numerous linkages with other sectors. As a consequence, tourism can lead to the reduction of poverty and to the promotion of socio-economic development and decent work.

4.2.1.5. Encouraging employees to participate in local community activities

One of the greatest benefits of a community involvement or corporate social responsibility (CSR) program is that it allows organizations to engage their employees on a variety of different levels, which ultimately drives overall engagement of the company. Respondents were asked if their bank (Dashen bank) is encouraging them (employees) to participate in local community activities.

Figure 11: Encouraging Employees’ participation in local community activities



Source: own survey, April, 2021

The result from the survey indicated that, majority 80% of the respondents agree that their bank encourages them to take part in community activities. Accordingly, 9.3% of the respondents strongly agree on the question raised. While 8.6% of respondents remained neutral when asked the question, the remaining smaller portion of the study participants which is 2% disagree with the idea that their bank encouraged them to participate in community support activities as part of its CSR programs.

Figure 12: Cross tabulation of respondent’s sex with their response to Dashen bank’s Encouragement of employees to participate in local community activities

Encouraging employees to participate in local community activities	Male	Female
Strongly agree	9.7%	8.6%
Agree	80.4%	79.3%
Neutral	7.6%	10.3%
Disagree	2.1%	1.7%
Strongly Disagree	-	-
Total	92 (100%)	58 (100%)

The result from the cross tabulation indicated majority of both male and female tend to agree on their banks encouragement of its employees to participate in local community activities. Hence, there is no variation in sex to the question raised.

It is possible to say that based on the data Dashen bank encourages its employees to take part in community activities. In relation to this Cavalluzzi, A. (2018) argues that Companies that are socially responsible and strong advocates of community involvement have higher levels of engagement than companies that are not actively supporting their communities. Hence, demonstrating social responsibility in the community is a key driver of employee engagement.

1.1.1.1. Supporting and Protecting Environment, Sports, Heritage, Art, & Culture

In recent year’s culture, arts and sport have been widely used to drive regeneration, build cohesive communities and change the way that places are perceived. Supporting health, social and cultural wellbeing, can be a positive approach to CSR as it help to promote economic prosperity, health and wellbeing and build safe, vibrant and cohesive communities. Respondents were asked to rate the level of their agreement about their bank’s involvement in such aspects. Their response is presented below in the table.

Table 2: Support and protection for Environment, Sport, Heritage, art and culture

Items		S.D.A	D.A	N	A	S.A
Supporting the protection of national heritage, art, & culture	Percentage			8%	79.3%	12.6%
Supporting Sports	Percentage	0.6%	2%	14.6%	64%	18.6%
Financing Environmental Protection investments	Percentage	1.3%	4%	8.6%	68%	18%

Source: own survey, April, 2021

Base on the result shown above in the table, theextreme majority of participants in the survey revealed that their bank is indeed involving in CSR programs. When 79.3% of participants say that they agree, 12.6% further indicated their strong agreement with the idea that their bank (Dashen bank) supports the protection of national heritage, art and culture as part of its CSR programs. The remaining 8% of respondents prefer to remain neutral on the issue.

The interview result also aligns with the above quantitative finding. The bank give 120,000 birr donations to the organization called ‘Ethiopian Heritage Trust’ with the objective of supporting heritage protections. Moreover, the bank gave 295,000birr for clean and green Addis Ababa project with the objective of supporting efforts to create better environment.

Respondents were also asked to indicate their level of agreement about their bank’s involvement in providing support for the development of sports in the country /or the community it operates. Accordingly, 64% of the respondent agreed that their bank supports the development of sport as

part of its CSR programs. Similarly, 18.6% of the study participants show their strong agreement about the issue. On the other hand, 14.6% of the respondents prefer to remain neutral about their banks engagement in supporting development of sport in the community. The smaller portion of study participants 2% Dis agree and the rest 0.6% strongly dis agreed when asked if their bank is Supporting Sporting activities.

The data obtained from the interview also indicates that the bank is supporting the development of sport in the country. St. Gorge sport club is one of the recipients for financial donations from the bank. Recently, the bank donated 1.5million birr to strengthen the club. From the result it is possible to learn that Dashen bank is making its own effort to fulfill its CSR by supporting sport clubs in the country. TCPA, (2013) in this regard asserted that Culture, arts and sport are fundamental to building sustainable communities in which people want to live and work. Participation in cultural and sporting activities enhances people's personal enjoyment, development, and fulfillment and improves their physical and mental health and wellbeing. A healthy and well developed society can in turn be a good financial source for institutions such as banks.

Their bank's involvement in Financing Environmental Protection investments was another question raised for survey participants. Accordingly, majority of participants indicated their agreement. 68% said they agree that their bank engages in financing environmental protection investments, while 18% of respondent show their strong agreement about the issue. However, 8.6% of participants show their neutral stand about the question asked. The relatively smaller portion of the respondents 4% said they disagree and the rest 1.3% strongly disagree about their bank's involvement in Financing Environmental Protection investments.

The result obtained from the interview data also revealed that the bank has engaged in disaster management activities.

Both natural and man-made disasters were the focuses of our CSR programs. We have provided 5mill birr for natural disaster reliefs and 1million birr for Tigray displaced people. COVID 19 is also another unexpected disaster which affects millions of people in our county. For COVID 19 related disasters our bank donated 10 million birr “(Male, 45, M.A in Marketing and Business Management, April, 2021)”.

1.1.2. Legal Responsibilities

Customers are more likely to use banking services from the bank they trust. A part of building that trust is abiding by the laws that regulate the business. Society has not only sanctioned businesses as economic entities, but it has also established the minimal ground rules under which businesses are expected to operate and function. These ground rules include laws and regulations and in effect reflect society’s view of “codified ethics”. They articulate fundamental notions of fair business practices as established by lawmakers at federal, state and local levels. Hence, Banks are expected and required to comply with these laws and regulations as a condition of operating Carrol, (1991). Based on carrol’s suggestion on legal aspects of CSR the following questions were presented to respondents.

Table 3: Legal responsibilities

Items		S.D.A	D.A	N	A	S.A
The bank Performs in a manner consistent with expectations of government and law	%		1.3%	3.3%	88%	7.3%
work Complying with various federal, state, and local regulations	%			7.3%	78.6%	14%
your bank Fulfill its legal obligations to societal stakeholders	%	0.6%	2.%	15.3%	61.3%	20.6 %

Source: own survey, April, 2021

Considering the fact that banking sector plays a significant role in the economic empowerment and global growth of the country, a balanced and vigil regulation on Banking Sector has been always mandated to ensure the transparent run of this sector while avoiding any tantamount of fraud and malpractices injurious to the interest of investors, stakeholders and country as a whole. The Ethiopian governing banking business law, **Proclamation No. 592/2008 suggested that** all banks have to be licensed and be abiding by the countries’ financial regulatory body, the National Bank of Ethiopia to engage in banking business. Banks are expected to perform in a manner consistent with expectations of government and law.

As shown above in the table majority of participants 88% in the survey agreed when asked if their bank Performs in a manner consistent with expectations of government and law. Similarly, 7.3% of participants show their strong agreement concerning the issue. Then a relatively smaller number of participants 3.3% prefer to remain neutral. The rest 1.3% disagree with the idea that their bank performs in a manner consistent with expectations of government and law.

In line with this, so as to check Dashen bank's fulfillment of its legal responsibilities, respondents were asked to indicate their level of agreement if their bank work Complying with various federal, state, and local regulations. Accordingly, majority of the sample respondents (78.6%) Agree to the question raised. Similarly, 14% of the sample respondents strongly agree while the rest 7.3% remain neutral on the issue. In that regard, sample respondents strongly agree were asked to show their level of agreement on their bank's effort in fulfilling its legal obligations to societal stakeholders. Accordingly, majority of the sample respondents (61.3%) agreed that their bank is fulfilling its legal obligations to societal stakeholders. In a similar way 20.6% strongly agreed on the issue. When (15.3%) remain neutral to the question the rest 2% & 0.6% disagree and strongly disagree respectively when asked if their bank fulfills legal obligations to societal stakeholders.

The above finding indicates that Dashen bank is fulfilling its legal responsibilities as part of its CSR program. The bank's effort in Performing in a manner consistent with expectations of government and law, Fulfill its legal obligations to societal stakeholders and working Complying with various federal, state, and local regulations well agreed by respondents. A company that fulfills its legal responsibilities can sustain in the business being profitable Carrol, (1991).

1.1.3. The bank's support for its employees (Internal Corporate Social Responsibility)

Internal activities involve all social responsibility actions directed towards the organization and its staff which aim at gaining job satisfaction, reduced turnover ratios and increase in job involvement. There are increasing evidences that an organization's CSR activities comprise a legitimate, compelling and increasingly important way to attract and retain good employees.

In fact, the recent development of CSR, it is not merely being labeled as part of corporate strategy; it is also being discussed in talent crisis (Woolf, 2007). Many organizations

are confronted with employee talent shortfall (Orrell, 2009). This talent shortfall is attributed to many factors from the simple fact that there are insufficient of talented employees. CSR could act as a strategy to attract and retain talented employees. Sam and George (2009) explained that the retention of employees is typically based on company performance and how the company compares to others in a similar size and market.

The following questions were presented to respondents to assess Dashen bank’s engagement & commitment to support its employees (fulfill its internal corporate social responsibilities).

Table 4: Internal Corporate Social Responsibility

Items		S.D.A	D.A	N	A	S.A
your bank encourage you (employees) to develop real skills and long-term careers	%		1.3%	3.3%	88.6%	6.6%
There is a process in your bank to ensure adequate steps are taken against all forms of discrimination, both in the workplace and at the time of recruitment	%			7.3%	78.6%	14%
Your banks have suitable arrangements for health, safety, and welfare that provide sufficient protection for you (employees)?	%	0.6%	2%	14.6%	64%	18.6%

Source: own survey, April, 2021

As the result gained from the interview and other supportive documents revealed that bank is striving not only to support the external environment like the community but also the staff with in. Human resource development is one of the areas that the bank is working on with the objective to proactively support the business demands by enhancing a major shift (Transformation) in mind-set, role, capabilities, and digital enablers. The bank provided 88 technical and developmental trainings for 9,995 trainees during the year (2019/20). Abroad exposure was also created for the best performing branch managers. During the aforementioned year the bank spent a total of birr 31.6 million for people development. In light of ensuring business continuity, succession, planning and development of successors is also commenced for positions that are considered as critical to the bank.

Moreover, the bank provides an internal staff promotion. During the period (2019/20) 516 employees have been promoted from internal source while a total of 191 employees have joined the bank from the labor market. Out of which 171 were recruited on permanent basis while 20 were contract employees. At the end of June 30, 2020, the total number of employees stood at 9,970. In light of creating a diverse human resource, 30% of the banks total staff size is women.

In line with the banks effort to support its own employees respondents were asked to reveal their level of agreement on selected questions. Primarily, survey participants were asked if their bank encourages them (employees) to develop real skills and long-term careers. As the result indicated in the table above the majority (88%) of participants agree that their bank provides them with opportunities to develop real skill and long term careers. Similarly, 6.6% of the respondents strongly agreed on the issue. When 3.3% of participants took neutral side towards the question the remaining smaller portion 1.3% of participants disagree on the issue.

Respondents were also asked if there is a process in their bank to ensure adequate steps are taken against all forms of discrimination, both in the workplace and at the time of recruitment. As the result shown above in table the majority 78.6% reported their agreement. Similar to this, 14% show their strong agreement and the rest 7.3% remain neutral towards the idea.

The result clearly tells that the bank engage inencouraging employees to develop real skills and long-term careers. Moreover, it ensures adequate steps are taken against all forms of discrimination, both in the workplace and at the time of recruitment. Similarly, Dashen bank has suitable arrangements for health, safety, and welfare that provide sufficient protection for employees. The bank that fulfills its internal CSR can benefit a lot. In this regard, Sacconi, & Degli Antoni, (2009) argued that as internal CSR focuses on employees; it builds strong bonding between an organization and its employees. Moreover, Internal CSR practices such as employee development, health and safety policies, creating a motivating environment in organizations; reduce the organization's operation costs and enhance its productivity (El-Garaihy, Mobarak, & Albahussain, 2014). Internal CSR practices also increase employee motivation and satisfaction as employees are aware that their organizations are taking steps to ensure their well-being. This reduces employee absenteeism and increase employees' performance. The intangible benefits arise from increased employee motivation and satisfaction as a result if internal CSR practices, give organization the competitive advantage in the agile business environment.

1.1.4. CSR Activities integrated into business

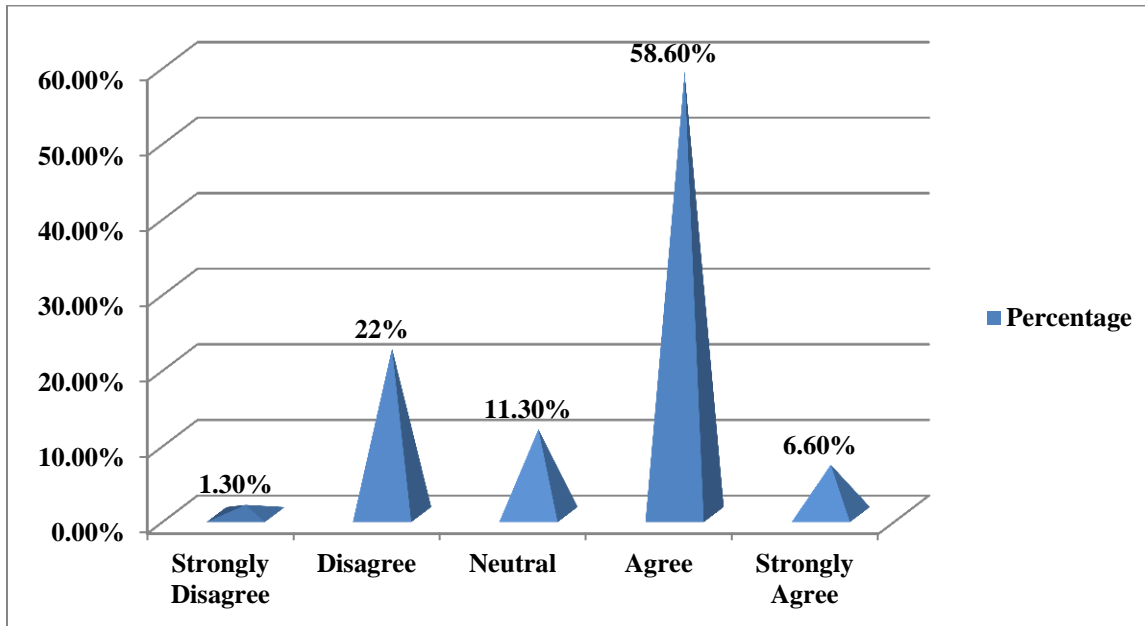
Customer relations in CSR are among the most significant indicators of CSR performance Rais and Goedegebuure (2009). The present study focused on the following issues, including the banks effort in Developing financial literacy and awareness, financial education programs, Practices of Responsible, prudent lending, risk management systems, A system of Fair and transparent financial services, handling complaints, Helping disadvantaged clients to use banking services, availability of products for clients with special needs, Practice ethical treatment of stakeholders, Providing financial support to social enterprises and Combating money laundering, corruption, and terrorism.

This indicates that by fulfilling the above business related Corporate Social Responsibilities the bank can create smooth relation with its customers and upgrade its customers. Customers play important role for any business. Customer pressures are one of the reasons why companies implement CSR activities as a part of their business strategies Rathnasiri (2003); Fernando (2010). In fact there are no mandatory requirements for CSR activities to improve consumer relations; these are implemented on a totally voluntary basis. Below in the figure data is presented that demonstrate respondents' level of agreement on the questions pertaining to business and customer related CSR activities of the bank.

1.1.4.1. Developing financial literacy and awareness, financial education programs

As part of business and customer related CSR activities of the bank respondents were asked to indicate their level of agreement about the bank's effort in Developing financial literacy, awareness, and financial education programs. In the context of rapid changes and constant developments in the financial sector and the broader economy, it is important to understand whether people are equipped to effectively navigate the maze of financial decisions that they face every day. To provide the tools for better financial decision-making, one must assess not only what people know but also what they need to know, and then evaluate the gap between those things. Banks in this case are responsible to enhance the financial literacy of their customers' and the community at large. Financially literate community will probably understand the importance of saving and investment which in turn support the bank's profitability.

Figure 13: Developing financial literacy and awareness, financial education programs



Source: own survey, April, 2021

As indicated clearly above in the figure, majority of respondents 58.6% agreed that the bank involve in activities that aimed at Developing financial literacy and awareness of customers, and preparing financial education programs for its customers. Accordingly, 6.6% of participants strongly agreed with the notion. When 11.3% remain neutral 22% and the remaining 1.3% of respondents dis agree and strongly disagrees respectively.

There is ample evidence of the impact of financial literacy on people’s decisions and financial behavior. For example, financial literacy has been proven to affect both saving and investment behavior and debt management and borrowing practices. Empirically, financially savvy people are more likely to accumulate wealth (Lusardi and Mitchell, 2014).

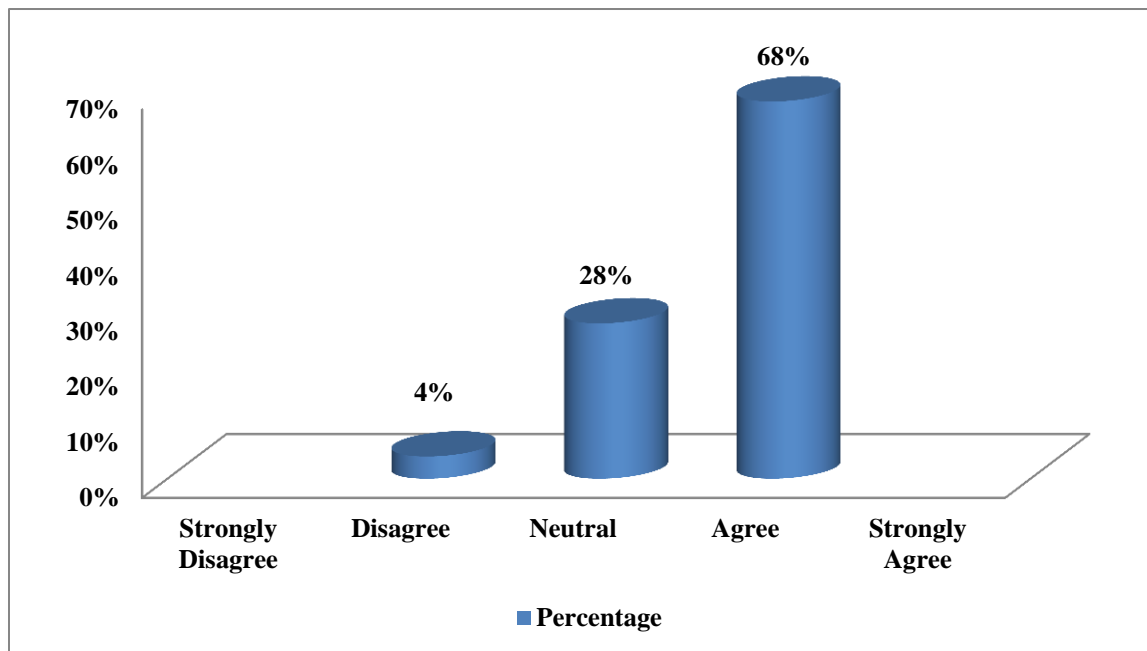
1.1.4.2. Practices Responsible, prudent lending, risk management

All banks in the present-day volatile environment are facing a large number of risks such as credit risk, liquidity risk, market risk, interest rate risk, etc. Thus, risks which may threaten a bank’s survival, growth and success. Thus, banking is a business of risk. For this reason, efficient risk management practices are absolutely required or needed in order to be successful and competitive in the business environment (Akindele, 2012).

Having a proper risk management strategy helps to convey a positive message about the bank. Internally, it instills confidence among employees and most importantly customers about the capabilities of the bank. When disaster does inevitably strike, the bank's ability to continue delivering to clients will also have a significant impact on its brand. It demonstrates that the bank is robust and reliable, and that it emphasizes a professional culture that can continue to get the job done even in the face of setbacks.

Below data is presented that demonstrate respondents level of agreement about the Dashen bank's practice in Responsible, prudent lending, risk managementsystem.

Figure 14:Practices Responsible, prudent lending, and risk management



Source: own survey, April, 2021

The figure above summarized the respondent's level of agreement about Dashen bank' practice of Responsible, prudent lending, risk management system as an area where CSR efforts are seen. The larger portions of participants with 68% agree that their bank (Dashen Bank) engages in the practice of Responsible, prudent lending, risk management system. Accordingly, 28% of the respondents are neutral about the issue. However, the remaining 4% indicated their disagreement

about their banks engagement in Responsible, prudent lending, risk management system as a part of CSR.

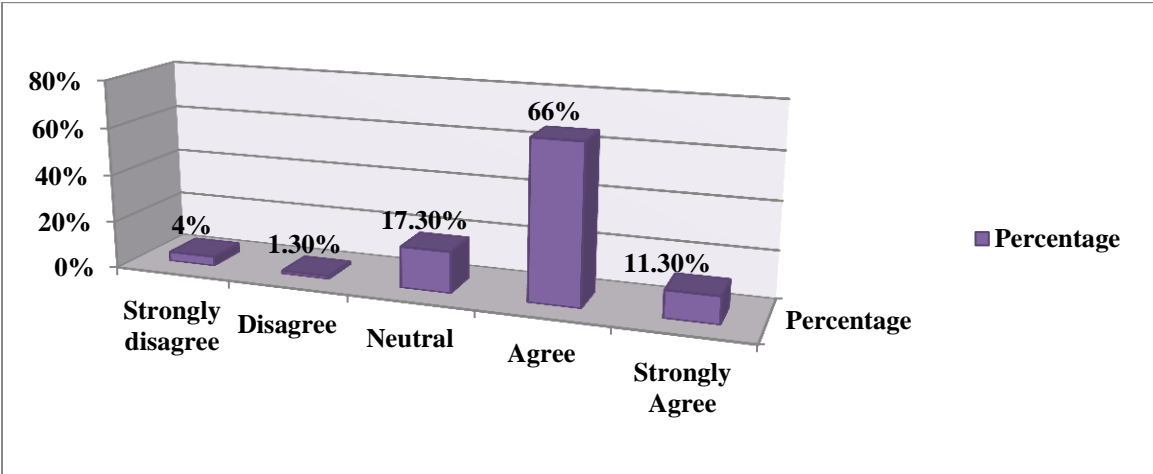
From the above data we can learn that Dashen bank' is practicing prudent lending, riskmanagement system which can contribute to the success of the bank.

1.1.4.3. A system of Fair and transparent financial services, handling complaints

Concerning CSRs integration into business, a system of Fair and transparent financial services and, handling complaints is an important aspect to consider. Fairness and transparency is a critical issue in any financial sectors to build trust and better relationships with customers. It can help to secure appropriate protection for consumers and protect and enhance the integrity of the financial system. The importance of building stronger customer advocacy within the banking industry is increasing as banks attempt to develop new ways of distinguishing themselves and their products in a highly competitive market. With complaints data becoming increasingly available across the industry, banks need to be embracing the opportunity to show how seriously they take all complaints and how effectively they are resolving these for their clients.

Below in the figure; respondents level of agreement concerning to the issue pertaining is presented.

Figure 15: Fair and transparent financial services, handling complaints



Source: own survey, April, 2021

The above Figure show the level of the respondents agreement on prevalence of Fair and transparent financial services, with proper handling of complaints. The majority of therespondents 66% agree that their bank conduct a Fair and transparent financial services with proper handling of complaints. Accordingly, 11.3% show their strong agreement. 17.3% remained neutral while 1.3% disagrees about their banks interest on the issue. The remaining 4% of the study participants strongly disagree about the prevalence and practice of Fair and transparent financial services with proper handling of complaints in Dashen bank.

Figure 16: Cross tabulation of respondents’ educational status with their answer on the bank’s practice of Fair and transparent financial services & proper handling of complaints

practice of Fair and transparent financial services with proper handling of complaints	Degree	Master’s degree
Strongly agree	11%	13%
Agree	72.4%	30.4%
Neutral	12.5%	43.4%
Disagree	0.7%	4.3
Strongly Disagree	3.1%	8.6%
Total 127		23

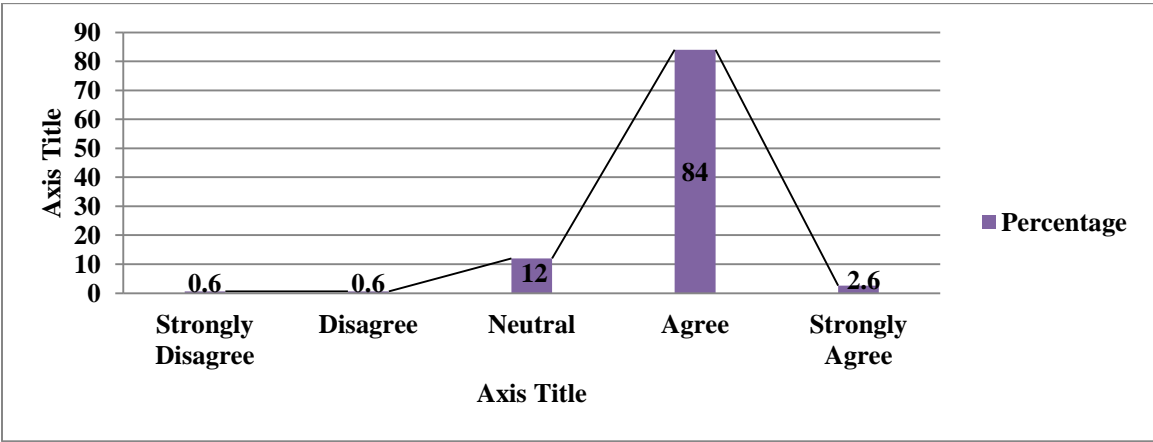
It is seen clearly from the cross tabulation that the highest number of degree holders agree that there is practice of Fair and transparent financial services with proper handling of complaints in Dashen bank. In fact in all items degree holders’ response is higher as the sample survey initially found more degree holders from the sample. However, when it comes to Master’s degree holders a significant number 43.4% of them prefer to show their neutral stance. Just like the degree holders, the remaining 30.4% of master’s degree holders agreed to the question. 13% of master’s degree holders strongly agree while the rest few 4.3% & 8.69% disagree & strongly disagree respectively. This can tell us that more degree holders tend to surely agree on their bank’s practice of Fair and transparent financial services with proper handling of complaints than master’s degree holders of the survey participants.

Based on the above finding it is possible to understand that Dashen bank has established Fair and transparent financial services, and better way of handling complaints. In relation to this, Stuart B. (2019) asserted that Fair and transparent financial services and Better complaints handling, brings better results for business. Dealing with people’s money means it is inevitable complaints will continue to arise. Even the very best banks will receive complaints of varying degrees. The important issue is how the deal with them when they arise. An effective and transparent complaints process will keep the bank from falling foul of the regulators expectations but will also turn customer anger and frustration into loyalty.

4.1.1.1. Helping disadvantaged clients to use banking services, products for clients with special needs

Customers with disabilities provide a large and valuable market that is currently underserved by the financial services industry in Ethiopia. Among other things, they are underrepresented in the traditional banking system of the country. Limited financial knowledge has resulted in an unstable relationship between people with disabilities and financial institutions. As institutions work towards enhancing their overall customer experience, they also need to consider helping people with disability in order to build deeper relationships with the community, and inspire trust and confidence in their brands. In this regard Respondents were asked their level of agreement on their banks effort in helping people with disability as part of its CSR project.

Figure 17: Helping disadvantaged clients to use banking services, products for clients with special needs.



Source: own survey, April, 2021

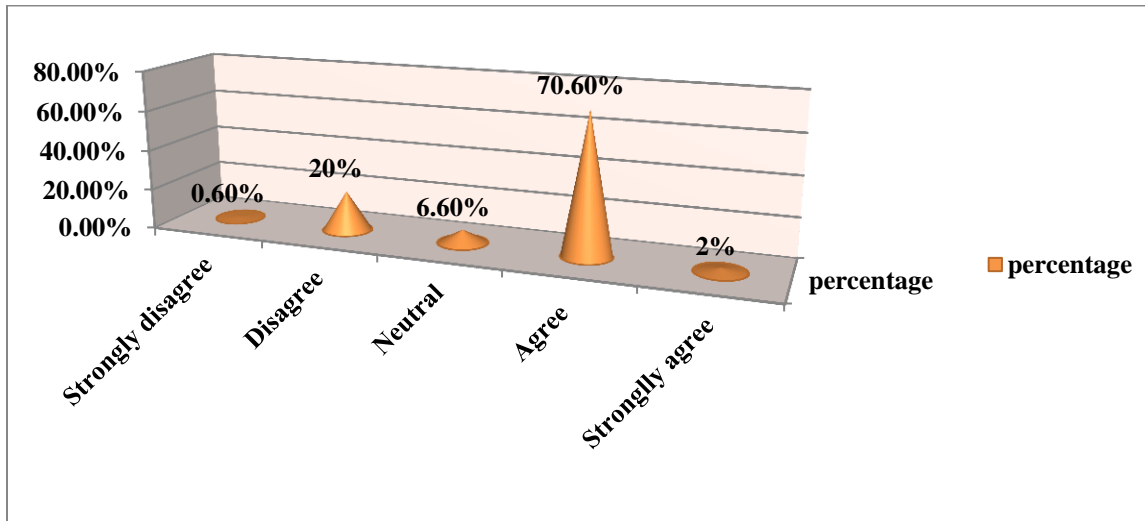
As clearly depicted above in the figure, the larger portion of study participants 84% indicated their agreement. Similarly, 2.6% of respondents reveal their strong agreement when asked about their banks activity to support people with disabilities. 12% of the respondents remain neutral, a small number of remaining respondents which is 0.6% show their disagreement and 0.6% strongly disagree about their banks engagement in helping disadvantaged clients to use banking services, products for clients with special needs.

As clearly seen in the result above, Dashen bank is engaging in helping disadvantaged clients to use banking services and products for clients with special needs. Such activities not only contribute to the people with special needs to use better banking facilities but also can enhance the acceptance of the bank within the community. Financial institutions such as Dashen bank would benefit from creating and offering banking products that better meet the needs of this segment of the population. In relation to this (Barclift, 2012) argue that There are an increasing number of people who think that business decision-making must not only consider profit maximization, but businesses should also voluntarily contribute to solving social issues, since it is not their economic interest, but their moral responsibility. CSR needs to apply a value-oriented approach that becomes an integral part of the banks' everyday operations and is incorporated into the organizational culture.

1.1.4.4. Practice ethical treatment of stakeholders

Modern corporations face a challenge of balancing contrasting interests of various stakeholders. Shareholders (investors) for instance require the entity to offer them higher returns on their investments through increased profitability that better the market value of their shares. Customers, on the other hand, require high quality products, which may require the organization to incur additional costs thus lowering its profitability. Similarly, the entity's employees demand better remuneration and working conditions, which increases an entity's costs thus lowering its profits. Compounded by adverse economic environment, which impedes organization's initiatives to generate additional revenues, the entities face a dilemma as to establishing an effective equilibrium among the contrasting stakeholder interests.

Figure 18: Ethical treatment of stakeholders



Source: own survey, April, 2021

The above figure revealed that a majority that is 70.6% of the employees of Dashen bank participated in the survey indicated that they agree that their bank Practice ethical treatment of stakeholders as part of its CSR program. Accordingly, 2% of the respondents said that they strongly agree their bank Practice ethical treatment of stakeholders. While 6.6% of survey participants show neutral actions, about 20% of the respondents disagree when asked whether their bank Practice ethical treatment of stakeholders. The remaining 0.6% of survey participants strongly disagree concerning to the issue.

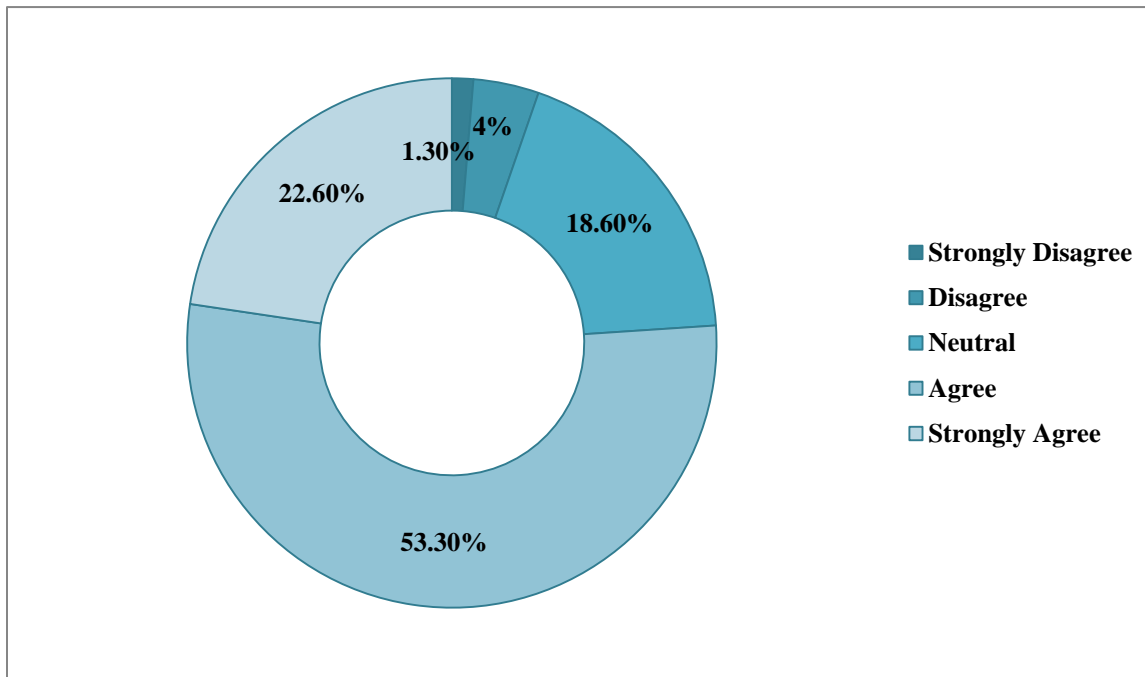
The above finding implies Dashen bank conducts ethical treatment of stakeholders as part of its CSR program which in turn can help the growth and financial stability of the bank. Similar findings such as Das A B. (2014) affirmed that various stakeholders play an important role towards the growth of an entity thus requiring the entity to establish an effective balance among such stakeholder's interests.

1.1.4.5. Providing financial support to social enterprises

Financial institutions like banks are expected to participate in building a more sustainable future and incorporate it in their CSR policy to finance and support projects with a high positive impact and directly contribution in reaching the needs of the community. Survey participants were asked to show the level of their agreement on their bank's effort to provide financial support to

social enterprises. Their response presented below in the diagram.

Figure 19: Financial support to social enterprises



Source: own survey, April, 2021

As can be seen above in the diagram, most of the respondents 53.3% pointed out that they agree that their bank is providing financial support to social enterprises within the community it operates. About 22.6% of the respondents further indicated that they strongly agree about their banks commitment in supporting social enterprises. While 18.6% of survey participants remain neutral the rest 4% & 1.3% disagree and strongly disagree respectively about their banks effort in providing financial support to social enterprises.

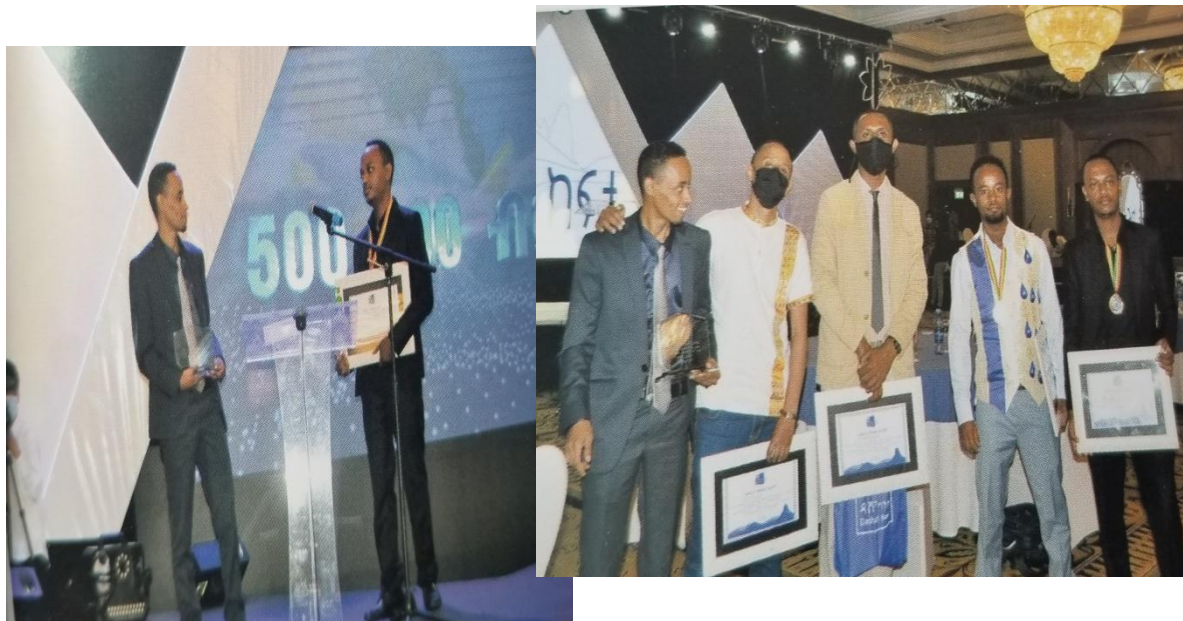
The interview data further strengthens what is obtained from the quantitative data. The bank decided to support the Social Enterprises, which is a fast growing and young sector for rapid growth. Dashen bank believes that Social Entrepreneurship (“SE”) lies at the crossroads between sustainable financing for the economy and the fight against exclusion, both of which are fundamental priorities for the bank. Social Enterprises share the same primary goal which is to generate a strong and positive impact on society and environment through a sustainable economic model. Dashen bank is working on a 100 million birr initiative to create employment opportunities in Ethiopia. The initiative, dubbed as ‘Ethiopian Talent Power Series’ targets

encouraging job creation by providing training and financial support to talented individuals with a view to reducing unemployment. The project launched in six selected cities in Ethiopia which is expected to contribute its share for the ongoing economic reforms. Dire Dawa, Addis Ababa, Megele, Hawassa, Adama and Bahir Dar are the cities selected for this project and they will include the surroundings.

The head of CSR department in Dashen bank in his speech said that:

We are striving In order to provide the best suited banking service for the social Enterprises while fulfilling our CSR, we try to be as close as possible to them: do they need working capital? We design specific ways to propose it; do they need to be recognized on their specificities and innovative solutions while they implement a difficult economic challenge? We propose them dedicated Relationship Managers, trained to understand the Social Enterprise ecosystem; do they need financing? We design a Specific Credit Policy dedicated to this segment so to be able to apply specific analysis; do they need coaching? We create a team that matches the volunteers of the bank who want to provide their skills pro bono and the social enterprise in need. Moreover we design a competition program among youths who can come up with the proposal and the winner will get financial support with all other necessary material and training supports. (Male, 45, M.A in Marketing and Business Management, April, 2021).

Figure 20: Ethiopian Talent Power Serious Award

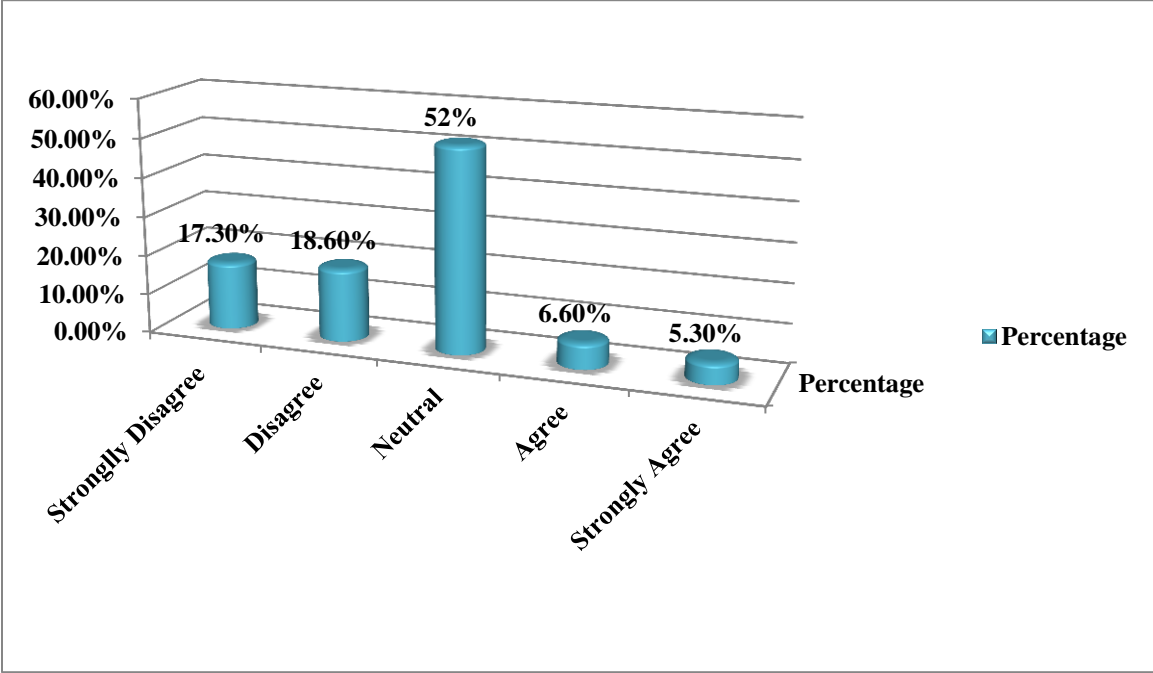


Source: Dashen bank, 2020 annual report

1.1.4.6. Combating Money Laundering, Corruption, and Terrorism

Money laundering, financing terrorism and, other illicit financial flows (IFFs) present significant challenges to security and development, underpinning transnational crime and terrorism networks. IFFs hinder economic development by draining capital from developing countries and reducing the amount of tax revenue and other resources available for governments to invest in infrastructure and socioeconomic services. Every financial institution like banks has a duty to combat money laundering and to prevent terrorist financing or any other threats that can compromise the integrity of the international financial system. Dashen banks practice of Combating money laundering, corruption, and terrorism as part of its CSR program is evaluated and the response from survey is presented. The following figure depicted respondents level of agreement pertaining to the issue.

Figure 21: Combating money laundering, corruption, and terrorism



Source: own survey, April, 2021

In view of this, as depicted above sampled respondents were asked to express their level of agreement concerning their banks involvement in Combating money laundering, corruption, and terrorism as part of its CSR programs. 52% of the respondents show a neutral approach to the question raised. However, though comparatively small 5.3% of the sample confirmed that they strongly agree that their bank combats money laundry, terrorism and corruption as part of its CSR project. Accordingly, 6.6% of the sampled participants indicated their agreement. However, 18.6% & 17.3% affirmed their disagreement and strong disagreement respectively.

Figure 22: Cross tabulation of Combating money laundering, corruption, and terrorism with education status

Combating money laundering, corruption, and terrorism	Degree	Master's degree
Strongly agree	4.7%	8.6%
Agree	7%	4.3%
Neutral	59%	13%
Disagree	14.9%	39.1%
Strongly Disagree	14.1%	34.7%
Total	127 (100%)	23 (100%)

The question "**Combating money laundering, corruption, and terrorism**" cross tabulated, with education status of respondents. As can be seen from the result above more masters holders among the survey participants tend to disagree when they asked if they agree with their banks involvement in Combating money laundering, corruption, and terrorism as part of CSR program. 34.7% of master's degree holders show their strong disagreement. Accordingly, 39% of them disagree about the question. Among master's holders, only 13% are neutral and 4.3% and 8.6% agreed and strongly agreed consecutively to the question posed. This can tell that more educated employees of the bank don't believe that their bank (Dahen bank) is Combating money laundering, corruption, and terrorism as it should.

As clearly seen from the above data the effort on the side of the bank in fighting money laundry, corruption, and terrorism is relatively weak. Since, this is one of a serious issue in financial sectors for security reasons the bank need to consider its role in Combating money laundering, corruption, and terrorism.

1.2. Benefits of Involvement in CSR for the Bank

In today's consumer-driven world, where customers trust is everything, CSR, or Corporate Social Responsibility, is a significant benefit for financial organizations such as banks. Corporate social responsibility programs allow a business to utilize their strength to benefit the local community. Spreading CSR efforts out across departments, allowing each to contribute to social responsibility in their own way, minimizes investment while maximizing results so that both the bank and the community benefit.

This, in turn, drives measurable impact across departments as the bank invests in community efforts, in financial literacy, in more diversity of accessibility and offerings, and indirectly investing in the environment. The benefits of corporate social responsibility go beyond proving the bank's brand is a do-gooder or looking to offset customer mistrust. Good CSR actively works to improve the community and consumers' ability to engage in meaningful ways with the bank.

A long interview session with the person who is in charge of Dashen bank's CSR program and the data obtained from other supportive documents explain the current perspective of benefits that the bank start to gain due to fulfilling CSRs.

Trust

One of the benefits mentioned is the issue of enhanced trust. The CSR department head of the bank stated the following appreciating the benefits they obtain because of it.

"We are able to build trust of our customers. As you know in this competitive market customers are quick to doubt and mistrust and quick to leave a brand. We as a bank believe that consumer trust is important for building long-term relationships, reducing customer turnover, and even being able to offer personalized service and solutions that work to build those relationships. One of the reasons among others is our active encroachment in CSR programs that drive us close to the community" (Male, 45, M.A in Marketing and Business Management, April, 2021).

The CSR program with all other business related efforts helped the bank to be successful. Manifestations for the success include: During the fiscal year (2019/2020), the Bank has managed to mobilize an additional deposit of Birr 8.8 billion increasing its total deposits by 20%

compared to same period last year. Overall, the total deposit balance of the Bank as at June 30, 2020 stood at Birr 53.5 billion, out of which conventional deposit comprised Birr 51.1 billion (95.6%), and the remaining balance Birr 2.4 billion (4.4%) was on IFB account. During the reporting period, disbursement of fresh loans to various economic sectors stood at Birr 17.4 billion registering a growth of 13.3% compared to last year's same period. Accordingly, outstanding loans and advances balance of the Bank stood at Birr 42.6 billion.

Positive Customer Outreach that enhanced profitability

The other benefit mentioned was a Positive Customer Outreach that the bank obtained mainly due to CSR engagements. As the head of CSR department in the bank stated:

“Due to the banks active engagement in community and events, it has benefited a great deal of publicity and media attention for its business. For instance we believe that provided programs such as ‘Ethiopian Power Talent’ drive a great deal of brand awareness to the youths involved, their parents, and to local news and media outlets in different parts of the country. “Despite this our bank has been gaining a lot of trust and respect from the people after we contribute donations to fight COVID 19 pandemic. We provided a lot of products that helps to prevent the spread of the virus” (Male, 45, M.A in Marketing and Business Management, April, 2021).

Figure 23: Support for Fighting COVID 19 Pandemic



Source: Source: Dashen bank, 2020 annual report

Dashen bank's Positive social engagement improves its public image, changing how people perceive the bank. For example, donations that the bank gave to different charity organizations, environmental and socio-cultural development programs are proof that the bank is not only profit oriented but also more philanthropic. This, in turn, will make consumers feel better about patronizing the bank. The numbers of our customers are growing from time to time which can be one indication of their satisfaction in our services and CSR activities. Efforts ranging from education to assistance to volunteerism to donations helped our bank drive such positive customer perceptions.

Enhance Employee Engagement & Productivity

The other benefit linked with CSR programs of Dashen bank is its Positive impact on Employee Productivity and Engagement.

“In addition to an increase in customer satisfaction and trust which is a great deal in terms of outward boosts to our marketing, consumer engagement, and consumer trust, CSR programs of Dashen bank also builds internal trust, employee relationships, and boosts creativity. Many of us (employees of this bank) are part of this community hence; we appreciate and respect CSR programs as much as potential consumers. We believe that by doing this the bank created a more positive workplace, build employee trust, and reduce turnover inside the organization.” (Male, 45, M.A in Marketing and Business Management, April, 2021).

Similar studies like (Schiebel and Pöchtrager, 2003; Business for Social Responsibility; Crowther, 2002; Kotler and Lee, 2005; Epstein and Roy, 2001; Dutton and Dukerich, 1991; Greening and Turban, 2000); found that CSR practices increased the banks' ability to attract, motivate, and retain employees. Hence, can be seen from the result CSR has brought a significant changes and benefits to the bank. CSR can pay off a great deal over time, especially as it reflects on customer service and support, creativity, and engagement, and in long-term service to the organization.

1.3. Challenges that hindered the bank from implementing CSR

When it comes to challenges that hindered the bank from implementing CSR at its full capacity, there are several challenges mentioned. For Dashen bank, it was quite a challenging year due to macro-economic and political factors coupled with the COVID-19 outbreak. The data gained from the interview and other supportive documents are analyzed here as follows.

Macro-economic and political factors

Foreign currency shortage has persisted in the industry during the fiscal year under review, which was only worsened by the economic disruption caused by the pandemic. Moreover, the exchange rate of Birr against major currencies has been continuously declining in the review period. During the period under consideration, the Banking industry faced unusually severe liquidity stress, which subsided only after the necessary measures were taken by NBE to limit daily and monthly cash withdrawals by individuals and businesses. Thus the bank faced financial difficulty which becomes number one challenge when implementing CSR practices. CSR by its nature require a lot of money as it may go to charitable organizations, environmental protection initiatives and other similar projects.

COVID-19 outbreak

The global disruptions in relation to the pandemic have considerably affected tourism, exports, imports, and remittances to the country during the second half of the fiscal year. The containment measures taken by governments throughout the world including Ethiopia have brought economic activity in many sectors to a standstill and curtailed travel and mobility. These necessary measures have resulted in large short-term economic disruption and job losses, compounded by deteriorating confidence and tighter financial conditions. According to the United Nation's World Economic Situation and Prospects (WESP) mid-2020 report, the global economy is projected to contract by 3.2%, against the backdrop of the devastating coronavirus pandemic. The impact of Covid 19 is also manifested in limiting CSR programs of Dashen bank to implement it in its fullest capacity. The curfew imposed by our government limited our movability to different parts of the country and the cities. The pandemic also affected our business which one way or the other impacted our budge for CSR programs.

Political instability and conflicts

in the domestic space, political unrests and conflicts that took place in various parts of the country have been affecting the public's day to day life activities as mobility were constrained and safety and security were compromised, consequently businesses were highly affected due to interruption of business activities. Our CSR program was hugely affected by political instabilities especial outreach programs in different parts of the country.

As the key informant from CSR department of the bank described their social responsibility projects in Oromia, Amhara and Tigray regional states were hugely restricted by the conflicts and repeated social unrests. Our employees and coworkers reported fear of movement to these areas.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents the summary of core findings of the study, Conclusions based on the presentations, discussions, and analysis made in the previous chapters and possible recommendations that are considered to be relevant and significant for concerned bodies. Recommendations are given based on the major findings.

Summary

5.1. Summary of major findings

Banking sector is a vital part for the economic development of a country. Ethiopia has made significant economic progress recent years where banking sector's contribution is high. The Banking sector has been growing fast since the introduction of private commercial bank. Dashen bank is one of the renowned banks in Ethiopia for its differentiated financial products and services.

This thesis attempted to investigate the practices, benefits and, challenges of CSR in Dashen bank between the period 2019/2020. This paper actually describes how Dashen bank's involvement of corporate social responsibility is getting more benefits compared to the costs spent for corporate social responsibility. Some organizations consider expense for CSR activities is wasteful and needless for organizations as this cost does not increase revenue while other organizations consider CSR as ethical responsibility and as investment as it produces various benefits to the organization as well as to the interest group.

One major area that this study attempts to address was Corporate Social Responsibility engagement/Practice of Dashen bank. From the study results obtained it can be effortlessly said that CSR practices of Dashen bank in different aspects are visible and have more prominent role to bring cozy relationship between the organization and society by contributing education, health, sports and culture sectors. From the study it is found that, Dashen bank contributes for the most part in philanthropic aspects of CSR like Education, Disaster Management, Art & Culture,

and others. Though, relatively small performance seen in relation to **supporting** disadvantaged groups the bank showed better performance in other areas such as Participation in charitable activities, supporting educational institutions, and Participation in projects improving community life, the bank also actively Encourages employees to participate in local community activities. Supporting and Protecting Environment, Sports, Heritage, Art, & Culture is also one of the area where the bank is showing its active encroachment to fulfill its CSR.

The other component of CSR assessed in Dashen bank was Legal Responsibilities. In terms of fulfilling this part of CSR the bank also showed massive performance. As the result of the study shows; the bank performs in a manner consistent with expectations of government and law. Similarly, Dashen bank works Complying with various federal, state, and local regulations. Moreover, the bank Fulfill its legal obligations to societal stakeholders.

The bank's support for its employees which is Internal Corporate Social Responsibility was also one major area where the bank is working in. According to the results obtained and the analysis Dashen bank encourages its employees to develop real skills and long-term careers. In line with this the bank ensures adequate steps are taken against all forms of discrimination, both in the workplace and at the time of recruitment. Such practices in-turn contributes to employees' commitment and diligence in their work. Additionally the study found that, Dashen bank has suitable arrangements for health, safety, and welfare that provide sufficient protection for employees.

The other thing emerged in this study was the bank's CSR programs which is integrated in to business. More of the philanthropic and legal responsibilities fulfilled by the bank were linked to the external non business activities. This study however, incorporated to see some aspects of CSR integrated into business with in the bank. The result indicated that the bank showed a better performance in this aspects too by Developing financial literacy and awareness, financial education programs, Practices Responsible, prudent lending, risk management, A system of Fair and transparent financial services, handling complaints and Helping disadvantaged clients to use banking services, products for clients with special needs. Similarly, the bank found to Practice ethical treatment of stakeholders, and providing financial support to social enterprises. However, in Combating Money Laundering, Corruption, And Terrorism the bank lags behind.

The other objective this study aspired was seeing the Benefits of Involvement In CSR for the Bank. Accordingly, Dashen bank is building trust of customers which can be seen in line with good reputation, brand value, customer loyalty. As the result shows Positive Customer Outreach that enhanced profitability was one great benefit associated with the practice of CSR by the bank. The CSR programs stretched in all corners of the country exposed the bank for publicity and media attention. Such publicity is good for promotion and developing trust among the people/customers. Moreover, by engaging in CSR programs the bank benefited in terms of Enhanced Employee Engagement & Productivity. Employees of the bank feel so happy and proud by the social responsibilities their bank is providing. Thus, their motivation shows enhancements.

Assessing Challenges that hindered the bank from implementing CSR was another major objective of this study. It attempted to see the challenges that hindered the bank from implementing CSR at its full capacity. For Dashen bank, it was quite a challenging year due to macro-economic and political factors coupled with the COVID-19 outbreak. These three major challenges directly and indirectly affected the performance of the bank in every aspects including CSR.

5.2. Conclusion

The study was done to assess the practices, benefits and, challenges of CSR in Dashen bank, Ethiopia between the period 2019/2020. The results revealed that most of the respondents proved that CSR in Dashen bank, Ethiopia were found to be well implemented. The bank has been engaged in different forms of CSR such as philanthropic, legal, and ethical. Despite fulfilling the external (community based) CSR, the bank has been found to practice internal corporate social responsibilities by handling the new and existing staff well. The bank mainly contributes for the most part in philanthropic aspects of CSR like Education, Disaster Management, Art & Culture, and others. Such experiences are recommendable for other similar financial institutions that are generating a lot of income but not doing their part for their communities.

The bank has also gained benefits because of engaging in CSR activities. Positive Customer Outreach that enhanced profitability was one great benefit associated with the practice of CSR by the bank. Good reputation, brand value, customer loyalty and Enhanced Employee Engagement

& Productivity are some of the benefits linked with the bank's involvement in social responsibilities. Despite the benefits, several challenges were hindering the full engagement of the bank into CSR practices. Macro-economic and political factors coupled with the COVID-19 outbreak seriously hindered the effort of the bank in practicing CSR.

5.3. Recommendations

The findings of this research identify a lot of practices that Dashen bank is implementing as part of its CSR program. Due to the bank's engagement in CSR practices benefits has also been gained in return. Challenges linked with the practice of CSR were also another agenda and major finding of this study. Hence, based on the finding of the research, the following suggestions are assumed to play a paramount role in improving the CSR practices and opportunities and solving, at list minimizing challenges of CSR practices by companies.

- As the result from this study revealed Dashen bank has a good reputation of fulfilling its CSR and can be a good example for others. It is important to remember that there is a value for companies to be a good citizen not only for financial performance. As it can affect e.g. how customers perceive the company. Hence, other similar financial institutions and profit making companies learn from the experience of Dashen bank.
- **Peace and Stability:** Peace and stability of the country should be guaranteed. Any business related activity including CSR requires a stable and peaceful environment; therefore the government needs to secure the political stabilities that are exerting its negative repercussion on CSR practices and the general business.
- According to quantitative data one area where Dashen bank showed limited performance was fighting money laundry, corruption, and terrorism is relatively weak. Since, this is one of a serious issue in financial sectors for security reasons the bank need to re-consider its role in Combating money laundering, corruption, and terrorism.
- In terms of further research, the researcher recommends a broader study of CSR where the researcher investigate more than one company in order to distinguish similarities and differences between these companies and thereby be able to stipulate a more general answer.

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Annex

1. Questionnaire

General introduction

Dear respondent,

My name is Charles B. Sengeh, I am a postgraduate student at St. Mary's University School of Graduate Studies College of Business Administration. Currently, I am conducting my thesis entitled "Assessment of Corporate Social Responsibility Practices in Dashen Bank." in partial fulfillment of the requirement for the degree of Master of Arts in Business Administration.

My study aims to assess Dashen bank's engagement in fulfilling its Corporate Social Responsibilities. I believe that my study will contribute to and assist the knowledge gap in the area. You are part of a selected sample of respondents whose views on the research topic are important and therefore I am respectfully requesting that you complete the questionnaire. The questionnaire should not take more than ten minutes to complete. Remember: This is solely for academic purposes and your response will be kept strictly confidential and anonymous.

Thank you for your time, co-operation, and contribution to my study. I shall be pleased to send you a copy of the findings of the study.

Yours faithfully,

Charles B. Sengeh

Cell phone: +251904597616

Email address: sengehcharles@gmail.com

1. Part one:

Socio-Demographic profile of respondents:

Please put this ✓ sign in the appropriate boxes

Number	Questions	Options	Put your mark here
1.	Sex:		
		Male	
		Female	
2.	Age:		
		18-24	
		25-34	
		35-44	
		45-54	
		Over 55	
3.	Education: What is the highest degree or level of school you have completed?		
		1. High school graduate	
		2. Diploma	
		3. Degree	
		4. Master's degree	
		5. Doctorate	

2. **PART TWO:** Questionnaire for employees aimed to assess the level of community-related Corporate Social Responsibility engagement of the bank.

➤ **Circle in the appropriate boxes that you agree with**

Ethical and philanthropic aspects					
1	The bank is Supporting disadvantaged social groups and people				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
2	Managers and employees in your bank participate voluntarily in charitable activities in the local community				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
3	your bank participate in the activities of public or private educational institutions				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
4	your bank participate voluntarily in projects improving the quality of community life				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5	you as an employee encouraged to participate in local community activities (e.g. providing employee time and expertise, or other practical help)				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
6	Your bank supports the Protection of national heritage, art & culture, Promotion & development of traditional arts and handicrafts				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
7	Your bank involve in Supporting sports?				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
8	Your bank Finance environmental protection investments?				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
Legal responsibilities					
1	Your bank Perform in a manner consistent with expectations of government and law				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
2	Your bank work Complying with various federal, state, and local regulations				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree

3	Your bank Fulfill its legal obligations to societal stakeholders				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
Employees wellbeing and social Responsibilities					
1	Your bank encourage you (employees) to develop real skills and long-term careers (e.g. via a performance appraisal process, a training plan)				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
2	There a process in your bank to ensure adequate steps are taken against all forms of discrimination, both in the workplace and at the time of recruitment (e.g. against women, ethnic groups, disabled people, etc.)				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
3	your bank have suitable arrangements for health, safety, and welfare that provide sufficient protection for you (employees)				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree

CSR Activities integrated into business					
1	The bank Develops financial literacy and awareness, financial education programs				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
2	The bank practices Responsible, prudent lending, risk management				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
3	There is a system of Fair and transparent financial services, handling complaints in your bank				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
4	Your bank Strive Helping disadvantaged clients to use banking services, products for clients with special needs				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5	your bank practice ethical treatment of stakeholders				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
6	your bank Providing financial support to social enterprises				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
7	Your bank Combating money laundering, corruption, and terrorism				
	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree

3. Interview Guide

General information

My name is Charles B. Sengeh, I am a postgraduate student at St. Mary's University School of Graduate Studies College of Business Administration. Currently, I am conducting my thesis entitled "Assessment of Corporate Social Responsibility Practices in Dashen Bank" in partial fulfillment of the requirement for the degree of Master of Arts in Business Administration.

My study aims to assess Dashen bank's engagement in fulfilling its Corporate Social Responsibilities. I believe that my study will contribute to and assist the knowledge gap in the area. You are part of a purposively selected sample of respondents whose views on the research topic are important and therefore I am respectfully requesting that you give me your genuine answer. Remember: This is solely for academic purposes and your response will be kept strictly confidential and anonymous.

Thank you for your time, co-operation, and contribution to my study. I shall be pleased to send you a copy of the findings of the study.

3.1. Interviewee Guiding Questions for Dashen bank official from the head office.

Name of the organization: _____

Name of the respondent: _____

Sex: _____

Educational status: _____

Marital status: _____

Position in the organization/company: _____

Year in service: _____

Time the interview started: _____

Time the interview ended: _____

Total: _____

1. Can you tell me why corporates and/or institutions need to involve in CSR practices?
2. Does your bank engage in fulfilling its corporate social responsibilities?
3. On which aspects of CSR does your bank work often?
4. Can you tell me some of the responsibilities that your bank fulfilled in the last two years?
5. What kind of **benefits/advantages** did you get out of fulfilling your CSR?
6. What are the **factors/challenges** that influence the implementation of CSR activities in your bank?