ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE

STUDIES

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON ORGANIZATIONAL PERFORMANCE OF BANK OF ABYSSINIA.

BY

MAKEDA BERHANE

DECEMBER, 2024

ADDIS ABABA, ETHIOPIA

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BY

MAKEDA BERHANE

ADVISOR: ALAZAR AMARE (PhD)

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MBA PROGRAM

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BY

MAKEDA BERHANE

Dean, Graduate Studies	**Signature**
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Advisor	**Signature**
Alazar Amare (PhD)	
--	---------------------------------
Internal examiner	**Signature**
Mesfine Tesfaye (PhD)	
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External examiner	Signatu **Signature**
Taye Amogne (PhD)	01/31/2025
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DECEMBER, 2024

ADDIS ABABA, ETHIOPIA

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of the thesis advisor Alazar Amare (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Name	Signature	Date

St. Mary's University, Addis Ababa

LETTER OF CERTIFICATION

This is to certify that Makeda Berhane has carried out the research work entitled: The Effect of Corporate Social Responsibility on Organizational Performance of Bank of Abyssinia under my guidance and supervision. Accordingly, I assure that her work is appropriate and standard enough for submission in partial fulfillment of the requirements for the award of Master of Business Administration.

Confirmed by: Alazar Amare (PhD)

Signature: ____________________

Date: 29 December 2024

Research Advisor

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Abstract

This study examines the effect of Corporate Social Responsibility (CSR) on the organizational performance of the Bank of Abyssinia, focusing on philanthropic, legal, and ethical responsibilities. Using a mixed-methods approach, data were collected from 75 employees, achieving a 93% response rate, and interviews were conducted with the Communication Director. Analysis using SPSS and ATLAS shows that CSR significantly influences performance, explaining 80.2% of the variance, with ethical responsibility having the strongest impact (B = 0.709). While the bank excels in regulatory compliance and transparency, areas like energy conservation and waste reduction need improvement. Strengthening ethical practices and sustainability efforts will enhance performance and reinforce the bank's reputation as a socially responsible institution.

Key Words:

- Corporate Social Responsibility (CSR)
- Organizational Performance
- Bank of Abyssinia
- Ethical Responsibility
- Philanthropic Responsibility
- Legal Responsibility
- Customer Satisfaction
- Financial Performance
- CSR Practices
- Business Ethics
- Community Engagement
- Regulatory Compliance
- Transparency
- Anti-Corruption
- Environmental Awareness
- Stakeholder Engagement
- Social Impact
- Organizational Success
- Corporate Reputation
- Banking Sector
- Performance Drivers

Acronyms:

ANOVA	Analysis of Variance
BOA	Bank of Abyssinia
CRM	Customer Relationship Management
Cronbach's α	Cronbach's Alpha (Reliability Coefficient)
CSR	Corporate Social Responsibility
PhD	Doctor of Philosophy
R&D	Research and Development
SD	Standard Deviation
SPSS	Statistical Package for Social Science

Contents

CHAPTER ONE: INTRODUCTION

1.1.Background of the Study

Business is usually established within society and is part of it, hence the need to concern itself with societal welfare. Businesses engaging with society to alleviate societal problems have widely been considered as Corporate Social Responsibility (CSR) (Lee, 2014). The inception of CSR is deep-rooted in the medieval epoch. The effects of CSR have been a topic of debate for many years up to the present (May, Cheney & Roper, 2022).

According to Wood (1991), CSR is founded on the ideology interlocking business and society. Society hopes that businesses might move beyond the law and market demand (Sims, 2010). Henry Ford's company objectives, as per its founder, were to make a profit and use profits to employ people, use cars to help society, and improve the standard of living (Lee, 2015). Nowadays, CSR has become a necessity in modern business. It links the organization with its social environment, requiring interaction between them (Adegbie & Ogan, 2020; Samer et al., 2018; Tsegaw, 2018).

In the context of Africa's evolving economies, Corporate Social Responsibility (CSR) has become an increasingly significant area of focus. Many African countries are witnessing rapid industrial growth and globalization, bringing both opportunities and challenges. CSR initiatives are vital in addressing some of these challenges, including social inequality, environmental degradation, and the need for sustainable development (Visser, 2006). Research indicates that CSR can enhance an organization's reputation, build consumer trust, and foster long-term organizational performance (Amaeshi, Adi, Ogbechie, & Amao, 2016). This study aims to investigate the impact of CSR activities on organizational performance in various African countries, providing a comprehensive understanding of how these initiatives contribute to both societal well-being and business success.

Ethiopia, with its fast-growing economy and expanding corporate sector, presents an intriguing case for examining the effects of CSR on organizational performance. The Ethiopian government has increasingly encouraged businesses to adopt CSR practices as part of their operational strategies to support national development goals (Zerihun, 2014). Despite these efforts, there is limited empirical research on the direct impact of CSR on the performance of organizations in Ethiopia. Existing studies often focus on theoretical aspects of CSR or specific case studies, but comprehensive analyses linking CSR initiatives to measurable business outcomes remain scarce (Mekonnen & Abebe, 2020). This gap underscores the need for in-depth research to assess how CSR influences organizational effectiveness in the Ethiopian context.

Since Bowen's (1953) first work, the relationship between corporate social responsibility (CSR) and organizational performance in the business context has become a topic of significant relevance. The idea and perception of CSR change from company to company, between managers, and across different societies (Lau, Hulpke, To and Kelly, 2007). However, a common aspect exists: instead of companies channeling their resources solely to maximize profits and shareholder wealth, managers focus on stakeholder welfare (Becchetti & Trovato, 2011). In this context, managers and shareholders are increasingly recognizing the importance of CSR for gaining a competitive advantage. Companies have begun to develop CSR business strategies to secure competitive advantages (Carroll, 2008). Many companies prioritize CSR activities on their agendas (Maretno, 2018). They implement these activities strategically and allocate resources to enhance or correct their social and environmental impacts while improving the communities around them. Environmental, social, and governance (ESG) activities are the three pillars of sustainability (Staub-Bisang, 2022). However, these developments in social responsibility raise concerns about whether CSR activities contribute positively to long-term organizational performance. In other words, can allocating company resources to address ESG issues improve business value and organizational performance to benefit both the company and its stakeholders? This question is relevant, as commitment to social responsibility is costly and requires companies to allocate limited resources that could be invested in other, potentially more profitable projects (Maretno, 2018). Therefore, it is incumbent on managers to determine whether such initiatives will be valuable investments (Kurucz et al., 2018).

Growing international concerns about environmental sustainability have incentivized firms to disclose corporate social responsibility activities (Y. C. Chen et al., 2018). There is a clear trend for corporations to recognize the importance of and actively participate in CSR activities

(Mark-Herbert & Von Schantz, 2007), making it essential for managers to understand and manage these activities effectively. According to Orlitzky et al. (2011), firms of different sizes and types must be socially and ecologically responsible and sustainable while remaining economically competitive. The critical importance of CSR has led to its receiving significant attention from professionals and academics (Madueno et al., 2015).

There are three possible reasons why firms disclose CSR information: to fulfill a "social contract," to enhance legitimacy, and to improve organizational performance (Mathews, 1997). CSR disclosure might enhance organizational performance if firms positively impress investors by providing CSR information that meets or exceeds stakeholder expectations (Brooks & Oikonomou, 2018; Pham & Tran, 2020), creating a win-win relationship for both stakeholders and firm owners (Wu & Shen, 2013). However, CSR information can negatively affect firm performance if firms provide misleading disclosures with superficial rationales. In such instances, managers may exaggerate performance in certain CSR areas while concealing shortcomings in others (Brooks & Oikonomou, 2018). Superficial CSR efforts may damage a firm's reputation rather than improve it, especially if investors and stakeholders uncover the true story. Given the complexity of CSR reporting, further studies on the link between CSR disclosure and organizational performance are imperative.

A significant body of empirical work has examined the linkage between CSR (disclosure and performance) and organizational performance, but the results remain inconclusive (Al-Malkawi & Javaid, 2018). Margolis and Walsh (2001) conducted meta-analyses and found that, among empirical studies, about half documented a positive effect of CSR, while a quarter suggested no significant relationship, 5% indicated a negative relationship, and the rest reported ambiguous results. More recent studies have shown similar trends. For example, Choi et al. (2010), Sun (2012), Van der Laan et al. (2008), H. Chen et al. (2011), and Wu (2006) provide evidence of a positive link between CSR and organizational performance. Conversely, a negative association has also been frequently documented (e.g., Lopez et al., 2007; Cavaco & Crifo, 2014). Another meta-analysis by Wang et al. (2016) supports a positive association but suggests that CSR’s benefits tend to be more pronounced in developed countries due to institutional factors.

Throughout the literature review, several significant gaps remain. Al-Malkawi and Javaid (2018) and Oh and Park (2015) note limited research in emerging markets. Additionally, Cui et al. (2015) and Wang et al. (2016) highlight that developing countries have different consumer concerns, less developed institutional systems, and inefficient market mechanisms, which may hinder CSR's impact on organizational performance. Understanding which aspects of CSR positively affect organizational performance is crucial for directing investments effectively. Therefore, further research is needed to examine CSR's impact comprehensively, particularly in developing economies.

1.2. Statement of the Problem

Corporate Social Responsibility (CSR) remains a widely debated concept in both academic and business circles. According to the World Business Council for Sustainable Development (2000), CSR involves a firm's commitment to conducting business ethically while also contributing to the growth and well-being of employees and society at large. The motivation behind CSR varies, as businesses face growing pressure from stakeholders—including employees, customers, investors, and governments—to operate in a socially responsible manner (Maines & Sprinkle, 2010). Organizations must weigh the costs and benefits of CSR initiatives, ensuring that they create value for both the firm and society.

The debate on CSR is deeply rooted in contrasting economic and ethical perspectives. Milton Friedman (1970) famously argued that a company's sole responsibility is to maximize profits for shareholders, asserting that social responsibility efforts should be left to governments and individuals. In contrast, scholars such as Abu Bakar and Ameer (2011) and Orlitzky et al. (2003) contend that CSR can enhance business performance by improving corporate reputation, stakeholder relationships, and long-term profitability. Given these competing perspectives, further empirical research is needed to determine the actual impact of CSR on organizational performance, particularly in the banking sector.

In Ethiopia, research on CSR remains limited, especially in the financial industry. Studies like Fikre and Worku (2016) have explored CSR practices in Ethiopian banks, emphasizing their contributions to community development and corporate reputation. However, there is little empirical analysis of how these CSR initiatives affect organizational performance, particularly in terms of financial outcomes, operational efficiency, and stakeholder trust. This study seeks to fill this gap by examining the effect of CSR on the organizational performance of the Bank of Abyssinia. By assessing whether CSR initiatives contribute to the bank's strategic goals and long-term sustainability, this research will provide valuable insights for both policymakers and corporate decision-makers in Ethiopia's banking sector.

1.3. Objective of The Study

This study has two objectives namely General objective and specific objective.

1.3.1. General Objective

The general objective of this paper is to examine the effect of CSR practices in the organizational performance of Bank of Abyssinia.

1.3.2. Specific Objective

Specific objective of the study includes the following: -

- To examine the effect of Philanthropic Responsibility in organizational performance
- To evaluate the effect of Legal Responsibility in organizational performance
- To investigate the effect of Ethical Responsibility in organizational performance Research Questions

1.4. Research Question

Based on this the following are research questions that this study tries to answer

- What is the effect of Philanthropic Responsibility in organizational performance?
- What is the effect of Legal Responsibility in organizational performance?
- What is the effect of Ethical Responsibility in organizational performance?

1.5. Research Hypothesis

- H1: Philanthropic activity has significant effects on organizational performances of Bank of Abyssinia.
- H2: Ethical activity has significant effects on organizational performances of Bank of Abyssinia.
- H3: Legal activity has significant effects on organizational performances of Bank of Abyssinia.

1.6. Significance of the Study

The significance of this study lies in its exploration of the relationship between Corporate Social Responsibility (CSR) and the organizational performance of Bank of Abyssinia. This study can contribute in different ways. It can contribute for interested stakeholders including those that are under this study and for other who want further insight in this topic of CSR. This study can contribute for the selected bank as a point of reference to understand about their current CSR practices and performance. In addition to this, based on the findings of the research potential solutions has been pinpointed which can help as an input for the bank. In this case the research also contributes for the firm to understand more about this subject area. This study also helps for other researchers and academicians as a reference material while conducting further research in the area and it can be used as a Secondary data source.

1.7. Scope of the Study

The scope of this study titled "The Effect of CSR on Organizational Performance in the Case of Bank of Abyssinia" encompasses several key aspects. Firstly, the study focuses specifically on the effect of Corporate Social Responsibility (CSR) initiatives on organizational performance within the context of Bank of Abyssinia that is operating in Ethiopia. It seeks to understand how CSR practices implemented by these banks influence various dimensions of organizational performance, including financial, operational, and reputational aspects.

Secondly, the geographical scope of the study is limited to Ethiopia, with a specific emphasis on Bank of Abyssinia operating within the country. This allows for a targeted analysis of CSR practices and their effects within the Ethiopian banking sector, considering the unique socio-economic, regulatory, and cultural factors that characterize the Ethiopian business environment.

Thirdly, the study considers a range of CSR initiatives undertaken by Bank of Abyssinia, including but not limited to community development projects, environmental sustainability efforts, employee welfare programs, and ethical business practices. By examining a diverse array of CSR activities, the study aims to provide a comprehensive understanding of how different types of CSR initiatives contribute to organizational performance in Bank of Abyssinia.

Lastly, the temporal scope of the study encompasses a specified timeframe during which data will be collected and analyzed. While the exact duration may vary depending on the research methodology and data availability, the study aims to provide insights into the current state of CSR practices and their impact on organizational performance within Bank of Abyssinia.

1.8. Organization of The Study

The organization of this study is structured into five chapters, each serving a specific purpose:

The first chapter of this study offers an extensive introduction to the research, starting with an overview that includes the background, statement of the problem, research questions, objectives, significance, scope, and limitations. Furthermore, it delineates the organization of the study and defines key terms to ensure clarity and understanding.

Chapter two delves into the review of related literature, exploring both theoretical concepts and empirical studies relevant to the impact of Corporate Social Responsibility (CSR) on organizational performance within Bank of Abyssinia.

The subsequent chapter, Chapter three, elucidates the research design and methodology employed in this study. It provides comprehensive details on the type and design of the study, sources and types of data, methods of data collection, sampling size and technique, target population, method of data analysis, and ethical considerations.

Chapter four is dedicated to the presentation and analysis of data gathered during the study. It encapsulates the findings and offers a detailed discussion, analyzing the results vis-à-vis the research questions and objectives. Through this analysis, it aims to provide insights into the relationship between CSR and organizational performance within Bank of Abyssinia.

The final chapter, Chapter five, encompasses four key sections: a summary of the findings, conclusions drawn from the study, recommendations based on these findings, and suggestions for future research endeavors. This chapter seeks to offer a comprehensive synthesis of the study's outcomes and their implications for both practice and further research in the field of CSR and organizational performance within the Bank of Abyssinia.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter provides an insight about the theoretical background of the topics under study. In line with the objectives of the study, the chapter covers topics related CSR, Organizational Performance and its dimensions and the effect of CSR on organizational Performance. In addition, the present chapter includes definition of concepts and relevant variables in theoretical framework section. Furthermore, the empirical review on previous literatures is done to acquire comprehensive intellectual understanding on the subject matter. At the end of the chapter, the hypothesis and the conceptual framework of the study has been presented to show the nature of relationship of the research variables

2.2. Theoretical Frameworks for CSR and Financial Performance

Recent theoretical developments in Corporate Social Responsibility (CSR) research highlight the connection between CSR initiatives and financial performance within the banking sector. Stakeholder theory, which emphasizes engagement with various stakeholders such as customers, employees, investors, and communities, has gained prominence. Aligning CSR activities with stakeholder interests enhances reputation, mitigates risks, and creates shareholder value (Freeman, 1984; Freeman & Harrison, 1999). Additionally, agency theory remains relevant in explaining the motivations behind CSR practices in banks. As shareholders demand greater transparency and accountability, banks face pressure to adopt ethical governance and demonstrate their commitment to social and environmental responsibility (Jensen & Meckling, 1976; Hillman & Keim, 2001).

The Triple Bottom Line (TBL) approach continues to shape CSR strategies in banking, focusing on financial, social, and environmental outcomes (Elkington, 1994). By incorporating TBL, banks assess the broader impact of their CSR initiatives and make informed decisions that balance profitability with social welfare. At the core of CSR is philanthropic responsibility, where businesses voluntarily engage in charitable activities to benefit society. Carroll (2016) argues that although philanthropy is not legally mandated, it is increasingly expected by the public. The next level is legal responsibility, which entails strict adherence to laws and regulations. Carroll (2016) posits that legal responsibility should not be seen merely as a baseline but as a set of duties that uphold the structural integrity of businesses, reinforcing public trust and long-term success.

2.2.1. Definition of Corporate Social Responsibility

CSR lacks a universally accepted definition but generally refers to ethical business practices that comply with legal requirements while respecting people, communities, and the environment. Beyond profit-making, companies are responsible for their broader societal impact, which includes employees, customers, investors, suppliers, government, and local communities. Increasingly, stakeholders expect companies to integrate environmental and social responsibility into their operations.

Ezekiel (2013) describes CSR as a growing 21st-century business philosophy, establishing a self-regulatory framework for companies to ensure compliance with laws, ethical norms, and international standards. Bowen (1953), regarded as the father of CSR, defines it as the obligation of businesses to pursue policies and decisions beneficial to societal objectives (Carroll, 1999; Kebede, 2020). Laxmi (2020) underscores CSR as an integral aspect of business models, ensuring accountability in social, ethical, and environmental matters.

CSR is often synonymous with corporate citizenship, implying that businesses should act as responsible members of their communities (USAID, 2002). The concept evolves over time, and definitions vary based on literature and ideological perspectives (Mohammad et al., 2009). ISO 26000 (2010) defines CSR as an organization's responsibility for its societal and environmental impacts through ethical behavior, sustainable development, stakeholder engagement, and legal compliance. Similarly, the European Commission (2001) defines CSR as voluntary efforts integrating social and environmental concerns into business operations. Scholars such as

Safarzad (2017) argue that CSR is a legal requirement aimed at improving efficiency and productivity while balancing shareholder profit with ethical and environmental considerations. David & Guler (2008) broaden CSR's definition to include global corporate responsibilities, local business-community relationships, and stakeholder engagement. McWilliams & Siegel (2001) suggest that CSR should exceed legal and ethical expectations to enhance business growth and stakeholder trust.

2.2.2. Theories of Corporate Social Responsibility

Several theories explain the relationship between CSR and financial performance. Advocates argue that CSR benefits financial performance and yields non-financial rewards, while critics view it as unrelated to profit-making (Dakito, 2017; Lidiya, 2021; Robel, 2022).

2.2.2.1.Stakeholder Theory

Freeman & Reed (1983) introduced Stakeholder Theory, emphasizing the importance of satisfying multiple constituents, including employees, customers, local communities, and governments (McWilliams, Siegel & Wright, 2006). Companies must engage with non-financial stakeholders to gain support and sustain operations (Ogden & Watson, 1999). Stakeholder engagement reduces opportunistic behavior, incentivizes cooperation, and fosters long-term business stability (Van der Laan, 2008). However, Jacob (2013) highlights that CSR entails costs, making it imperative for companies to generate bottom-line benefits to maintain sustainability.

2.2.2.2.Shareholder Theory

Milton Friedman argued that a company's primary responsibility is to maximize shareholder value, and engaging in social initiatives diverts focus from profit generation (Cheers, 2011; Smith, 2003). Critics of this theory argue that businesses should consider all stakeholders affected by their operations (Harrison, 2015). Graves (2001) contends that customers, employees, and communities also invest in businesses through trust, time, and infrastructure. The shift from shareholder to stakeholder wealth maximization underscores the necessity of CSR for business sustainability (Niresh & Silvia, 2018; Lee & Thao, 2019).

2.2.2.3.Corporate Social Performance Theory

Bowen (1953) first discussed CSR obligations, later expanded by Carroll (1979) and Wartick & Cochran (1985), who introduced the concept of Corporate Social Performance (CSP). Wood (1991) developed a model integrating institutional, organizational, and individual CSR. Oyenje (2012) notes that CSP enhances corporate legitimacy, aligns businesses with societal needs, and encourages firms to publish CSR reports covering economic, social, and environmental performance.

2.2.2.4.Integrative Theory

Garriga & Mele (2004) propose that businesses rely on society for stability and growth, making social demands an integral part of corporate strategies. This theory argues that organizations should prioritize social legitimacy and stakeholder acceptance by aligning their goals with societal expectations.

2.2.3. Principles for Integrating CSR into Organizational Culture

CSR integration into corporate culture follows three key principles: sustainability, accountability, and transparency (Katamba et al., 2012).

2.2.3.1.Sustainability

Sustainability ensures that businesses use resources efficiently to support long-term operations. Companies must adopt sustainable practices such as conserving natural resources, investing in renewable alternatives, and engaging in environmental restoration efforts. Establishing CSR funds or partnerships can support long-term sustainability initiatives.

2.2.3.2.Accountability

Accountability acknowledges the impact of corporate actions on external environments. Businesses must engage in environmentally responsible activities and disclose efforts to mitigate negative impacts. Governments worldwide, including Ethiopia, have established regulatory bodies to oversee corporate environmental compliance (Christoph et al., 2012).

2.2.3.3.Transparency

Transparency ensures that companies openly report their environmental and social impact, allowing stakeholders to assess CSR initiatives. External stakeholders expect clear communication of corporate actions, particularly those affecting society and the environment (Crowther & Aras, 2008). Transparent reporting enhances trust and reinforces accountability principles (Katamba et al., 2012).

By adopting these principles and aligning CSR initiatives with stakeholder expectations, businesses can enhance long-term sustainability, societal engagement, and financial performance.

2.2.4. The Benefits of Corporate Social Responsibility

In today's business environment, producing quality products at reasonable prices is no longer sufficient. Corporate Social Responsibility (CSR) provides both internal and external benefits to firms. Internally, CSR fosters a positive organizational culture, while externally, it enhances public perception (Branco & Rodrigues, 2006; Ronald, 2021). Customers and employees expect businesses to use their resources and influence to drive positive societal change. A 2020 study by Porter Novelli found that 88% of employees believe companies should prioritize societal impact alongside profitability.

Porter and Kramer (2002) highlight the multidimensional advantages of CSR, including sustainability, profitability, reputation building, and competitive positioning in global markets. CSR efforts enable businesses to improve their market standing and long-term financial performance. Williams and Siegel (2000) emphasize that effective CSR implementation enhances corporate reputation, signaling reliability and honesty, which in turn fosters consumer trust and product quality perceptions. Additionally, advertising CSR initiatives strengthens a firm's image and market differentiation.

Nazari, Parvizi, & Emami (2012) note that CSR has been a key agenda item at the World Economic Forum, with corporate competitiveness, governance, and citizenship playing crucial roles in shaping business strategies. Worku (2017) asserts that businesses actively engaging in CSR enjoy stability, increased productivity, cost reduction, and enhanced operational security. Bichta (2003) further argues that CSR efforts involving governments, industries, civil society, and NGOs significantly contribute to environmental sustainability and social inclusion.

2.2.5. Corporate Social Responsibility and Organizational Performance

Maldonado, Pinzon, and Lopez (2016) analyze the relationship between CSR and business performance, classifying it into three perspectives: negative, neutral, and positive. Rasheed (2022) proposes the theory of dual responsibility, suggesting that managers view CSR as a resource that fosters competitive advantage. Mechanisms such as reputation enhancement, innovation, customer loyalty, and satisfaction contribute to improved financial performance. Firms with high research and development (R&D) capabilities and operational efficiency benefit the most from CSR initiatives.

However, some researchers argue that CSR implementation costs outweigh the benefits (Lopez, Garcia, & Rodriguez, 2007). Others contend that the relationship between CSR and company performance remains inconclusive (Garcia, Arino, & Canela, 2010). Nevertheless, the majority of studies affirm that CSR adoption positively influences business performance (Callan & Thomas, 2009; Mishra & Suar, 2010; Howton, Doh, & Siegel, 2010), albeit with varying influencing factors.

2.2.6. Organizational Performance Measurements

Organizational performance is commonly defined as the ability to achieve established goals efficiently and effectively (Adamu, 2020). It encompasses factors such as productivity, inventory reduction, and market share expansion (Jacobs et al., 2009). Performance evaluation is often benchmarked against industry peers, considering aspects like quality, efficiency, profitability, and sustainability (Thomas, 2017).

Fleisher (2003) emphasizes that performance measurement is crucial, especially in dynamic and competitive environments. Seang (2003) describes performance measurement as the assignment of quantitative indicators to track progress systematically. Kotler and Lee (2005) suggest that while CSR can enhance financial performance by improving company value and reputation, its impact remains debatable. Neely (2004) defines performance as taking present actions that yield measurable future outcomes. Niven (2006) asserts that performance measures, even when well-defined, have a profound impact on organizational effectiveness.

Organizational performance is influenced by inputs (efforts) and outputs (results). Stukhart (2007) states that performance measures align with strategic objectives, customer satisfaction, and economic contributions. Florence (2018) adds that performance encompasses both behavior and results. Researchers use various metrics, including sales growth, revenue growth, market share, and stock price, to assess performance (Jonathan, 2021). Cross (2019) views performance as achieving set goals within enterprise orientations, while Dagim (2018) highlights its competitive nature.

Rolstadas (1998) identifies seven key performance criteria: effectiveness, efficiency, quality, productivity, quality of work, innovation, and profitability. Organizational performance reflects a company's ability to achieve profitability, market leadership, and product excellence. It also serves as a benchmark for financial health, productivity, and strategic growth (Ronald, 2021).

2.2.7. Why Companies Engage in Corporate Social Responsibility

Ezana (2014) identifies several motivations for CSR adoption, including moral obligation, sustainability, regulatory compliance, and reputation management. Ezekiel, Edegoh, and Anatsui (2013) describe CSR as a strategic approach to creating positive community impact while conducting business. CSR aligns with economic, legal, ethical, and discretionary responsibilities expected by society. Companies engaging in CSR benefit from enhanced brand reputation, reduced operational costs, customer attraction, long-term profitability, investor confidence, and improved stakeholder relations.

Carlson and Akerstrom (2008) argue that CSR participation yields multiple advantages, including increased sales, improved market positioning, stronger brand image, and enhanced employee motivation and retention. Ultimately, CSR fosters sustainable business practices, societal goodwill, and long-term organizational success.

2.3.Empirical Evidence on CSR and Financial Performance

Corporate Social Responsibility (CSR) has gained prominence in politics, industry, and academia, yet its impact on organizational performance remains debated (Coelho et al., 2023). Various studies have explored this relationship, producing mixed results. For instance, Khan et al. (2023), Ikram et al. (2019), and Rettab et al. (2008) found a direct positive relationship between CSR and organizational performance, emphasizing that CSR enhances reputation, customer loyalty, and operational efficiency, leading to organizational success. Conversely, Madugba and Okafor (2016) observed a significant inverse relationship, suggesting that CSR initiatives might divert resources from core business activities, thereby reducing profitability. Meanwhile, Okwemba et al. (2014) provided a nuanced view, highlighting that while philanthropic and ethical responsibilities positively impacted performance, environmental responsibilities had a weaker but still positive correlation, particularly when controlling for government policy.

Focusing on the banking sector, Okwemba et al. (2014) demonstrated that philanthropic and ethical responsibilities significantly improved organizational performance. Philanthropic activities, particularly charitable giving, had a notable impact on bank success, with a substantial positive correlation coefficient of 0.490, significant at the 0.05 level. Rettab et al. (2008) studied Dubai's rapidly developing economy and found a strong positive correlation between CSR and performance metrics, reinforcing CSR's role in organizational effectiveness. Similarly, Ali et al. (2010) linked CSR to increased employee dedication, morale, and productivity, reinforcing its broader impact on organizational success.

Despite these findings, there remains considerable debate on CSR's actual effect. Broomhill (2007) argues that businesses often adopt CSR, particularly philanthropy, to counter public criticism, prevent regulatory intervention, or reinforce legitimacy rather than to improve financial performance. Bhattacharya and Sen (2004) suggest that CSR has moved from an ideological concept to a strategic necessity, highlighting its role in enhancing both social impact and business performance. Carroll (2008) further asserts that CSR reflects a firm's ethical stance towards consumers and other stakeholders, while Post (2003) links external CSR to corporate image formation through media and personal experiences.

From a stakeholder perspective, Moir (2001) contends that CSR is rooted in stakeholder theory, guiding firms in balancing responsibilities toward internal and external stakeholders. Petersen and Vredenburg (2009) add that corporate boards increasingly evaluate CSR's impact on stakeholder value, while Oketch (2004) notes a growing consensus that businesses, as part of society, have obligations beyond profit maximization. Branco and Rodrigues (2006) argue that CSR disclosures significantly influence corporate reputation and stakeholder perceptions, leading to intangible benefits such as employee engagement and managerial trust.

Empirical studies further explore CSR's financial implications. Hassan and Ahmed (2011) examined Bangladeshi banks, comparing the financial performance of socially responsible banks with non-socially responsible ones. Their findings suggest that long-term CSR investment enhances corporate financial performance. Similarly, Anyona (2005) analyzed Kenyan commercial banks, concluding that institutions with higher CSR expenditure tend to be more profitable than those with minimal social responsibility spending.

Imam (2000) highlights regional disparities in CSR practices, noting significant variations between developed and developing countries. Egels (2005) emphasizes CSR's heightened importance in Africa, particularly in industries like banking, mining, oil, and gas, due to their environmental and social impact. Initially, CSR in Sub-Saharan Africa was largely philanthropic, focused on education, healthcare, and poverty alleviation. However, Rampersad and Skinner (2014) observe a shift toward integrating CSR with core business strategies.

In Ethiopia, CSR remains underdeveloped (Ezana, 2014; Dakito, 2017; Fentaye, 2018; Bereket, 2020; Lidiya, 2021). While some banks incorporate CSR, little research has been conducted on its financial impact, particularly in the banking industry. Government regulations may enforce responsible business practices, but voluntary CSR engagement remains limited. Weber (2008) in Lidiya (2021) suggests that CSR should theoretically improve long-term financial performance, though Dakito (2017) found no significant relationship between CSR and financial success in Ethiopian commercial banks.

Most studies on CSR's impact in the banking sector conclude that effective CSR implementation supports sustainable growth by addressing community, customer, supplier, and regulatory concerns. However, results vary due to differences in measurement approaches and economic contexts. Studies from developed nations often show a positive CSR impact, while in developing economies like Ethiopia, the lack of standardized CSR benchmarks and limited corporate engagement may weaken its financial influence.

This study aims to address this knowledge gap by examining the effect of CSR on the organizational performance of the Bank of Abyssinia, a topic with limited empirical research in the Ethiopian banking sector.

2.4.Conceptual Framework of the Study

The literature on Corporate Social Responsibility (CSR) presents various theoretical frameworks, with Carroll's model being particularly influential. This study adapts Carroll's model, which includes four categories of responsibility: economic, legal, ethical, and philanthropic. However, for the purpose of this research, the focus is on philanthropic, legal, and ethical responsibilities, excluding the economic responsibility as it aligns more with the fundamental objective of profit maximization, which is not specific to CSR. While businesses aim to maximize profits for survival and competitiveness, this study seeks to explore CSR's impact on organizational performance beyond profit motives.

Organizational performance is assessed from multiple perspectives: financial, customer, internal business processes, and learning and growth. The research focuses on specific parameters such as improving the relationship with the community, regulatory bodies, and employees, enhancing the ability to recruit, develop, and retain staff, improving shareholder satisfaction, increasing overall firm reputation, and boosting customer satisfaction.

Additionally, the study will consider economic responsibilities within the context of organizational performance, specifically examining the Bank of Abyssinia's efforts to create job opportunities for the local community. The bank's staff capacity-building policy, which includes provisions for education, training, and research and development, along with its competitive wages and attractive benefits packages—such as medical services, performance bonuses, holiday pay, and transport allowances—will be highlighted.

The bank's commitment to delivering high-quality financial products that meet or exceed customer expectations will also be explored. By integrating these dimensions, the study aims to provide a comprehensive understanding of CSR's influence on the Bank of Abyssinia's organizational performance.

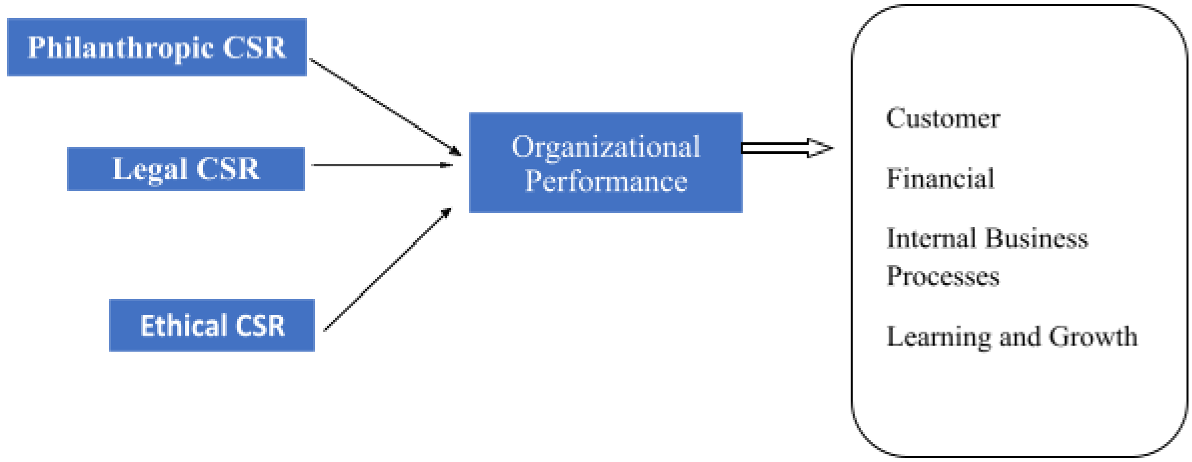


Figure 2.1. Conceptual Framework by the Researcher

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

In the pursuit of understanding the intricate relationship between Corporate Social Responsibility (CSR) initiatives and Organizational performance within Bank of Abyssinia, a robust research design and meticulous data collection methods are imperative. This section elucidates the research design adopted, emphasizing its alignment with the study's objectives, and delves into the data collection techniques employed to gather comprehensive insights.

3.2. Research approach

The research approach can be Qualitative, Quantitative, or Mixed. Quantitative research is used to measure different variables and analyze numerical data, allowing for objective conclusions. In contrast, Qualitative research helps to gain detailed knowledge in a subject area by collecting subjective data and drawing conclusions from it. A Mixed research approach combines both qualitative and quantitative methods to leverage the strengths of each (Symeou and Lamprianou, 2008).

This study employs a Mixed research approach, integrating both quantitative and qualitative methods to provide a comprehensive analysis. The quantitative aspect aligns with the Descriptive research design, which involves collecting and analyzing numerical data related to demographic and personal characteristics. This allows for objective measurement and quantification of variables. The qualitative aspect aligns with the Explanatory research design, which seeks to understand the reasons behind observed phenomena. By investigating the impact of CSR practices on a firm's organizational performance, the study aims to uncover the causal relationship between the independent variable (CSR) and the dependent variable (Organizational Performance).

3.3. Research Design

According to Akhtar (2016), there are four types of research design: Exploratory, Descriptive, Explanatory, and Experimental. This study employs both Descriptive and Explanatory research design methods.

Descriptive research design depicts events as they occur and is often referred to as statistical research. It identifies and gathers data about the characteristics of a certain issue, whether related to a community, group, or individual. In this study, Descriptive research design collects and analyzes demographic and personal data.

Explanatory research design focuses on understanding the reasons behind phenomena and seeks to answer the "why" questions related to associations. This study applies Explanatory research design to investigate the effect of CSR practices on a firm's organizational performance. It explains the causal relationship between the independent variable (CSR) and the dependent variable (Organizational Performance) (Akhtar, 2016).

3.4. Source of Data

Data is defined as the quantitative or qualitative values of a variable, encompassing numbers, images, words, figures, facts, or ideas (Kothari, 2004). It is classified as either primary or secondary. This study utilizes both primary and secondary data sources to ensure a comprehensive analysis.

Primary data is collected directly from the source and is tailored specifically to the research objectives (Creswell, 2014). In this study, primary data is gathered from employees of Bank of Abyssinia. Data collection methods include designed questionnaires, which are distributed to employees to gather quantifiable data. Additionally, interviews are conducted with the bank's top managers to obtain in-depth qualitative insights and ensure a thorough understanding of the research topic. Interviews serve as a valuable method for capturing detailed information that might not be obtained through questionnaires alone (Patton, 2002).

Secondary data is sourced from existing documents and literature related to the research topic. In this study, secondary data includes company reports and other relevant materials related to Corporate Social Responsibility (CSR). These documents are obtained from Bank of Abyssinia and include both published and unpublished materials. Secondary data provides a broader context and supports the primary data collected, offering a well-rounded perspective on the subject (Saunders, Lewis, & Thornhill, 2016).

By integrating both primary and secondary data, the study provides a robust analysis of CSR practices and their impact on the organizational performance of Bank of Abyssinia. This mixed-method approach ensures that both statistical trends and detailed qualitative insights are considered, leading to more comprehensive and reliable research findings.

3.5. Population and Sampling

3.5.1. Population

The concept of the target population refers to the entirety of individuals, cases, or objects possessing specific distinguishing characteristics, setting them apart from other populations (Smith & Jones, 2005). Ensuring the adequacy of the sample size requires considering factors such as diversity, representativeness, reliability, accessibility, and knowledge (Brown & Miller, 2010). In this study, the target population comprises employees of the Bank of Abyssinia.

3.5.2. Sampling

According to Smith and Jones (2005), when the target population is less than 1,000, a sample size of 10% is deemed sufficient. For this study, the target population includes staff members and relevant personnel from the Bank of Abyssinia's head office in Addis Ababa. Sample size refers to the number of variables included in a study (Malhotra & Briks, 2005).

The selection of employees from the Bank of Abyssinia is based on their work experience, ensuring that the respondents possess the necessary knowledge about the research area to achieve relevant objectives. The key respondents consist of one Director and one Manager from the concerned department at the head office. Additionally, from each of the 15 grade “A” branches, questionnaires are distributed to five employees, totaling 75 respondents.

In total, the study includes 77 respondents, selected purposively based on their clear awareness of corporate social responsibility practices. Their responses are collected through questionnaires and open-ended questions designed to provide meaningful insights into CSR practices at the Bank of Abyssinia.

3.6. Measurement of Variables

3.6.1. Independent Variable: Implementation of CSR Initiatives

In this study, the independent variable is the implementation of Corporate Social Responsibility (CSR) initiatives by the Bank of Abyssinia. CSR initiatives encompass a range of activities undertaken by banks to contribute to societal well-being and environmental sustainability. These initiatives include community development projects, environmental conservation efforts, ethical business practices, and employee welfare programs. The independent variable is operationalized through the identification and analysis of specific CSR activities implemented by the Bank of Abyssinia.

3.6.2. Dependent Variable: Organizational Performance of Bank of Abyssinia

The dependent variable in this study is the organizational performance of the Bank of Abyssinia. Organizational performance is assessed through various metrics that capture the bank’s efficiency, effectiveness, and overall success. Key indicators include customer satisfaction, employee performance, and market share. By examining these factors, the study determines how

Corporate Social Responsibility (CSR) practices influence the bank's performance outcomes. This holistic approach ensures a comprehensive understanding of the relationship between CSR initiatives and the bank's operational success.

3.7. Data Analysis

Data analysis involves systematically applying statistical and logical techniques to describe, illustrate, condense, and evaluate data (Yin, 2017). This study employs both quantitative and qualitative data analysis methods to provide a comprehensive understanding of the impact of CSR practices on the organizational performance of the Bank of Abyssinia.

The quantitative data collected through closed-ended questionnaires is analyzed using statistical tools. Descriptive statistics, such as means, standard deviations, and frequencies, summarize the demographic data. Inferential statistics, including correlation and regression analysis, determine the relationship between CSR practices (independent variable) and organizational performance (dependent variable). Statistical software such as SPSS or Excel is utilized to perform these analyses, ensuring precision and reliability in the results (Bryman & Bell, 2015).

The qualitative data obtained from interviews with the bank's top management is analyzed using thematic analysis. This process involves coding the data, identifying patterns and themes, and interpreting the findings to understand the deeper effect of CSR practices on organizational performance (Braun & Clarke, 2006). Thematic analysis uncovers insights that are not easily quantifiable, providing a richer context to the quantitative findings.

By combining both quantitative and qualitative analysis methods, the study presents a well-rounded evaluation of how CSR practices influence the organizational performance of the Bank of Abyssinia. This mixed-method approach enables a more nuanced and comprehensive understanding of the research problem (Creswell, 2014).

3.8. Validity and Reliability

In this research, both questionnaires and interviews serve as primary data collection instruments, making it essential to validate their effectiveness.

3.8.1. Validity

The validity of both the questionnaire and interview is ensured through careful design and expert review. Questionnaire items are adopted from established scholarly sources and reviewed by academic advisors to ensure content validity. Additionally, face validity is conducted to confirm that respondents find the questionnaire items understandable and relevant. Interview questions are designed based on a thorough review of the literature and pre-tested to ensure clarity and relevance. Expert review is also conducted to further strengthen content validity.

3.8.2. Reliability

The reliability of the questionnaire is assessed using Cronbach's alpha, with values above 0.70 indicating high reliability. The items measuring Organizational Performance are expected to demonstrate high reliability, while Philanthropic and Legal Responsibility items may show slightly lower but acceptable reliability. The reliability of the interview process is ensured by following a standardized interview guide and maintaining consistency across interviews.

Overall, these validation measures ensure that both the questionnaire and interview provide accurate and consistent data, enhancing the credibility of the research findings.

3.9. Ethical Considerations

Ethical considerations are paramount throughout the research process. Informed consent is obtained from all participants, and measures are implemented to safeguard their confidentiality and privacy. Participants are assured that their participation is voluntary and that they have the right to withdraw from the study at any time without consequence. All data collected is used solely for academic purposes, with strict adherence to ethical guidelines and principles. By prioritizing ethical considerations, the study ensures the integrity and credibility of the research findings while respecting the rights and dignity of all participants involved.

3.10. Conclusion

In conclusion, this research utilizes both questionnaires and interviews as primary data collection instruments. Ensuring the validity and reliability of these instruments is crucial for the accuracy and consistency of the data collected. By adopting established scholarly items and conducting expert reviews, the validity of the questionnaire and interview questions is maintained. Reliability is assessed through Cronbach's alpha for the questionnaire and standardized protocols for the interviews. These measures enhance the credibility of the research findings, providing a robust analysis of the impact of CSR practices on the organizational performance of Bank of Abyssinia.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1. Introduction

This chapter focuses on the presentation, interpretation, and analysis of data collected through questionnaires and interviews. Guided by the theoretical framework, the study examines key dimensions of corporate social responsibility (CSR), including philanthropic, ethical, and legal activities. These dimensions are explored as variables to assess their impact on the organizational performance of the Bank of Abyssinia. The analysis primarily relies on primary data collected through questionnaires completed by 70 respondents, interviews with relevant officials, and supplementary secondary data. The data has been analyzed in alignment with the objectives outlined in the first chapter. To facilitate interpretation, the findings are presented using tables and diagrams.

4.2. Response Rate

A total of 75 questionnaires were distributed and 71 questionnaires were returned. Among 71 questionnaires returned back 1 of them were discarded because it was not fully completed. After removing incomplete questionnaires and missing questionnaires, 70 complete questionnaires were useable (93% effective response rate) were available for analysis. The collected data were presented and analyzed using SPSS (version 20) statistical software, along with Excel for quantitative analysis, whereas ATLAS was utilized for qualitative data analysis. These tools were employed to test the study's hypotheses and assess the effects of the independent variables on the dependent variable.

4.3. Validity and reliability

To ensure the reliability of the questionnaire, the study used Cronbach's alpha, a measure of internal consistency, based on data from all respondents. Separate reliability tests were conducted for each variable. Cronbach's alpha evaluates the degree to which item responses are consistent and highly correlated. In social science research, a widely accepted threshold for reliability is an alpha value greater than 0.70 for a set of items to be considered a reliable scale (Field, 2009). The Cronbach's alpha tests were performed using SPSS, and the results are presented below.

Table 4 1: **Validity and Reliability Statistic**

Case Processing Summary				**Reliability Statistics**	
		N	%	Cronbach's Alpha	N of Items
Cases	Valid	70	100.0	.972	65
	Excluded	0	.0	Accepted threshold for reliability	
	Total	70	100.0	>0.70	
A. Listwise deletion based on all variables in the procedure.					

4.3.1. Case Processing Summary

- **Valid Cases**: A total of 70 valid responses (100.0%) were included in the analysis.
- **Excluded Cases**: None (0.0%) were excluded, indicating that all responses were usable for reliability analysis.
- **Total Cases**: 70 (100.0%).

The analysis was based on listwise deletion, meaning cases with missing data on any variable were excluded entirely from the reliability procedure.

4.3.2. Reliability Statistics

- **Cronbach's Alpha**: The value of **0.972** indicates excellent internal consistency across the questionnaire items.
- **Number of Items (N of Items)**: A total of 65 items were included in the reliability analysis.

4.3.3. Interpretation

The Cronbach's alpha of 0.972 far exceeds the widely accepted threshold of 0.70, demonstrating that the questionnaire items are highly reliable. This level of reliability suggests that the items consistently measure the same underlying construct, making the questionnaire a robust tool for data collection. The total item result is shown below: -

Table 4 2: **Item-total statistics for Cronbach's alpha**

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Philanthropic	46.36	171.827	.696	**.839**
Legal	38.59	94.014	.886	**.729**
Ethical	57.74	204.629	.859	**.807**
Performance	71.34	329.707	.878	**.860**

The table below also presents the inter-item correlations, which indicate the correlation coefficients between items within the study's scale. According to Field (2009), inter-item correlations should exceed 0.3 to ensure that the items are well-related. The results of this study show that the inter-item correlations for all variables are consistently above 0.3, demonstrating strong interrelationships among the items. This is an encouraging result, as it confirms the cohesiveness and reliability of the scale. The detailed results are presented in the following table.

Table 4.3: **Inter-Item Correlation Matrix**

Correlations				
	Philanthropic	**Legal**	**Ethical**	**Performance**
Philanthropic	**1**	.717	.618	.703
Legal	.717	**1**	.925	.850
Ethical	.618	.925	**1**	.877
Performance	.703	.850	.877	**1**

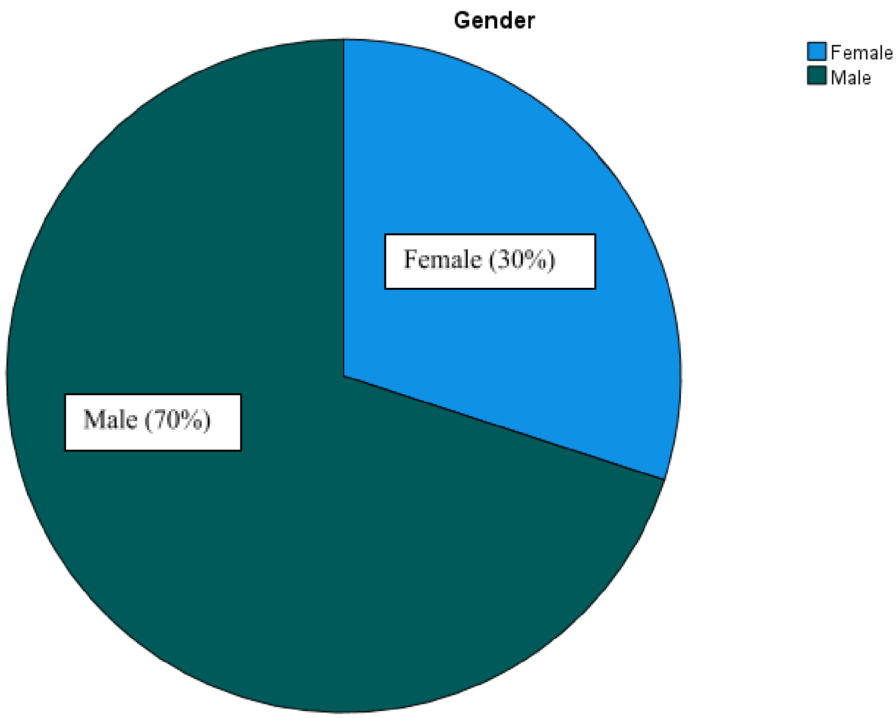
4.4. Demographic Profile

This section summarizes the demographic characteristics of the respondents in the study. The table below presents the frequency distribution of all 166 respondents based on their demographic information, with no missing values recorded. The demographic attributes considered in the study include respondents' age, gender, educational qualifications, job positions, and years of experience within the organization. A detailed discussion of each demographic characteristic is provided below.

4.4.1. Gender Distribution

Gender is a significant variable in social and economic contexts, as it can influence and be influenced by various social or economic phenomena. The frequency and percentage distribution of respondents by gender are presented below.

Figure 4.1. Gender Distribution of Respondents



(Source: Researcher's Survey, 2024)

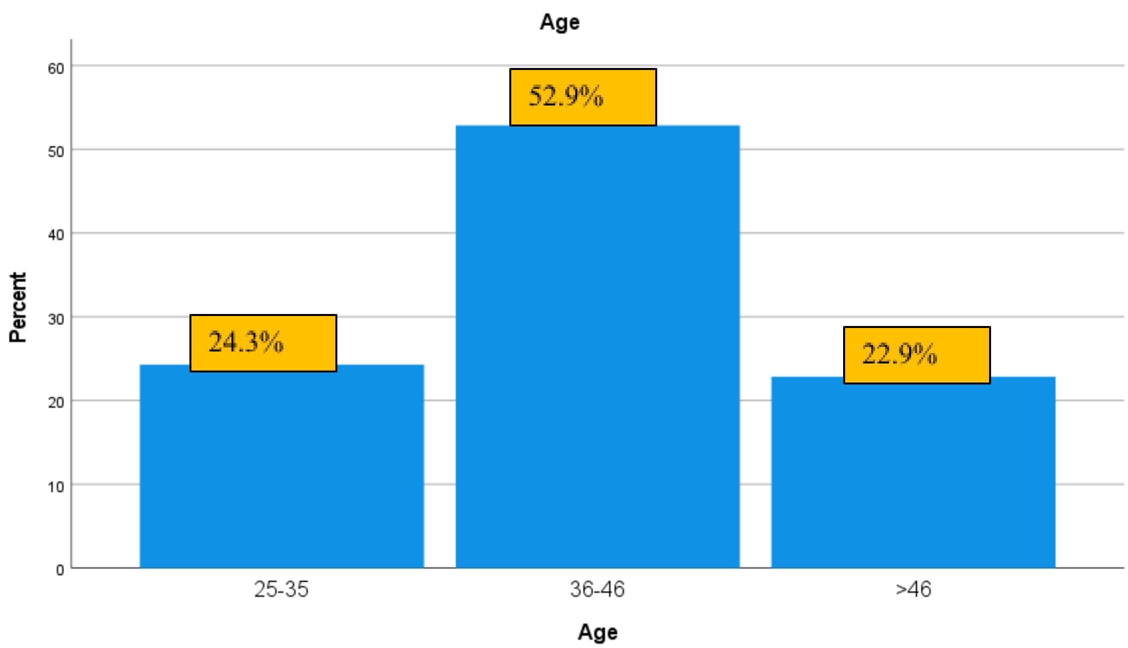
The respondents were asked to indicate their gender, and the results, as shown in the figure above, reveal that 70% of the respondents were male, while the remaining 30% were female. This indicates that the majority of participants in this study were male, highlighting a significant gender imbalance in the respondent group, Bank of Abyssinia.

The dominance of male respondents suggests that the findings of this study are predominantly shaped by the perspectives, experiences, and opinions of men. While the female respondents' input is valuable and represents an important demographic, the smaller proportion of female participants means their influence on the study's overall outcomes may be comparatively limited. This disparity may reflect broader trends in the banking industry under investigation, such as gender representation in the workforce or managerial positions, which could warrant further exploration in future research.

4.4.2. Age Distribution

Age is another critical parameter that requires attention in data analysis. It reflects the level of maturity of individuals, which is often associated with their understanding of the significance of social responsibilities. The age distribution of respondents is presented below in below figure;

Figure 4.2. Age Distribution of Respondents



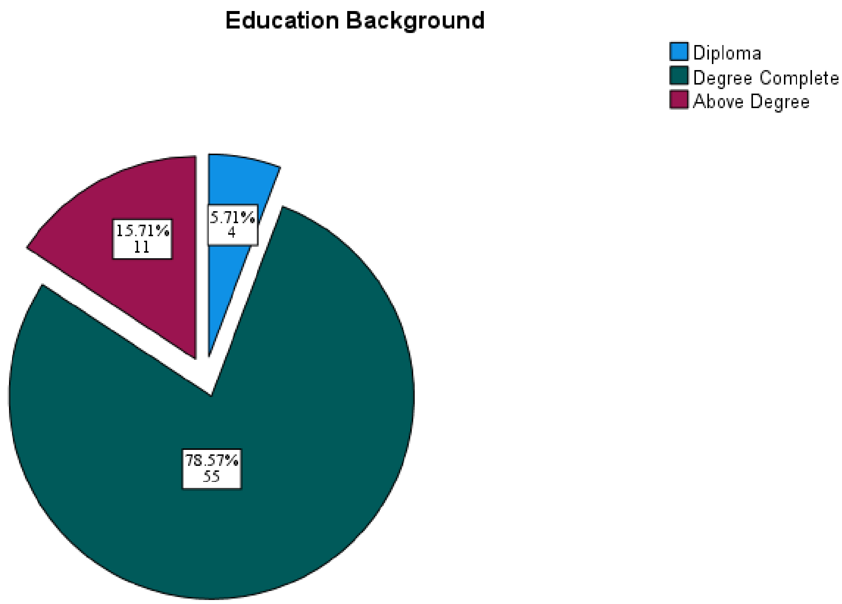
(Source: Researcher's Survey, 2024)

As illustrated above, the majority of respondents (52.9%) fall within the age group of 36–46 years. Additionally, 22.9% of respondents are aged above 46 years, 20.5% belong to the age group of 25–34 years, and none (0%) are below 25 years. This clearly indicates that the bank is predominantly staffed by employees who are in their prime working age.

4.4.3. Educational Status of respondents

An individual's perception of any phenomenon and their attitude can be significantly influenced by their level of education. Educational status is likely to have an impact on the responses provided by study participants. Therefore, it is important to assess the educational attainment of respondents. The data related to their educational levels is presented below.

Figure 4.3. **Educational Status of respondents**



(Source: Researcher's Survey, 2024)

As illustrated in the figure above, all respondents in the study are educated, showcasing a high level of academic attainment among participants. Out of the total 70 respondents, 4 individuals (5.71%) hold a Diploma, the majority 55 respondents (78.57%) have a first degree, and 11 respondents (15.71%), possess a Master's degree and above.

4.4.4. Work Experience

An individual's way of perceiving any phenomenon and their attitude can be significantly influenced by their work experience. The level of professional experience is likely to impact the responses of the study participants. Therefore, the researcher finds it essential to assess the respondents' years of work experience. The data related to their work experience is presented in the below table.

Work Experience				
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**

Valid	1-3 Years	1	1.4	1.4	1.4
	4-9 Years	18	25.7	25.7	27.1
	>10 Years	51	72.9	72.9	100.0
	Total	70	100.0	100.0	

Table 4.4: **Work Experience of Respondents**

Respondents were also asked to indicate their years of work experience within their current organization. As shown in the table above, 1.4% of respondents reported having 1–3 years of experience, 25.7% indicated 4–9 years, and the majority, 72.9%, had over 10 years of experience.

These results highlight that the majority of respondents possess extensive professional experience, with 10 years or more in the banking sector. This indicates that they have accumulated substantial knowledge and expertise in their roles, making them well-qualified to provide informed and reliable responses to the research questions. Their depth of experience contributes to the credibility and rigor of the study's findings, as their insights are grounded in a profound understanding of the banking industry and their bank.

4.5.Descriptive Analysis

This section focuses on CSR practices, excluding economic performance, and examines the three elements of Carroll's CSR model: legal responsibility, ethical responsibility, and philanthropic responsibility. Respondents were asked to rate their agreement with various statements on a 5-point Likert scale: 5 for Strongly Agree, 4 for Agree, 3 for Neutral, 2 for Disagree, and 1 for Strongly Disagree. The mean (M) scores are interpreted as follows: 0–1.5 indicates strong disagreement, 1.5–2.5 indicates disagreement, 2.5–3.5 indicates neutrality, 3.5–4.5 indicates agreement, and above 4.5 indicates strong agreement. The mean reflects the overall level of agreement among respondents, providing insights into CSR practices, their benefits, motivations, and the impact on the company's performance. The standard deviation (SD), on the other hand, measures the variation in responses around the mean, indicating whether respondents' answers were consistent or widely varied. The analysis uses these means and standard deviations to evaluate the CSR variables and their implications for the sampled bank, Bank of Abyssinia.

4.5.1. Effects of Philanthropic Activities

The study required to found the effects of philanthropic activities on organizational performance in Bank of Abyssinia. The findings of the study were discussed below.

Table 4 5: **Effects of philanthropic activities on organizational performance**

Descriptive Statistics			
	N	Mean	Std. Deviation
The bank actively supports disadvantaged social groups and individuals in the community.	70	3.31	1.490
Managers and employees of the bank voluntarily participate in charitable activities within the local community.	70	4.20	.714
The bank collaborates with public and private educational institutions to enhance educational opportunities.	70	3.86	.621
The bank engages in projects that aim to improve the quality of life in the community.	70	3.83	.481
Employees are encouraged to participate in local community activities, providing time, expertise, or practical support.	70	3.83	.780
The bank supports the protection of national heritage, arts, and culture, including the promotion and development of traditional arts and handicrafts.	70	4.03	.761
The bank actively supports sports initiatives in the community.	70	3.90	.819
The bank finances investments aimed at environmental protection and sustainability.	70	4.01	.712
The bank is involved in projects that are highly appreciated by the community, such as supporting local schools and youth centers.	70	3.96	.669
The bank allocates funds toward charitable contributions for the local community.	70	4.17	.798
The bank's CSR activities positively impact employee morale and job satisfaction.	70	3.96	.751
The bank's CSR initiatives influence customer loyalty and enhance community reputation.	70	4.09	.775

Valid N (listwise)	70		

(Source: Researcher's Survey, 2024)

The table presents respondents' perceptions of the bank's philanthropic CSR activities based on a 5-point Likert scale. The data reflects a generally positive view of the bank's commitment to community and charitable initiatives, with respondents expressing varying levels of agreement on different aspects of its CSR efforts.

Respondents moderately agreed that the bank actively supports disadvantaged social groups and individuals in the community, with a mean score of 3.31 and a standard deviation of 1.490. This indicates that while there is acknowledgment of the bank's efforts in this area, there is still room for improvement. Strong agreement was expressed on the participation of managers and employees in charitable activities within the local community, with a high mean score of 4.20 and a relatively low standard deviation of 0.714. This suggests that the bank's leadership and employees are seen as actively involved in community engagement, which may enhance the bank's image as a socially responsible organization.

The bank's collaboration with public and private educational institutions to enhance educational opportunities received a positive mean score of 3.86 and a standard deviation of 0.621. This reflects strong alignment among respondents regarding the bank's efforts to contribute to education, which is a vital area of community development. Similarly, the bank's engagement in projects aimed at improving the quality of life within the community, as well as encouraging employees to participate in such initiatives, were rated highly, with both aspects receiving mean scores of 3.83 and standard deviations of 0.481 and 0.780, respectively. These findings highlight the bank's ongoing commitment to fostering well-being and employee involvement in local initiatives.

Support for the protection of national heritage, arts, and culture, including traditional arts and handicrafts, also received favorable feedback, with a mean score of 4.03 and a standard deviation of 0.761. This indicates that the bank's efforts in preserving cultural heritage are well-regarded. Furthermore, the bank's active support for sports initiatives within the community was rated positively, with a mean score of 3.90 and a standard deviation of 0.819, reflecting its role in promoting recreational and developmental activities.

Respondents also agreed that the bank finances investments aimed at environmental protection and sustainability, with a mean score of 4.01 and a standard deviation of 0.712. This demonstrates the bank's dedication to addressing environmental challenges, which is increasingly becoming a core component of corporate social responsibility. Similarly, the bank's involvement in projects that are highly appreciated by the community, such as supporting schools and youth centers, received a mean score of 3.96 and a standard deviation of 0.669, indicating its alignment with local community needs.

The allocation of funds toward charitable contributions for the local community was one of the highest-rated aspects, with a mean score of 4.17 and a standard deviation of 0.798. This reflects the bank's significant contributions to community welfare through direct financial support. Additionally, the bank's CSR activities were perceived to have a positive impact on employee morale and job satisfaction, as reflected by a mean score of 3.96 and a standard deviation of 0.751. Similarly, respondents agreed that the bank's CSR initiatives influence customer loyalty and enhance its community reputation, with a mean score of 4.09 and a standard deviation of 0.775.

Overall, the findings highlight the bank's strong commitment to philanthropic activities, particularly in areas such as charitable contributions, employee engagement, environmental protection, and educational initiatives. These efforts not only enhance the bank's relationship with the community but also contribute to its internal organizational culture and stakeholder satisfaction. The data suggests that the bank's CSR activities are making a meaningful impact and are well-regarded by respondents, providing a strong foundation for continued and expanded efforts in corporate social responsibility.

Insights from interviews with the Communication Director revealed that "*community expectations extend beyond philanthropic activities to include infrastructure development, such as roads and electricity, as well as projects aimed at income generation for local youths. Early discussions, particularly during the land acquisition phase, are critical for managing these expectations. The importance of maintaining accurate records of commitments and regular updates to stakeholders was emphasized as essential for fostering long-term relationships.*"

The findings align with prior research, such as that by Amaeshi et al. (2006), which noted that CSR in developing countries often focuses on philanthropy through corporate investments in education, health, sports development, and community services. Similarly, Visser (2008) highlighted the significance of corporate philanthropy in fostering employee voluntarism and sponsorships. These insights underscore the importance of enhancing the bank's efforts in philanthropic CSR activities to achieve greater community trust and organizational benefits.

4.5.2. Effects of Legal Responsibility

Legal responsibility encompasses ensuring compliance with safety and environmental standards, implementing appropriate health and safety measures, and fostering a workplace environment that upholds human rights and encourages freedom of association. This includes safeguarding employees against sexual harassment, child labor, and forced or compulsory labor. It also involves establishing clear policies and guidelines on working hours and adopting robust anti-discrimination procedures.

Furthermore, legal responsibility extends to environmental stewardship, such as reducing pollution of air and water, implementing waste reduction programs, promoting energy conservation, and utilizing recyclable materials. Engaging in open dialogue with the local community to address environmental concerns and minimize adverse impacts, such as waste generation and pollution, is also essential. Additionally, raising environmental awareness within the organization and the broader community plays a significant role in fulfilling these responsibilities.

Table 4 6: **Effects of Legal activities on organizational performance**

Descriptive Statistics			
	N	Mean	Std. Deviation
The bank performs in a manner consistent with the expectations of government and law.	70	4.41	.807
The bank complies with various federal, state, and local regulations.	70	4.30	.805
The bank fulfills its legal obligations to societal stakeholders.	70	4.30	.840
The bank ensures that all products and services meet the required safety and environmental standards.	70	4.14	.621

The organization has suitable health and safety arrangements that adequately protect employees.	70	4.14	.666
The bank adheres to human rights principles, including equal opportunity and respect for employees' rights to enhance skills and capabilities.	70	4.04	.690
The bank protects employees against sexual harassment, child labor, and forced or compulsory labor.	70	4.04	.824
The bank has clear human resource policies and guidelines that comply with local labor laws and ILO standards.	70	4.14	.804
The organization implements adequate procedures to prevent discrimination based on gender, ethnicity, religion, etc.	70	3.84	.773
The bank does not pollute air or water by emitting hazardous waste.	70	4.50	.737
The organization has a waste reduction program in place.	70	3.31	.753
The bank promotes energy conservation initiatives.	70	3.33	.944
The bank maintains an open dialogue with the local community regarding environmental and social issues (e.g., waste management, emissions).	70	3.66	.740
The bank actively seeks to reduce its environmental impact through initiatives such as waste minimization.	70	3.79	.778
The bank promotes environmental awareness by providing information to employees to enhance their understanding of environmental issues.	70	3.86	.708
The bank regularly evaluates and updates its legal compliance measures to ensure ongoing adherence to regulations.	70	3.70	.574
Valid N (listwise)	70		

(Source: Researcher's Survey, 2024)

The Bank of Abyssinia demonstrates strong performance in key areas of corporate social responsibility (CSR), specifically in legal related responsibilities. The analysis, based on survey data and interviews, provides detailed insights into the bank's practices and highlights areas for improvement.

The bank exhibits a high level of adherence to government regulations, with a mean score of 4.41 for performing in a manner consistent with legal expectations. A similarly high mean of 4.30 indicates strong compliance with federal, state, and local regulations. Respondents largely agreed that the bank fulfills its legal obligations to societal stakeholders, achieving another mean score of 4.30. These results collectively suggest a robust foundation of regulatory compliance, which aligns with the bank's commitment to legal accountability.

When it comes to product and service standards, the bank ensures compliance with safety and environmental requirements, as reflected by a mean score of 4.14. This indicates most respondents either strongly agreed or agreed with this statement. The Communication Director corroborated this finding, stating that "*the bank strives to maintain and improve its safety and environmental performance. This commitment not only reinforces consumer trust but also enhances the bank's reputation for prioritizing safety*.'

The organization has effective health and safety measures to protect employees, achieving a mean score of 4.14. A significant proportion of respondents either strongly agreed or agreed with this statement, indicating broad satisfaction with workplace safety arrangements. Interviews with the Communication Director highlighted that *"the bank consistently provides personal protective equipment to its employees, particularly during the COVID-19 pandemic. This includes regular provisions for cleaners, engineers, and other staff requiring such equipment, demonstrating the bank's commitment to safety protocols and employee well-being."*

The bank's adherence to human rights principles, such as equal opportunity and respect for employees' development, received a mean score of 4.04. A majority of respondents strongly agreed or agreed that the bank upholds these values. Similarly, its protection of employees against sexual harassment, child labor, and forced labor was rated highly, with 50% of respondents strongly agreeing and 40% agreeing. Interview findings affirmed that the bank implements fair labor practices while complying with national and local laws, further solidifying its commitment to ethical workplace standards.

The bank's human resource policies and guidelines align with local labor laws and International standards, as evidenced by a mean score of 4.14. A substantial portion of respondents strongly agreed or agreed with this assessment. Interviews with the Communication Director that "*the bank's policies cover professionalism, workplace safety, non-discrimination, and ethical behavior. These guidelines provide a clear framework for fostering an inclusive and respectful work environment.*"

However, the bank's efforts to prevent discrimination received a slightly lower mean score of 3.84. While many respondents strongly agreed (25.5%) or agreed (27.3%) that the bank takes adequate measures against discrimination, a notable minority either disagreed (11.8%) or strongly disagreed (5.5%). The Communication Director emphasized *"the bank's commitment to treating all employees with respect and dignity, though these findings suggest room for improvement in promoting a fully inclusive workplace culture."*

On environmental issues, the bank demonstrates commendable performance in minimizing pollution, with the highest mean score of 4.50 among surveyed indicators. This reflects the strong perception among respondents that the bank effectively avoids polluting the air or water through the emission of hazardous waste. Notably, 36.4% of respondents strongly agreed, and 33.6% agreed with this assertion. As a service-oriented institution, the bank inherently generates minimal or no hazardous waste. However, its proactive measures in ensuring environmental responsibility go beyond its operational boundaries.

The bank's Communication Director emphasized that, *“as a banking business, the organization itself does not directly release hazardous materials. Nonetheless, the bank recognizes its indirect impact through its financing activities and collaborations with industrial clients. In its credit analysis and environmental impact assessment processes, the bank rigorously examines environmental risks associated with the activities of its clients. This includes assessing potential emissions and pollution from factories and industrial sites that receive financing or other banking services. By integrating environmental considerations into its credit evaluation frameworks, the bank ensures that its clients' operations align with sustainable practices and comply with relevant environmental standards.”*

Moreover, the bank has established clear environmental management protocols to address pollution concerns indirectly linked to its operations. These procedures include thorough due diligence, stakeholder consultations, and compliance monitoring to ensure that financed projects adhere to environmental regulations. The bank actively communicates potential environmental risks to its stakeholders, fostering transparency and accountability in its operations.

This approach highlights the bank’s commitment to contributing to sustainable development by promoting environmentally responsible practices among its clients. While the bank's direct environmental impact may be minimal, its indirect influence through financing decisions underscores the critical role financial institutions play in shaping the environmental practices of other sectors. To further strengthen its efforts, the bank could consider enhancing its collaboration with environmental experts, adopting stricter environmental risk assessment tools, and developing green financing initiatives to incentivize eco-friendly projects.

The findings from this study demonstrate that the bank is not only fulfilling its regulatory obligations but also actively engaging in Corporate Social Responsibility (CSR) initiatives that align with broader societal and environmental goals. These practices position the bank as a leader in promoting sustainability within the financial sector and beyond.

Energy conservation also emerged as an area for improvement, with a mean score of 3.33. Most respondents (47.3%) were neutral, suggesting a lack of clear communication or visible initiatives in this area. The Communication Director confirmed that the bank does not currently have a comprehensive energy conservation program, presenting an opportunity for the bank to develop strategies that reduce energy consumption while maintaining efficiency.

The bank’s engagement with the local community on environmental and social issues received a mean score of 3.66. While some respondents strongly agreed (24.5%) or agreed (24.5%) that the bank maintains an open dialogue with stakeholders, a considerable portion was neutral (27.3%), and others disagreed (15.5%) or strongly disagreed (8.2%). Interviews revealed the absence of a formal communication policy, limiting the bank’s ability to foster transparency and trust with local communities. Developing a structured engagement strategy could significantly enhance stakeholder relationships and community trust.

Efforts to reduce the bank's overall environmental impact received moderate support, with a mean score of 3.79. Similarly, initiatives to promote environmental awareness among employees scored 3.86. While these figures indicate positive steps, they also highlight the need for more consistent and impactful initiatives. The Communication Director suggested that providing employees with training and resources to enhance their understanding of environmental issues could lead to better outcomes.

In summary, the Bank of Abyssinia demonstrates strong compliance with legal responsibilities and solid performance in workplace safety, human rights, and pollution control. However, areas such as waste energy conservation, community engagement, and environmental awareness require further attention. By addressing these gaps, the bank can strengthen its CSR practices, enhance stakeholder trust, and further establish itself as a socially responsible institution. The survey results and interviews collectively suggest a solid foundation for CSR, with significant potential for growth and improvement in targeted areas.

4.5.3. Effects of Ethical Responsibility

As shown in Table 4.7, respondents were asked to share their views on the ethical responsibility of the bank. In this section, the majority of respondents agreed that the company adheres to standards, norms, and expectations that demonstrate a commitment to fairness, justice, and the respect or protection of stakeholders' moral rights. This aligns with Carroll's (2004) definition of ethical responsibility, which emphasizes the importance of meeting the moral expectations of consumers, employees, shareholders, and the community.

Table 4 6: **Effects of Ethical Responsibilities on organizational performance**

Descriptive Statistics			
	N	Mean	Std. Deviation
The bank displays openness and transparency in its relationships with customers, employees, community groups, and governmental organizations.	70	4.04	.690

The bank has a system in place to identify the risks of corruption and maintains policies and practices that counter corruption.	70	4.00	.565
The bank respects the norms and expectations that consumers, employees, shareholders, and the community regard as fair and just.	70	3.93	.621
The bank accounts for the impacts of its decisions and activities on society and the environment.	70	3.90	.663
The bank engages in practices that promote ethical behavior among employees and stakeholders.	70	4.14	.728
The bank provides training and resources to employees to ensure understanding and compliance with ethical standards.	70	4.31	.753
The bank actively engages with the community to understand their concerns and incorporate their feedback into decision-making processes.	70	4.19	.786
Valid N (listwise)	70		

(Source: Researcher's Survey, 2024)

The respondents' views on the effects of ethical activities on organizational performance, particularly in the context of the bank, varied across different areas, as reflected in the descriptive statistics provided.

The bank's openness and transparency in its relationships with customers, employees, community groups, and governmental organizations received a mean score of 4.04, with a standard deviation of 0.690. This suggests that a majority of respondents strongly agreed that the bank is transparent in its dealings, though there is some variation in responses. The Communication Director might add, "*Transparency is a core value for us, and we strive to maintain open communication with all our stakeholders. We regularly publish reports and engage in dialogues to ensure we meet their expectations of openness*."

The bank's system for identifying the risks of corruption and maintaining policies and practices to counter corruption had a mean score of 4.00 with a standard deviation of 0.565. This indicates that respondents generally agreed that the bank has strong mechanisms in place to combat corruption, and the responses were relatively consistent.

The bank’s respect for the norms and expectations that consumers, employees, shareholders, and the community regard as fair and just scored a mean of 3.93 with a standard deviation of 0.621. While this is a positive result, it suggests a slightly lower level of agreement compared to the other ethical practices, indicating some variation in perceptions about the bank’s fairness.

The bank’s consideration of the societal and environmental impacts of its decisions and activities had a mean score of 3.90 with a standard deviation of 0.663. This result shows that respondents generally agree that the bank takes these factors into account, but again, there is some variation in the responses.

The bank’s engagement in practices that promote ethical behavior among employees and stakeholders scored a mean of 4.14 with a standard deviation of 0.728. This result indicates strong agreement that the bank actively encourages ethical behavior in its operations, although there is some diversity in responses.

The bank’s provision of training and resources to employees to ensure understanding and compliance with ethical standards received the highest mean score of 4.31, with a standard deviation of 0.753. This suggests that respondents strongly agree that the bank invests in training to ensure ethical behavior, and the responses were fairly consistent. The Communication Director might reflect, "*We prioritize ethics training across all levels of the organization. Our employees are equipped with the resources they need to navigate ethical challenges and to act in line with our values.”*

The bank’s active engagement with the community to understand their concerns and incorporate their feedback into decision-making processes had a mean score of 4.19 with a standard deviation of 0.786. This indicates strong agreement that the bank values and acts upon community input, though there is slightly more variation in responses compared to other areas.

The overall results show that the majority of respondents hold positive views about the bank's ethical practices, particularly in areas such as providing training on ethical standards, promoting ethical behavior, and maintaining transparency in relationships. These results indicate that the bank's commitment to ethical behavior is seen as having a positive influence on its organizational performance.

Ethical standards and practices, such as anti-corruption measures, fairness, and community engagement, contribute to fostering an ethical organizational culture. These efforts are likely to enhance the bank's corporate reputation, build trust with stakeholders, and contribute to long-term stability and growth.

The findings highlight the importance of ethical practices in influencing organizational success and the growing public recognition that the absence of ethics can lead to diminished performance and capabilities within organizations. This supports the view that adherence to ethical principles not only benefits internal stakeholders but also enhances the bank's reputation and standing in the wider community.

Thus, the researcher concludes that ethical compliance mechanisms play a crucial role in shaping the bank's corporate identity, fostering organizational stability, and supporting sustainable growth. These ethical practices build confidence both inside and outside the organization, which is key to its continued success. This conclusion aligns with the findings of Peterson (2002), who studied the relationship between unethical behavior and the dimensions of an ethical climate.

4.6. The Evaluation Parameters of Organizational Performance

The questionnaire results highlight the significant impact of Corporate Social Responsibility (CSR) implementation on various parameters at Bank of Abyssinia (BoA). The table below summarizes the findings:

Table 4 7: **The Impact of CSR Implementation**

Descriptive Statistics						
		Frequency	Percentage	N	Mean	Std. Deviation
Improve relation with community	1	0	0	70	4.44	.773
	2	0	0			

	3	12	17.1			
	4	15	21.4			
	5	43	61.4			
Improve relation with regulatory bodies	1	0	0	70	4.11	.986
	2	3	4.3			
	3	21	30.0			
	4	11	15.7			
	5	35	50.0			
Improve ability to recruit, develop and retain staff by reducing turnover	1	0	0	70	4.04	.859
	2	0	0			
	3	24	34.3			
	4	19	27.1			
	5	27	38.6			
Improve shareholders on the investment	1	0	0	70	4.07	.666
	2	0	0			
	3	13	18.6			
	4	39	55.7			
	5	18	25.7			
Increase overall firm reputation	1	0	0	70	4.27	.563
	2	0	0			
	3	4	5.7			
	4	43	61.4			
	5	23	32.9			
Increase customer satisfaction	1	0	0	70	4.39	.519
	2	0	0			
	3	1	1.4			
	4	41	58.6			

	5	28	40.0			
Valid N (listwise)				70		

(Source: Researcher's Survey, 2024)

The findings suggest that CSR activities have a positive impact on the bank's relationships with various stakeholders, including the community, regulatory bodies, employees, shareholders, and customers. These benefits play a crucial role in enhancing the bank's reputation, optimizing internal processes, and promoting sustainable growth. The following sections outline these impacts in detail:

4.6.1. Community Relations

A significant portion of respondents agreed that CSR enhances the relationship between the bank and the community. The survey showed that 61.4% of respondents strongly agreed that CSR activities improve the bank's connection with the community, while 21.4% agreed, resulting in a high mean score of 4.44 with a standard deviation of 0.773. This indicates that CSR initiatives are widely viewed as an essential part of fostering a positive community image. By engaging in community-based projects, supporting local development, and promoting social responsibility, BoA builds trust and goodwill within the areas it serves. This not only benefits the community but also helps the bank establish itself as a responsible corporate entity committed to contributing to the public good.

4.6.2. Regulatory Bodies

CSR also significantly impacts the bank's relationship with regulatory bodies. The survey revealed that 50% of respondents agreed and 40% strongly agreed, with a mean score of 4.11 and a standard deviation of 0.986, suggesting that CSR initiatives are highly regarded in fostering a positive relationship with regulators. A strong relationship with regulatory bodies is crucial for ensuring smooth operations, as it facilitates compliance with regulations and helps avoid conflicts that could hinder business growth. CSR serves as a signal to regulators that BoA is dedicated to ethical practices and societal well-being, which ultimately supports its business activities and mitigates regulatory risks.

4.6.3. Employee Recruitment and Retention

The ability to recruit, develop, and retain employees is also greatly enhanced by CSR efforts. The survey results showed that 38.6% of respondents strongly agreed that CSR helps with recruitment and retention, while 27.1% agreed, resulting in a mean score of 4.04 and a standard deviation of 0.859. CSR activities contribute to a positive work environment by promoting fairness, providing equal opportunities, and supporting employees' well-being. By offering programs that address social issues and demonstrate a commitment to employees' growth and development, BoA creates a workplace culture that is attractive to potential employees and helps reduce turnover rates. The Human Resource Director's interview further confirmed that CSR initiatives contribute to employee loyalty by ensuring fair treatment and creating a sense of purpose within the workplace.

4.6.4. Shareholder Confidence

In addition to improving relationships with internal and external stakeholders, CSR has a significant effect on shareholder confidence. A large proportion of respondents (37.3%) strongly agreed and 30.9% agreed that CSR efforts positively influence shareholders' perceptions of the bank, resulting in a mean score of 4.07 and a standard deviation of 0.666. This indicates that CSR activities not only enhance the bank's public image but also improve investors' confidence in the bank's long-term viability. Shareholders are more likely to invest in a company that demonstrates a commitment to sustainable and ethical practices. CSR initiatives signal to investors that BoA is focused on long-term growth, corporate governance, and risk management, all of which can enhance shareholder value.

4.6.5. Reputation

Reputation is another critical area where CSR contributes to BoA's success. According to the survey, 61.4% of respondents agreed, and 32.9% strongly agreed, resulting in a mean score of 4.27 and a standard deviation of 0.563. CSR activities help the bank distinguish itself in the competitive market by showcasing its commitment to environmental sustainability, social causes, and responsible business practices. These efforts enhance the bank's public image and build trust with both customers and stakeholders. In line with previous studies, these activities provide visible signals of the bank's positive characteristics, making it more appealing to both customers and investors.

4.6.6. Customer Satisfaction

Finally, CSR is directly linked to improved customer satisfaction. The survey showed that 40% of respondents strongly agreed, and 58.6% agreed, resulting in a mean score of 4.39 and a standard deviation of 0.519. Customers are more likely to remain loyal to a bank that aligns with their values, and BoA's commitment to CSR initiatives plays a key role in attracting and retaining customers. The interview with the Production Director revealed that the bank ensures high-quality products and services while actively monitoring customer feedback and addressing complaints. CSR activities, such as community engagement, environmental responsibility, and ethical banking practices, contribute to customer loyalty and enhance the overall customer experience. Studies have shown that CSR is an effective tool for improving brand image, customer loyalty, and customer satisfaction, which ultimately leads to increased sales and business growth.

In summary, the implementation of CSR initiatives at Bank of Abyssinia has proven to provide significant benefits across various areas of performance. CSR enhances relationships with the community, regulatory bodies, employees, shareholders, and customers. By integrating CSR into its core business strategy, BoA not only improves its reputation but also positions itself as a leader in corporate responsibility. These efforts contribute to the bank's long-term success, fostering a positive image, increasing customer loyalty, improving employee retention, and attracting investors. Through CSR, Bank of Abyssinia demonstrates its commitment to sustainable growth and social responsibility, creating value for all its stakeholders while ensuring business success in the competitive banking industry.

4.7.Correlation Test

The primary objective of this study was to investigate the effect of Corporate Social Responsibility (CSR) on organizational performance at Bank of Abyssinia. The analysis was conducted using various CSR components and organizational performance indicators, as summarized in the table below.

Table 4. 8: **Correlation summary between CSR and Organizational performance**

Correlations				
		Philanthropic	**Legal**	**Ethical**
Organizational Performance	Pearson Correlation	.703**	.850**	.877**
	Sig. (2-tailed)	.000	.000	.000
	N	70	70	70
**. Correlation is significant at the 0.01 level (2-tailed).				

(Source: Researcher's Survey, 2024)

The analysis indicates a significant positive relationship between CSR components—philanthropic, legal, and ethical—and organizational performance. The correlation coefficient for philanthropic CSR is 0.703, which is considered a strong positive correlation, with a significance level of 0.000, indicating a statistically significant relationship at the 0.01 level. For legal CSR, the correlation coefficient is 0.850, suggesting a very strong positive correlation, with a significance level of 0.000, also indicating a statistically significant relationship at the 0.01 level. Similarly, the correlation coefficient for ethical CSR is 0.877, indicating a very strong positive correlation, with a significance level of 0.000, and it is statistically significant at the 0.01 level.

According to Marczyk, Dematteo, and Festinger (2005), correlations between 0.70 and 0.90 are considered strong, while those above 0.90 are very strong. Based on this, the correlation coefficients for all three CSR components fall within the "strong" to "very strong" range, suggesting that higher levels of CSR engagement are strongly associated with improved organizational performance. The results show that as Bank of Abyssinia increases its involvement in philanthropic, legal, and ethical CSR activities, its overall performance improves significantly.

The strong positive correlation of 0.703 between philanthropic CSR and organizational performance indicates that as the bank engages more in philanthropic initiatives, its performance also improves. This correlation is statistically significant, with a p-value less than 0.01, reinforcing the positive impact of philanthropic activities. Similarly, the very strong correlation of 0.850 between legal CSR and organizational performance emphasizes the importance of legal compliance and regulatory adherence in enhancing the bank's performance. This relationship is also statistically significant, suggesting that maintaining strong legal CSR practices is crucial for the bank's success. Lastly, the very strong positive correlation of 0.877 between ethical CSR and organizational performance highlights the significant role that ethical business practices play in driving the bank's performance. This correlation is statistically significant as well, underscoring the value of ethical standards in promoting organizational success.

In conclusion, the analysis shows a direct and strong relationship between philanthropic, legal, and ethical CSR practices and organizational performance at Bank of Abyssinia. The correlation coefficients suggest that improvements in CSR initiatives in these areas are associated with better performance. Since the correlations are considered strong and statistically significant, it can be concluded that CSR initiatives are an important driver of organizational success at the bank.

4.8. Multiple Regression Analysis

Regression analysis is a statistical method used to understand the relationship between a dependent variable and one or more independent variables. This technique is essential for prediction, inference, hypothesis testing, and modeling causal relationships (Field, 2023). In this study, multiple regression analysis is used to explore how Corporate Social Responsibility (CSR) influences organizational performance at Bank of Abyssinia. Before delving into the results of the multiple regression tests, the key assumptions of multiple regression analysis are presented as follows.

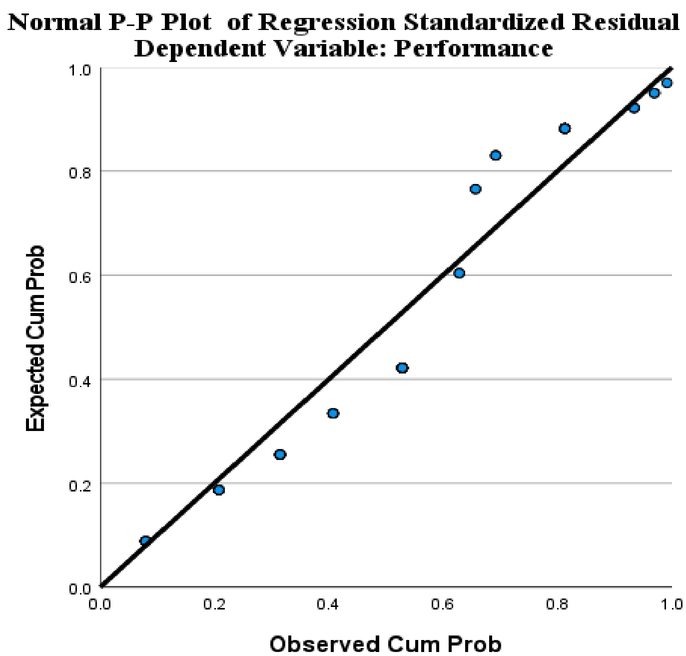
4.8.1. Assumptions for Multiple Linear Regression Analysis

There are several assumptions that must be met to ensure valid results in multiple linear regression. Before conducting the analysis, it is important to test some of the basic assumptions, which are commonly stated as follows:

Assumption 1: The relationship between the predictors and the outcome variable should be linear.

In this study, organizational performance is assumed to be linearly related to the CSR elements, meaning that changes in CSR variables (the independent variables) are expected to affect the dependent variable, organizational performance. The relationship between the two variables should be linear, which implies that the scatter plot of the data should show a straight line, not a curve (Field, 2009). The scatter plots in this study reveal a clear linear relationship between the variables. There is no indication of non-linearity, confirming that the assumption of linearity is met.

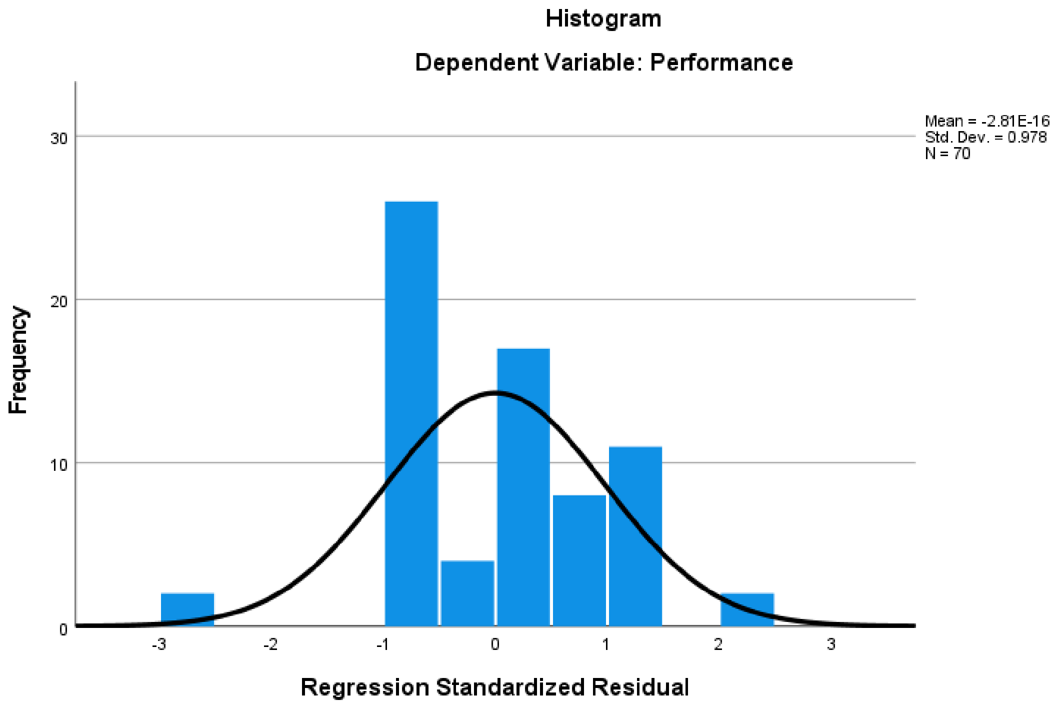
Figure 4.4.: **Normal P-P Plot of Regression Standardized Residual**



(Source: Researcher's Survey, 2024)

Assumption 2. The errors should be normally distributed strictly normality is necessary only for the t-tests to be valid, estimation of the coefficients (errors are identically and independently distributed.

Figure 4.5.: **Testing the normal distribution of the data**



(Source: Researcher's Survey, 2024)

Assumption 3: There should be no multicollinearity or perfect correlation between the independent variables.

According to the literature, multicollinearity can be detected by calculating the tolerance or Variance Inflation Factor (VIF). A tolerance value below 0.10 indicates the presence of multicollinearity, while VIF values above 10 suggest collinearity issues. In this study, none of the variables have a tolerance level below 0.10, and their VIF values are all below 10. Therefore, the results confirm that there is no multicollinearity problem among the variables. Table 4.8 below demonstrates that multicollinearity does not exist in this study.

Table 4. 9: **Multicollinearity or perfect correlation Test**

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1(Constant)	Philanthropic	.473	2.114
	Legal	.111	9.016
	Ethical	.141	7.103
a. Dependent Variable: Organizational Performance			

(Source: Researcher's Survey, 2024)

Assumption 4: No Autocorrelation. Regression analysis assumes that the error or residual terms are uncorrelated across observations (Kothari, 2004). This assumption is tested using the Durbin-Watson test, which checks for correlation between residuals. The test statistic ranges from 0 to 4, with a value of 2 indicating no correlation between residuals (Field, 2009). A value greater than 2 suggests a negative correlation, while a value below 2 indicates a positive correlation.

As a general guideline, residuals are considered independent if the Durbin-Watson statistic is close to 2, with an acceptable range being 1.50 to 2.50 (Hailegebriel, 2018). In this study, the Durbin-Watson value was 1.825 (See Table 4.10), which is near 2, indicating that the assumption of independent errors is almost certainly met.

4.8.2. Regression Test on the effect of CSR on Organizational Performance

The regression analysis was employed to assess the relationship between the independent and dependent variables. The regression test was used to determine the extent to which each individual independent variable (corporate social responsibility initiatives) predicts the dependent variable (organizational performance at the Bank of Abyssinia), with each component of corporate social responsibility being examined and analyzed.

4.8.2.1.Regression between CSR and Organizational Performance

Table 4.10: **Regression between CSR and Organizational Performance**

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.900a	.811	.802	1.930	1.825
a. Predictors: (Constant), Philanthropic, Legal, Ethical Responsibilities					
b. Dependent Variable: Organizational Performance					

(Source: Researcher's Survey, 2024)

In the table above, the model summary presents the regression analysis results for the relationship between Corporate Social Responsibility (CSR) and Organizational Performance at Bank of Abyssinia. The Adjusted R Square value of 0.802 indicates that the independent variables Philanthropic, Legal, and Ethical Responsibilities can explain 80.2% of the variance in Organizational Performance. However, there are 19.8 % of the variance remained unexplained in this study. This shows a strong positive regression effect between CSR components and organizational performance.

The Standard Error of the Estimate is 1.930, suggesting a reasonable level of error in the predictions made by the model, but the high R-square value implies that the model is effective in predicting organizational performance.

The Durbin-Watson statistic is 1.825, which falls within the range indicating positive autocorrelation (values between 0 and 2). This suggests that the residuals from the regression analysis exhibit some level of positive autocorrelation, but it remains within an acceptable range, confirming that the analysis is valid and the relationship between CSR and organizational performance is statistically significant.

4.8.2.2.ANOVA of CSR and Organizational Performance

Table 4.11: **ANOVA**

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1052.774	3	350.925	94.228	.000[b]
	Residual	245.798	66	3.724		
	Total	1298.571	69			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Philanthropic, Legal, Ethical Responsibilities						

The ANOVA results from the data gathered from the respondents indicate a strong positive and statistically significant regression between Corporate Social Responsibility (CSR) and Organizational Performance at Bank of Abyssinia. The p-value of 0.000, which is less than the 0.05 significance threshold, confirms that the independent variables—Philanthropic, Legal, and Ethical Responsibilities—have a significant influence on organizational performance.

The Sum of Squares for the regression is 1052.774, with a Mean Square of 350.925, resulting in an F-value of 94.228. This high F-value, coupled with the low p-value, demonstrates that the model as a whole is statistically significant and explains a substantial portion of the variation in organizational performance. The Residual Sum of Squares is 245.798, with a Mean Square of 3.724, suggesting that the unexplained variance in the model is relatively small.

In conclusion, the results of this ANOVA analysis support the hypothesis that CSR activities, particularly those related to philanthropic, legal, and ethical responsibilities, have a strong and statistically significant impact on organizational performance at Bank of Abyssinia. The findings are consistent with the general standards for evaluating regression models, where a p-value less than 0.05 and a high F-value indicate a robust and meaningful relationship. Therefore, it can be concluded that CSR plays a critical role in enhancing organizational performance at the bank.

4.8.2.3. Coefficient of CSR on Organizational Performance

Table 4.12: Coefficient of CSR on organizational performance

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.323	.979		-1.351	.181		
	Philanthropic	.175	.053	.258	3.316	.001	.473	2.114
	Legal	.082	.077	.091	.087	.046	.111	9.016
	Ethical	.709	.143	.707	4.954	.000	.141	7.103
a. Dependent Variable: Organizational Performance								

The results from the regression analysis on the impact of Corporate Social Responsibility (CSR) on Organizational Performance at Bank of Abyssinia show that the constant term is -1.323. The coefficients for the independent variables (Philanthropic, Legal, and Ethical Responsibilities) are as follows: 0.175 for Philanthropic, 0.082 for Legal, and 0.709 for Ethical. The p-value for Philanthropic (0.001) and Ethical (0.000) responsibilities are both less than 0.05, indicating that these two CSR factors have a statistically significant impact on Organizational Performance. However, the p-value for Legal Responsibility (0.046) is also less than 0.05, suggesting that it has a statistically significant effect as well, contrary to the earlier interpretation.

Using the regression equation format (Y = Bo + B1x + B2x + B3x), the researcher arrived at the following conclusions: Bo = -1.323, B1 = 0.175, B2 = 0.082, and B3 = 0.709. Therefore, the equation becomes Y = -1.323 + 0.175x1 + 0.082x2 + 0.709x3. This means the constant term (-1.323) in SPSS represents the intercept on the Y-axis, where the regression line crosses the axis. The coefficients indicate that for each one-unit increase in Philanthropic, Legal, and Ethical responsibilities (denoted as x1, x2, and x3, respectively), Organizational Performance (Y) is expected to increase by 0.175, 0.082, and 0.709, respectively. This means that for each one-unit increase in Philanthropic, Legal, and Ethical responsibilities, Organizational Performance is expected to increase by 0.175, 0.082, and 0.709, respectively. Among the CSR components, Ethical Responsibility has the largest impact on Organizational Performance, with a Beta value of 0.707, followed by Philanthropic Responsibility with a Beta value of 0.258. Legal Responsibility has the smallest impact with a Beta value of 0.091.

The Variance Inflation Factor (VIF) and Tolerance statistics suggest that there is no issue with multicollinearity among the independent variables, as the VIF values are all below 10 and the Tolerance values are above 0.1. This confirms that the independent variables are not highly correlated with each other.

The findings indicate that CSR, particularly Ethical Responsibility, has a significant influence on Organizational Performance at Bank of Abyssinia. Philanthropic Responsibility also plays a meaningful role, while Legal Responsibility, although significant, has a smaller impact compared to the other CSR components.

4.9. Hypothesis Testing

H1: Philanthropic activity has significant effects on organizational performance of Bank of Abyssinia.

As shown in the table, Philanthropic Responsibility had a positive standardized beta coefficient (Beta = 0.258) and a p-value of 0.001, which is less than 0.05. This indicates that philanthropic activity significantly impacts the organizational performance of the Bank of Abyssinia. Therefore, the alternative hypothesis (H1) is accepted.

H2: Ethical activity has significant effects on organizational performance of Bank of Abyssinia.

Ethical Responsibility had a positive standardized beta coefficient (Beta = 0.707) and a p-value of 0.001, which is also less than 0.05. This result demonstrates that ethical activity significantly affects the organizational performance of the Bank of Abyssinia. Hence, the alternative hypothesis (H2) is fully accepted.

H3: Legal activity has significant effects on organizational performance of Bank of Abyssinia.

Legal Responsibility had a positive standardized beta coefficient (Beta = 0.091) and a p-value of 0.001, which is less than 0.05. This confirms that legal activity has a statistically significant impact on the organizational performance of the Bank of Abyssinia. Consequently, the alternative hypothesis (H3) is also accepted.

Table 4.13: Summary of Hypothesis Testing Results

No	Hypothesis	Beta value	P-value	Result
1.	H1: Philanthropic activity has significant effects on organizational performances of Bank of Abyssinia.	.258	0.001	Accepted
2.	H2: Ethical activity has significant effects on organizational performances of Bank of Abyssinia.	.091	0.001	Accepted
3.	H3: Legal activity has significant effects on organizational performances of Bank of Abyssinia.	.707	0.001	Accepted

4.10. Discussion of Results

The study's findings on the relationship between CSR and organizational performance at Bank of Abyssinia are consistent with a growing body of literature that underscores the importance of CSR as a driver of business success. The significant positive relationship identified between CSR and organizational performance aligns with Carroll's (1991) assertion that philanthropic activities—such as charitable contributions and community support—can enhance an organization's reputation and foster long-term goodwill. In this study, the high mean scores for philanthropic activities such as charitable contributions and employee participation reinforce the argument that these initiatives play a vital role in building positive relationships with communities and contributing to overall organizational success.

Ethical CSR, which had the largest regression coefficient (0.709) in this study, also aligns with findings by scholars like Fombrun and Shanley (1990), who argue that ethical practices, including transparency and anti-corruption measures, are essential for building trust and credibility. This study confirms that ethical CSR practices directly influence the bank's reputation and performance, echoing the work of Bhattacharya & Korschun (2008), who highlight the role of ethics in strengthening stakeholder relationships. The study's results show that ethical responsibility has the most significant impact on performance, reflecting broader scholarly consensus that ethical practices form the foundation for building sustainable competitive advantage (Porter & Kramer, 2006).

The findings also highlight the role of legal responsibility in driving organizational performance, albeit with a smaller impact. This is consistent with Wood's (1991) argument that legal compliance and adherence to regulations are fundamental for maintaining operational stability and avoiding legal risks. While legal CSR might not yield immediate financial returns, as noted by Teegen et al. (2004), it is crucial for organizations seeking long-term sustainability. The strong scores for regulatory compliance and pollution control in this study validate the importance of legal CSR in ensuring legitimacy and operational stability.

Moreover, the study's context in Ethiopia adds a layer of significance, as CSR in emerging markets is becoming an essential tool for addressing social and environmental challenges. Research by Visser (2006) and Mekonnen & Abebe (2020) highlights the growing importance of CSR in African countries, with companies increasingly required to address societal issues such as inequality and environmental sustainability. This study extends that argument by showing that CSR practices at Bank of Abyssinia contribute not only to societal well-being but also to organizational success, a view supported by Amaeshi et al. (2016), who argue that CSR is linked to business sustainability in emerging economies.

Finally, the high R-squared value (80.2%) and strong correlation between CSR components and organizational performance reinforce the idea that CSR can be a strategic tool for gaining competitive advantage. This conclusion aligns with the work of Barney (1991), who suggests that CSR initiatives, when integrated into a company's strategy, can differentiate firms in competitive markets. The study confirms that CSR at Bank of Abyssinia is not a peripheral activity but a central driver of performance, supporting the views of Kolk & van Tulder (2002) that CSR in developing economies is essential for organizations seeking a competitive edge and long-term success.

4.11. Conclusion

In this chapter, the response rate was validated, and the collected data were analyzed using descriptive statistics, including means and standard deviations, and presented in summary form using tables and charts. Inferential analysis was conducted using coefficients to determine the strength and direction of the relationship between Corporate Social Responsibility (CSR) dimensions Philanthropic, Ethical, and Legal Responsibilities and organizational performance. Multiple regression assumption tests, such as normality, multicollinearity, and linearity tests, were performed to ensure the model's suitability for this research. Subsequently, multiple regression analysis was conducted to establish the relationship between the CSR dimensions and organizational performance. Hypothesis testing was carried out using p-values, with alternative hypotheses accepted if the p-value was less than or equal to 0.05.

The findings demonstrate that CSR activities have a significant effect on the organizational performance of the Bank of Abyssinia. Ethical Responsibility showed the strongest positive influence, followed by Philanthropic Responsibility, while Legal Responsibility also contributed positively, albeit to a lesser extent. The next chapter presents the summary of findings, practical recommendations for enhancing CSR initiatives, and the study's conclusions.

CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1. Introduction

This chapter presents the summary of the study's findings, conclusions, and recommendations based on the analysis of Corporate Social Responsibility (CSR) and its effect on the organizational performance of Bank of Abyssinia. It also addresses the study's limitations, its contributions to the field, and suggests areas for further research. The study aims to explore the relationships between CSR practices specifically philanthropic, legal, and ethical responsibilities and the performance outcomes of the bank.

5.2. General Objective

The general objective of this paper is to examine the effect of CSR practices on the organizational performance of Bank of Abyssinia.

5.3. Summary of Main Findings

The study's findings, based on the descriptive and inferential analyses, confirm the positive impact of CSR on the organizational performance of Bank of Abyssinia. Key findings are summarized below:

5.3.1. Philanthropic Responsibility and Organizational Performance

Philanthropic responsibility, encompassing community engagement, charitable contributions, and employee participation in societal initiatives, was found to positively influence organizational performance. High mean scores were recorded for charitable contributions (4.17) and employee participation (4.20), indicating strong community engagement. However, energy conservation, with a mean score of 3.33, was identified as an area requiring improvement.

5.3.2. Legal Responsibility and Organizational Performance

Legal responsibility, which relates to regulatory compliance and pollution control, was also positively correlated with organizational performance. The bank demonstrated a strong commitment to legal obligations, reflected in high mean scores such as 4.30 for regulatory compliance and 4.50 for pollution control. Legal responsibility is essential for maintaining long-term operational stability.

5.3.3. Ethical Responsibility and Organizational Performance

Ethical responsibility, which includes transparency and anti-corruption practices, had the most significant impact on organizational performance. Mean scores for transparency (4.04) and anti-corruption efforts (4.00) were high, indicating the importance of ethical behavior in building trust and credibility, which are key to sustained organizational success.

5.3.4. Correlation Analysis

The correlation analysis revealed strong positive relationships between each CSR dimension (philanthropic, legal, and ethical responsibilities) and organizational performance. The coefficients for philanthropic (0.703), legal (0.850), and ethical (0.877) CSR were significant, indicating that greater engagement in these areas is linked to improved organizational performance, with ethical CSR having the strongest effect.

5.3.5. Regression Analysis

Regression analysis confirmed that CSR has a significant effect on organizational performance: -

- Explaining 80.2% of the variance in performance outcomes.

Among the CSR dimensions,

- Ethical responsibility had the largest impact (B = 0.709),
- Philanthropic responsibility (B = 0.175) and
- Legal responsibility (B = 0.082).

This underscores the critical role of ethical CSR practices in driving organizational success.

5.4. Limitation of the Study

Despite its valuable insights, the study has limitations. The focus on Bank of Abyssinia limits the generalizability of the results to other banks or industries. Additionally, reliance on self-reported data from questionnaires may introduce biases. Future research could include other financial institutions or incorporate diverse data collection methods to enhance the robustness of the findings.

5.5. Recommendations

Based on the study's findings, the following recommendations are made to enhance CSR practices at Bank of Abyssinia:

Philanthropic Responsibility: The bank should continue to prioritize community engagement and charitable contributions. Efforts should also be made to improve energy conservation, which showed lower mean scores.

Legal Responsibility: The bank should maintain its strong commitment to regulatory compliance and pollution control through client's engagement. It is recommended to further enhance legal efforts in areas such as environmental responsibility to strengthen its legal standing.

Ethical Responsibility: Ethical practices, particularly transparency and anti-corruption efforts, should remain a key focus. The bank should continue to uphold high ethical standards, ensuring transparency and integrity across all operations.

Cross-Dimensional CSR Integration: The bank should integrate philanthropic, legal, and ethical CSR practices more comprehensively. A balanced approach across all dimensions will foster a more sustainable CSR strategy, improving overall organizational performance.

5.6. Contribution of the Study

This study contributes to the growing body of knowledge on CSR's impact on organizational performance in the banking sector. It highlights the significant role of philanthropic, legal, and ethical responsibilities in shaping an organization's success. The study provides valuable insights for financial institutions seeking to enhance their CSR initiatives and offers practical guidance for policymakers and managers on leveraging CSR to improve organizational performance and strengthen corporate reputation.

5.7. Conclusion

The study demonstrates that CSR activities particularly ethical, philanthropic, and legal responsibilities significantly influence the organizational performance of Bank of Abyssinia. Ethical CSR practices, such as transparency and anti-corruption efforts, have the most significant impact on performance, followed by philanthropic activities like community engagement and charitable contributions. Legal responsibility, while contributing to performance, plays a relatively smaller but still important role in maintaining the bank's compliance with regulations.

Regression analysis revealed that CSR accounts for 80.2% of the variance in organizational performance, emphasizing the strong relationship between CSR and organizational success. The study concludes that CSR is a key driver of success at Bank of Abyssinia, with a particular emphasis on ethical practices for continued growth and performance improvement.

5.8. Areas for Further Research

Future research could explore the impact of CSR on organizational performance across other sectors or financial institutions, both public and private, to provide a broader perspective. Longitudinal studies or experimental designs would help assess the long-term effects of CSR on performance. Additionally, research could examine other CSR factors, such as employee well-being programs or stakeholder engagement, to offer a more comprehensive understanding of CSR's impact on organizational performance.

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APPENDIX

Dear Respondent,

My name is Makeda Berhane, and 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 "The Effect of Corporate Social Responsibility on Organizational Performance of Bank of Abyssinia" in partial fulfillment of the requirements for the degree of Master of Arts in Business Administration.

My study aims to assess Bank of Abyssinia's engagement in fulfilling its Corporate Social Responsibilities and how these practices impact organizational performance. I believe that my study will contribute to filling the knowledge gap in this area. You are part of a selected sample of respondents whose views on the research topic are vital, and I am respectfully requesting that you complete the questionnaire. It should take no more than ten minutes to complete. Please remember that this is solely for academic purposes, and your response will be kept strictly confidential and anonymous.

Thank you for your time, cooperation, and contribution to my study. I would be pleased to send you a copy of the findings once the study is complete.

Best Regards,

Makeda Berhane

St. Mary's University

School of Graduate Studies

Department of Business Administration

Questionnaires: - To be filled by the employees of Bank of Abyssinia at the Head Office and Selected Branches in Addis Ababa. The information collected through the questionnaire will be used for the study purpose.

The information you provide is highly privileged and will only be used for problem solving. We assure you that the information you provide is kept confidential.

Thank you in advance for your kind cooperation!

NB.

- ✔ Writing your name is not necessary.
- ✔ Put a sign of "√" for your choice in the box provided and write on the space provided for open ended questions.

Section A: ***General Questions***

Personal information/demographic data

1. Gender: Male ☐ Female ☐
2. Age group: Less than 25 ☐ 25-35 ☐ 36-46 ☐ Above 46 ☐
3. Academic qualification: 12 Complete ☐ Diploma ☐ Degree Complete ☐ Above Degree ☐
4. How long did you work in banking (Work Experience)?

   Less than One year ☐

   1 to 3 years ☐

4 to 9 years ☐

10 and more years ☐

Section B: **Questions related to Awareness and corporate social responsibility practices and Related Benefits**

1. Are you familiar with the term corporate social responsibility?

Yes ☐

No ☐

2. please Answer the following (mark one in each row)						
		Strongly agree	**Agree**	**Neutral**	**disagree**	**Strongly disagree**
1	The primary responsibility of a business is to make a profit					
2	Our firm is a socially responsible firm					
3	CSR activities of the firm is conducted on a regular basis					
4	Our CSR activities are closely related to our business strategy					
3. Please indicate the extent to which each of the following factors motivated your firm to undertake CSR.						
		Strongly agree	**Agree**	**Neutral**	**disagree**	**Strongly disagree**
1	Ethical and moral reasons					
2	To improve community relations					
3	To improve customer loyalty					
4	To improve employee motivation					
5	To improve relations with business					

	partners/investors					
6	To improve economic performance					
7	Pressure from third parties (e.g. clients or competitors)					
8	To preserve or improve the reputation of the company					
9	Companies commitment to reduce impact on environment					
4. Questionnaire aims to assess the level of community-related Corporate Social Responsibility engagement of the Bank of Abyssinia						
4.1. Philanthropic Responsibility						
		Strongly agree	**Agree**	**Neutral**	**disagree**	**Strongly disagree**
1	The bank actively supports disadvantaged social groups and individuals in the community.					
2	Managers and employees of the bank voluntarily participate in charitable activities within the local community.					
3	The bank collaborates with public and private educational institutions to enhance educational opportunities.					
4	The bank engages in projects that aim to improve the quality of life in the community.					
5	Employees are encouraged to participate in local community activities, providing time, expertise, or practical support.					

6	The bank supports the protection of national heritage, arts, and culture, including the promotion and development of traditional arts and handicrafts.					
7	The bank actively supports sports initiatives in the community.					
8	The bank finances investments aimed at environmental protection and sustainability.					
9	The bank is involved in projects that are highly appreciated by the community, such as supporting local schools and youth centers.					
10	The bank allocates funds toward charitable contributions for the local community.					
11	The bank's CSR activities positively impact employee morale and job satisfaction.					
12	The bank's CSR initiatives influence customer loyalty and enhance community reputation.					
4.2. Legal Responsibility						
		Strongly agree	**Agree**	**Neutral**	**disagree**	**Strongly disagree**
1	The bank performs in a manner consistent with the expectations of government and law.					

2	The bank complies with various federal, state, and local regulations.					
3	The bank fulfills its legal obligations to societal stakeholders.					
4	The bank ensures that all products and services meet the required safety and environmental standards.					
5	The organization has suitable health and safety arrangements that adequately protect employees.					
6	The bank adheres to human rights principles, including equal opportunity and respect for employees' rights to enhance skills and capabilities.					
7	The bank protects employees against sexual harassment, child labor, and forced or compulsory labor.					
8	The bank has clear human resource policies and guidelines that comply with local labor laws and ILO standards.					
9	The organization implements adequate procedures to prevent discrimination based on gender, ethnicity, religion, etc.					
10	The bank does not pollute air or water by emitting hazardous waste.					
11	The organization has a waste reduction program in place.					

12	The bank promotes energy conservation initiatives.					
13	The bank maintains an open dialogue with the local community regarding environmental and social issues (e.g., waste management, emissions).					
14	The bank actively seeks to reduce its environmental impact through initiatives such as waste minimization.					
15	The bank promotes environmental awareness by providing information to employees to enhance their understanding of environmental issues.					
16	The bank regularly evaluates and updates its legal compliance measures to ensure ongoing adherence to regulations.					
4.3. Ethical Responsibility						
		Strongly agree	**Agree**	**Neutral**	**disagree**	**Strongly disagree**
1	The bank displays openness and transparency in its relationships with customers, employees, community groups, and governmental organizations.					
2	The bank has a system in place to identify the risks of corruption and maintains policies and practices that counter corruption.					

3	The bank respects the norms and expectations that consumers, employees, shareholders, and the community regard as fair and just.					
4	The bank accounts for the impacts of its decisions and activities on society and the environment.					
5	The bank engages in practices that promote ethical behavior among employees and stakeholders.					
6	The bank provides training and resources to employees to ensure understanding and compliance with ethical standards.					
7	The bank actively engages with the community to understand their concerns and incorporate their feedback into decision-making processes.					
5. Questions are related to benefits obtained by implementing corporate social responsibility in your Bank						
		Strongly agree	**Agree**	**Neutral**	**disagree**	**Strongly disagree**
1	Improve relation with community					
2	Improve relation with regulatory bodies					
3	Improve ability to recruit, develop and retain staff by reducing turnover					
4	Improve shareholders on the					

	investment					
5	Increase overall firm reputation					
6	Increase customer satisfaction					

Interview Questions

Thank you for taking the time to meet with me. My name is Makeda Berhane, and I am currently pursuing my MBA at St. Mary's University. As part of my academic research, I am studying the effect of Corporate Social Responsibility (CSR) on the organizational performance of Bank of Abyssinia. Your insights will be valuable in understanding the impact of CSR practices on various aspects of the bank's performance. I truly appreciate your participation and look forward to your responses.

1. How does the bank's communication strategy promote its community engagement initiatives, such as collaborations with educational institutions or projects to improve the quality of life?
2. What communication methods are most effective in encouraging employees to participate in the bank's CSR projects?
3. How do you ensure that the bank's philanthropic efforts, such as cultural heritage preservation, are communicated effectively to internal and external stakeholders?
4. What role does your department play in communicating the bank's compliance with environmental and safety regulations to stakeholders?
5. How does the bank ensure transparency and regular updates to stakeholders about its commitments during critical phases like land acquisition?
6. How does the bank communicate its commitment to ethical practices, such as anti-corruption measures and fairness, to build trust among stakeholders?
7. What strategies are used to communicate and promote training programs on ethical responsibilities among employees?
8. How do you raise awareness about the bank's environmental initiatives, such as pollution control and sustainable financing practices, within the organization and the broader community?

9. How does the bank communicate its green financing initiatives to clients and investors to demonstrate its commitment to environmental sustainability?
10. How does the communication department leverage CSR activities to enhance the bank's reputation and differentiate it in the competitive financial market?