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SCHOOL OF GRADUATE STUDIES

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON IMPROVING
ORGANIZATIONAL IMAGE: THE CASE OF CBE

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ADDIS ABABA ETHIOPIA

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Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree or diploma.

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DECLARATION

I, Mihiret Getahun Aboye, hereby declare that the thesis work the effect of corporate social responsibility on improving organizational image: The case of CBE is the outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestions of the research advisor. This study submitted by me for the award of the degree of Master of Business Administration (MBA) in graduated studies of St. Mary's University at Addis Ababa, Ethiopia, it is original work and it hasn't been presented for the award of any other Diploma, Degree, Fellowship or other similar titles of any other university or institution.

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ABSTRACT

The concept of corporate social responsibility (CSR) has gained extensive consideration in recent years. Nowadays firms are using CSR to gain competitive advantage and to establish long lasting relations with its stakeholders. This study identifies and investigates the Effect of CSR improving organizational image. Accordingly, Economic Responsibility, Legal responsibility, Ethical responsibility and Philanthropic responsibility were specified as a determinant the effect of CSR improving organizational image. The research design employed descriptive and explanatory research design. Each variable is measured using 5-point Likert-scale. Using primary data collection method, questionnaires were distributed to target respondents of 399 sampled customers of Commercial Bank of Ethiopia, Purposive sampling and Systematic sampling technique. Descriptive statistics analysis was done through Statistical Package for Social Sciences (SPSS) version 20. The findings of this study revealed that CSR has a significant positive role on organizational image. However, CSR can be subdivided into economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility. Economic Responsibility and Legal responsibility were the high significant Effect improving organizational image whereas; Ethical responsibility and Philanthropic responsibility were found to be slightly significant factors in this study. The study suggests CBE must keeping and investing in the strong position of its Economic Responsibility and Legal responsibility activities and also by creating strong consumer communication for customer to give pay attention to Ethical and philanthropy responsibility the organization (CBE) must strategically embrace CSR to achieve a sustainable positioning of their corporate image and long term positive benefits for society, CSR initiatives should come forth form on the benefits the organization can offer to society, creating a win-win scenario for the organization and for society.

KEYWORDS: *corporate social responsibility, Corporate image, Ethical responsibility, Economic, Philanthropic responsibility, Legal responsibility.*

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LIST OF ACRONYMS

CBE	Commercial Bank of Ethiopia
NBE	National Bank of Ethiopia
CSR	corporate social responsibility
CI	corporate image
SPSS	Statistical Package for Social Studies
KYC	Know Your Customer

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Corporate social responsibility can increase firm value in a variety of ways; facilitating the design of innovative products; attracting labor; attracting and retaining customers; reducing manufacturing costs; and providing reputation insurance in a crisis (Porter & Kramer, 2017).

Corporate social responsibility is an essential concern for most company as well as firms and their managers. Therefore, Corporate Social Responsibility is one thing that comes to mind is that some organizations use CSR as a marketing tool in its broadest sense, and are mostly concerned with their profits and not with the underlying social value based on ethical considerations. Other organizations do however conduct their business in a manner that reflects ethical concern but the real concept of Corporate Social Responsibility is where a company manages its business activities in order to provide long term sustainable social benefits to the society and is involved in the well-being of the society (Iqbal, 2016).

Corporate social responsibility (CSR) is defined as the organization's commitment to operate in an economically and environmentally sustainable manner (Carroll, 1991). At the same time, it recognizes the interests of all its stakeholders such as its employees, customers, creditors, suppliers and the government. It is also defined as the firms "corporate initiative to evaluate and be accountable for its effects on the environment and impact on social welfare. According to Porter & Kramer (2002), corporations can achieve an enhanced competitive advantage by providing corporate social initiatives (CSI)/corporate social responsibility actions, as these provide —social and economic goals into alignment. It also enhances the company's long-term business prospects by providing long term benefits to its current and future consumers/customers through the CSR activities (social, environmental and cultural). Another benefit of doing CSR is to have an enhanced corporate image, as defined by the society's general impressions of a firm's distinct collection of symbols (Barnett et al. 2006).

Now a day's brand is not only an efficient tool for managers in competitive markets, but also Strategic necessity that helps organizations in creating more value for customers and creates sustainable competitive advantages. Valuation of brands is possible through the concept of brand equity. Brand equity is the added value that an organization obtains by its image.

Scientists and marketing professionals emphasize the importance of corporate society responsibility is becoming more popular on global scale, CSR is seen as crucial in creating attractive corporate image

(CI), providing competitive advantage and differentiation, leading to business success emphasizing actuality of the chose topic. Corporate social responsibility has become a common word in recent years and it is highly debated topic among the researchers and scholars. Studies are being steered to search and explore the possible benefits of CSR across the globe as well as across- the disciplines. More and more corporations are trying to engage plentiful financial resources to develop a good image to strengthen their connections with all stakeholders mainly clients, workers, financiers, government and the public (All, 2011).

Scholars argue that brand equity should be defined in terms of marketing effects uniquely attributable to a brand (Kotler et al., 2009). That is to say, in reality brand equity relates to the fact that diverse outcomes result in the marketing efforts of a certain product and service owing to its brand, as judged or compared with the consequences of marketing if the same product and service was not recognized by that brand(Kotleretal.,2009).Kotler defined brand equity as—the positive differential effect that knowing the brand name has on customer response to the product or service.(Kotler,2003).Firms“ success depends on their reputе, and there are many organizations that have failed because of poor publicity and due to not considering the society in the company decision making process, which has ultimately badly affected image of the firm, sales and profitability.

In recent years, with industrial development and-social progress, issues of corporate social Responsibilities (CSR) have been receiving increased public attention. By way .of contributing to the well-being of society, enterprises have striven to present good business images and consumers no longer tend to seriously examine corporate feedback to society (Alnawas, et al. 2012).

The banking industry has been started in Ethiopia since the 1900s and plays an important and active role in the financial and economic development of a country. Many new trends have appeared and been widely shared among the bank firms, including the trend for Corporate Social Responsibility (CSR) in banks. However, CSR is a new concept in developing country like Ethiopia (Dakito, 2017).

CSR these days is a hot topic of discussion. CSR has affected the image of many companies, where their image got damaged because of various CSR issues like not keeping the ethical values of the society, not operating in a legal manner, not running the business in an economic way. These issues are a part of this thesis. Basing this, the thesis examines the role of CSR on organizational image taking CBE as a case.

1.2 Background of the Organization

Commercial Bank of Ethiopia was established in 1942 as the first modern bank in Ethiopia. It was founded during the reign of Emperor Haile Selassie I, who sought to modernize the country's financial system. The bank was initially established with the support of the National Bank of Egypt and began operations in Addis Ababa (CBE, Website).

The Commercial Bank of Ethiopia is a state-owned enterprise, with the government of Ethiopia being the sole shareholder. It operates as a universal bank, providing a wide range of banking services to both individual and corporate customers.

The bank has a nationwide network of branches and ATMs, making it the most extensive banking network in Ethiopia. As the largest commercial bank in Ethiopia, CBE plays a crucial role in the country's financial sector and economic development. It is the primary lender to the government and state-owned enterprises, as well as a significant provider of credit to the private sector. The bank's extensive branch network and deposit base make it a crucial player in facilitating financial inclusion and access to banking services across Ethiopia. The Commercial Bank of Ethiopia remains a cornerstone of Ethiopia's financial system and continues to play a significant role in supporting the country's economic growth and development. Its history, size, and strategic importance make it a crucial institution in the Ethiopian banking landscape.

Over the years, the Commercial Bank of Ethiopia has undergone various restructuring and modernization initiatives to improve its efficiency and service delivery. This has included the adoption of new technologies, the introduction of digital banking services, and the expansion of its product and service offerings.

The bank has also focused on improving its brand management through corporate social responsibility and corporate governance practices to enhance its overall performance and competitiveness. The bank has an extensive network of ATMs across Ethiopia, enabling customers to withdraw cash, check account balances, and perform other basic banking transactions. CBE also issues debit cards to its customers, who can be used for cashless transactions and payments. And also facilitates electronic fund transfers, both domestically and internationally, through platforms like SWIFT and other electronic banking channels.

CBE has been actively expanding its digital banking services in recent years. Some of the key digital banking services offered by the bank include: Online/ internet Banking, Mobile Banking, and CBE Birr

Mobile Wallet

The Commercial Bank of Ethiopia offers digital banking solutions tailored for corporate and business customers, including features like online account management, payment processing, and cash management tools. These digital banking services aim to enhance the convenience, accessibility, and efficiency of banking services for the bank's customers, in line with the broader trend of digital transformation in the financial sector.

1.3 Statement of the Problem

Scholars are drawn to CSR in both positive and negative economic times due to its evolving effect in business strategy, ethical considerations, and societal impact. On the one hand, CSR was believed to be an undeniable priority, an opportunity and also a competitive advantage for businesses around the world (Porter and Kramer, 2006). On the other hand, CSR seemed to be able to shelter organizations from public criticism, as seen in the crises faced by multinational corporations such as Nike (sweatshop and child labor), Shell (Brent Spar), and Nestle (bottled water) in the 1990s, which brought to management's attention public expectations for the companies to operate their business in a socially responsible way (Porter and Kramer, 2006).

Interest in CSR was reinforced by research on corporate views towards CSR. According to Susen and Etter's 2024 study, better levels of CSR performance have a positive association with increasing business profit in S&P 500 business organizations. Recent studies from 2023 have reinforced the understanding that Corporate Social Responsibility (CSR) offers multiple advantages to businesses, including cost and risk reduction, enhanced legitimacy and reputation, and the development of competitive advantages.

The main theme of this study and the main research problem is predicting the possible effect of CSR on organizational image on CBE in Addis Ababa. Therefore, this study aims to examine the CSR practices in CBE and their effect on the bank's organizational image.

However much has been written about the Effect of CSR in other sector not much research has been one to establish effect of CSR on organizational image in banking industry in a developing country like Ethiopia (The Current Practice of Corporate Social Responsibility in Ethiopia Sintayehu Tilaye 2019, Corporate Social Responsibility Practices, Benefits and Challenges TinsayeTefera2020, A Review of Corporate Social Responsibility Practices in Ethiopia, Ahmed Kellow 2021)

In addition, in Ethiopia some research studies also have been conducted on CSR practice in different bank and service giving industry, (The effect of corporate social responsibility on banks' competitive

advantage Anteneh Mulugeta (2020), Impact of Corporate Social Responsibility (CSR) on Organizational Sustainability in Ethiopia.Vol2 Zerhun Wondimu 2024).But it is not comprehensive enough to understand contribution of CSR on organization image.

On the other hand, to the knowledge of the researcher there are no studies conducted in identifying the contribution of CSR and its dimension on organizational image specifically in the case of CBE As a result, the researcher seeks to address the literature gap of a lack of studies on CRS in the banking industry by determining the effect of CSR to economic, legal, ethical and philanthropic image in the instance of Commercial Bank of Ethiopia in Addis Ababa, Ethiopia. In addition to this, some organizations consider social responsibility a waste and drain on business resources and believe that organizational should ignore the outcome of social responsiveness to organizational image and performance.

However, CBE is a public bank in the Ethiopia. Corporate social responsibility (CSR) is one the core values of CBE. To this end, the Bank promotes business practice that gives extreme care to the community's well-being and improved living condition through lending its hand to various national priority projects and other social and economic initiatives by different entities. So the other problem is that this study was to assess the role of CSR on the organizational image, and this study was to discuss how CBEs are social responses and how they are beneficial to society, as well as how social responsibility affects the organizational image.

1.4 Objectives of the Study

1.4.1General Objective

The main objective of this research was to examine the effect of social responsibility as a corporation in enhancing a company's image.

1.4.2 Specific Objectives

The specific objectives of the study were;

1. To determine the effect of economic responsibility in improving organization image.
2. To determine the effect of legal responsibility in improving organization image.
3. To investigate the effect of ethical responsibility in improving organization image.
4. To analyze the effect of philanthropic responsibility in improving organization image.

1.5 Research Questions

1. Does economic responsibility have an effect on improving organization image?
2. Does legal responsibility have an effect on improving organization image?
3. Does ethical responsibility have an effect on improving organization image?
4. Does philanthropic responsibility have an effect on improving organization image?

1.6 Significance of the Study

This study was significant to the study of CSR and its contribution to organizational image since it identified the influencing dimensions of CSR towards brand equity. It is likely that such dimensions as economic, legal, and ethical responsibilities, which are among the core dimensions of CSR, do not necessarily enhance the organization's image. Otherwise, CSR performed directly to the primary stakeholder's satisfaction shows a positive effect on the organization's image.

The findings of this thesis may benefit the bank, government and other policy makers concerning the role they play towards the operations in the banking sector. This way they may be in a position to improve or come up with new policies that guide them towards effective operations of stakeholders in the banking sector. Other than adding to the body of knowledge on what is known about CSR, the relationship of it towards an organization image identified. In this case, the study went a long way in creating a foundation for further research that may benefit future scholars. It was also provided information that will help researchers who will be interested in conducting studies regarding the issue; thus, it was added to the existing body of knowledge.

1.7 Scope/Delimitation of the Study

The study is intended to describe the contribution of CSR and its dimensions (economic, legal, ethical, and philanthropic) to the image of the organization among CBE customers. It is challenging to distinguish the many benefits of CSR in brand image. On the one hand, CSR was viewed as an indisputable priority, opportunity, and competitive advantage for firms' images worldwide. Due to time constraints, it was difficult to conduct across the entire country's CBE branches. Due to this constraint, the study was limited to CBE customers of the sample banks in Addis Ababa and was only done until June 2024.

Therefore, the scope of this study was limited to the study of the contribution of CRS to organizational image in the case of CBE in Addis Ababa and does not cover all banking industries in Ethiopia.

Methodologically, the researcher employed both descriptive analysis, which involves presenting data in a meaningful way using averages, percentages, or charts, and inferential analysis, which focuses on drawing conclusions or making predictions based on data through statistical tests. Furthermore, regarding the research design the main data sources of this study are questionnaires that were filled out by customers of the sample branch. Geographically, this research focused on the customers of G3, G4, and special branches of CBE in the Addis Ababa region.

1.8 Limitation of the Study

As the study was focused only on those customers who are located only in the city branches, in order to identify the role of CSR in improving organizational image, customers outside of Addis Ababa are not considered because of security problems, but it would be more productive if the study included customers located in the rest of the country who are prone to extreme financial exclusion.

1.9 Organization of the Study

This study was organized into five chapters. The first chapter deals with the introduction to the study. In the second chapter, theoretical literature, empirical literature, and conceptual frameworks will be discussed. The third chapter deals with research methodology, research design, sampling technique, size and method of data analysis is techniques. The research results and discussion were presented in Chapter 4. The last chapter included the conclusion and recommendation part of the study based on the findings obtained from the analysis.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter provides a wider understanding of the concepts and variables of this study from previous research. The content of this chapter focuses on literature review on relevance of CSR, theories role of CSR on corporate image, and the theoretical framework guiding this study.

2.1 Theoretical Review

2.1.1 Corporate Social Responsibility

Social responsibility has for long time been defined and conceptualized in many ways by different writers, nevertheless, researchers do not share a common definition nor core principles of what being socially responsible consists of. During the 50s Bowen was regarded as a pioneer of the CSR concept and explained it as "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Kashyap, Mir, & Mir, 2011, pp. 53). In the 60s the discussion about CSR started being beneficial and several researchers (such as Davis, Johnson & Manne) started to argue for CSR strategy being profit maximizing and requested by the society. In the early 80s the concept started to gain support as a possible business opportunity to create wealth by inter alia Drucker (Kashyap, Mir & Mir, 2011).

On other hand, refer to Friedman's definition of CSR and mean that: as the strategy increases profit. CSR is not threat achievement of economic goals of corporation, the CSR concept is rather an opportunity.

CSR refers to the responsibility of the stake holders and the community that influence corporate policies and practices according to Khanifar et al., (2012). CSR is also considered to be influenced by the institutional environment in which companies operate (Gilbert, 2008). I.e. the surrounding where the firm is situated forces the firm into becoming more responsible by handling issues that are currently affecting the environment. For example, in the banking industry they are needed to allure and retain customers in order to compete favorably with other banks. Corporate social responsibility has become the buzz word in business literature now-days (Khanifar et al. 2012).

Nowadays, social responsibility is an important factor to customers and shareholders. Since businesses only make profit when products and services are being consumed by the society, a business must run its activities in a socially acceptable way to maintain a long-term relationship and long-run sustainability of the business (Uddin, Hassan & Tarique, 2008). Companies are learning that good governance and CSR is no longer a choice that can be made by companies, nor is it an added cost to the company

(Jhunjhunwala, 2014). Similarly, Jhunjhunwala (2014) argues that firms need to develop and integrate CSR into their business strategy for a long-term success, due to the social request by customers and shareholders.

A study by Mahonet and Thome (2005) examined the link between CSR and long-term compensation for 90 publicly traded Canadian firms. The results showed that executives' long-term compensation (efforts done by executives on optimizing long term progress) was positively related to CSR and significantly associated with the firm's environmental action (Mahonet& Thorne, 2005).

Studies done through surveys and praxis by the European Union have showed that Consumers of today not only want traditional, good and safe products, but also care that the production is practiced in a socially responsible way. Several different European instances and organizations support and help both large companies, but primary small and medium-sized enterprises (SME) to improve the ability for involvement in CSR and to improve business sustainability. SME are less driven in CSR and need more tools and guidance to perform CSR in an effective manner. This is done by, inter alia, adopting a mission statement, code of conduct, or credo where companies state their purpose, core values, and responsibilities towards their stakeholders; a process that must always be contemporized (Commission of the European Communities, 2001).

Studies show that the customers reward companies, particularly service companies, for their support, of social programs. Due to high degree similarity among service companies and their activities within social and environmental initiatives, a proactive CSR management in this sector is more valuable and preferable for customers (Calabrese & Lancioni, 2008).

The indirect effect of the growing attention of CSR by consumers and investors, increases opportunities on the market and can affect the intangible assets of a company, such as its brand and image. The direct effects of CSR are e.g. achieving awareness, social and environmental improvement on a global level. This challenge is particularly relevant for global companies, since the pressure of being socially responsible is higher on the international market (Commission of the European Communities, 2001).

2.1.2 Dimensions of Corporate Social Responsibilities

Carroll (1991) identified four dimensions for CSR. The CSR concept has encompassed economic, legal, ethical and philanthropic (discretionary) activities of business performance at a given point in time, without any hierarchic order (Carroll, 1979; Carroll, 1991). Carroll (1979) claimed that the economic category was the most important within social responsibility, and the other three were ranked in the

following decreasing order of importance: legal, ethical and philanthropic

Economic Responsibility

On the basis of this dimension, organizations should be committed to earn profit as possible and it is essential to maintain a high level of operating efficiency and a good competitive position. This component is considered as the base of other components and the company is required be profitable.

Legal Responsibility

On the basis of this dimension, organizations should be law abiding and comply with different local, state and federal regulations and it is important to provide goods and services to fulfill the legal obligations. According to legal responsibility, the organization is required to obey law.

Ethical Responsibility

On the basis of this dimension, organizations need to do what is expected ethically or morally and acknowledge and respect the evolving new ethical/moral norms and it is important to recognize that corporate ethical behavior and integrity go beyond regulations and laws.

Philanthropic Responsibility

This responsibility is placed at the top of the pyramid. Business enterprises should be good corporate citizens by showing their goodwill to the society. On the basis of this dimension, organizations need to work in away consistent with the charitable and philanthropic expectations of society and contribute in voluntary activities. Philanthropic responsibility is different from ethical responsibility. Philanthropic responsibility is not asocial necessity like ethical responsibility. If corporations are not philanthropically responsible, they are not regarded as unethical. This responsibility is an organization to be a good corporate citizen

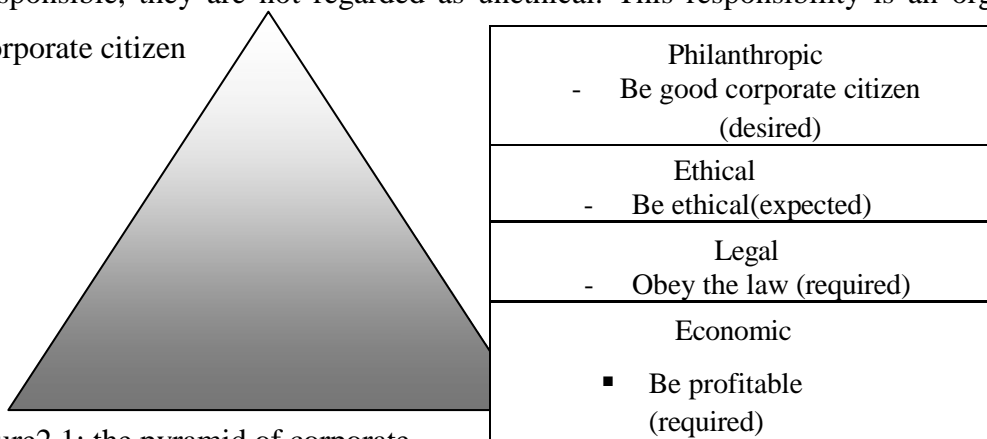


Figure2.1: the pyramid of corporate model by Carroll, 1991

social responsibility

2.1.3 Corporate Social Responsibilities and Brand Image

Nowadays, customers have influential CSR expectations on companies and this influence is growing stronger due to the increased importance of CSR. As mentioned earlier, customers have expectations on the value system (which includes both emotional and social values) (Popoli, 2011). Brands based on emotional values are more protected from competitive erosion (Martinez, Perez & Rodriguez del Bosque, 2014). CSR can be seen as an emotional aspect of brand image which enhances a company's competitive advantage (Martinez, Perez & Rodriguez del Bosque, 2014). If a company's positioning strategy is based on its' CSR activities, the core values are permeated by the core values of CSR (Du, Bhattacharya & Sen, 2010). One outcome of integrating CSR into the marketing strategy is to insure the brand from attacks (Werther & Chandler, 2005).

This means that CSR can work as a "damage insurance" to protect the brand. A company with a strong brand is less likely to have problems with e.g. reputation (Casado Diaz et. al., 2014). When CSR is communicated, it becomes a strategic branding tool to manage customer's expectations (Werther & Chandler, 2005). Du, Bhattacharya & Sen (2007) state that CSR initiatives form a positive customer's attitude and behavior. This in turn strengthens the company's brand image, which is one of the main reasons for the company to engage in CSR activities (Du, Bhattacharya & Sen, 2007; Swedish trade federation, 2014). CSR and brand image are strongly linked to each other. CSR is becoming a core component that affects brand image in a positive way and is therefore considered to be a strategic necessity, rather than something that only contributes to the customer's social value (Crespo, Salmones & Bosque 2005; Cretu & Brodie, 2007; Werther & Chandler, 2005; Idowu, 2009; Wu & Wang, 2014). Casado Diaz et. Al, (2014) state that customers favor companies that are involved in CSR. When customers perceive a company as socially responsible, they will be positively influenced when evaluating the service quality. Customers assume that social responsibility is linked to high service quality and may therefore use CSR information to decrease the uncertainty of a service (Casado Diaz et. al., 2014). Martinez, Perez and Rodriguez del Bosque (2014) state that CSR has a positive influence on brand image "« which in turn engages the customer in brand loyalty. Furthermore, the authors show that a strong brand image increases the word of mouth and the purchase intentions in a positive way (Martinez, Perez & Rodriguez del Bosque, 2014). However, it is important to effectively communicate the company's CSR actions to increase the customers' awareness and attitude, in order for them to develop a strong brand image (Martinez, Perez & Rodriguez del Bosque, 2014).

The service industry is the fastest growing sector and, as mentioned previously, even product-based companies are to some extent developing their businesses into service businesses. Consumers today have more knowledge of sustainability and an increased awareness of companies' actions which means that CSR has gained influence. Meanwhile, brand image is becoming known as one of the most important marketing components. Still, the number and the scope of the research on how the different CSR dimensions influence brand image is limited and needs further investigation.

2.1.3.1 Effect of CSR on Corporate Image

Corporate social responsibility (CSR) positively influences corporate image, which serves as a mediator in consumer purchase decisions (Huang, Yen, Liu, & Huang, 2014; Huang & Lien, 2012). This relationship yields benefits such as increased brand loyalty and enhanced revenue generation (Huang et al., 2014; Services & Tamayo, 2013; Stanland, Lwin, & Murphy, 2011). However, public awareness of organizational CSR initiatives remains limited (Du, Bhattacharya, & Sen, 2010); Pomeroy & Dolnicar, 2009; Bhattacharya, Sen, & Korschun, 2008) because these good deeds are not publicized or publicized comprehensively. For effective CSR communication that raise public awareness and shape positive corporate image, it is imperative for organizations' communications to be informative, utilize a factual message tone, have personal relevance to the public, and be consistent and transparent (Kim, 2017; Kim & Ferguson, 2014, 2016).

The success of an organization is depended on the image of the organization. A good company is desired by all organizations. Roger (2005) states that company image can also be referred to as corporate image. There are several definitions of company image, it can be thought of as a mental picture that springs up at the mention of a firm's name (Stewart 2004). Whereas Belieu (2001) defines company image as the perception people have of a business when they hear a company name. The image is composed of an infinite variety of facts, events, personal histories, advertising and goals that work together to make an impression on the public. Hatch and Schultz (2003) give a more comprehensive definition of corporate image; they defined it as the views of the organization developed by its stakeholders; the outside world's overall impression of the company, including views of the customer, shareholders, the media and the general public. Belieu (2001), states that a good corporate image backs up the corporate culture that has been established inside and outside firm. The importance of a good company image cannot be overlooked. Belieu (2001) went on to identify five benefits of good company image as follows;

- A good image is an efficient marketing and promotional tool

- Credibility and integrity comes with a good name
- A good company image establishes trust, confidence, loyalty and superb client relationship.
- Company image is instrumental in increasing business opportunities.
- A good image can stand the test of time.

Barret (2005) supports the importance of good image and stressed that a good image does not just grow, active efforts must be employed in order to achieve this. Endorsing this notion is Hayward (2007) who asserts that organizations may actively attempt to shape the image by communications, brand selection and promotion, use of symbols, and by publicizing its actions. A corporate image is as stated by LaReau (2005) the sum total of impressions left on the company's many publics. Hayward (2007) however goes further, and states that the overall image is a composite of many thousands of impressions and facts.

Hayward (2007) further identified six major elements of company image which are; the core business and financial performance of the company; the reputation and performance of its brands ("brand equity"); its reputation for innovation or technological powers, usually based on concrete events ; its policies toward its salaried employees and workers; its external relations with customers, stockholders, and the community, and the perceived trends in the markets in which it operates as seen by the public. The theory of the corporate image holds that, all things equal, a well-informed public will help a company achieve higher sales and profits, whereas a forgetful or poorly informed public may come to hold negative impressions about the company and may ultimately shift more of its patronage toward competitors, (Hudson 2004).

The significance of a good company image cannot be disregarded this is because a positive image increases profitability in the long run. A good image establishes confidence, loyalty, trust, and stronger relations with stakeholders.

2.1.3.2 Enhancing Company Image through CSR

Fritz (2009) argues that organizations today are getting involved in CSR to enhance their company image. It is often argued that the reason why corporations engage in CSR is a certain level of self-interest, not considering if the act is strategically motivated by commercial reasons alone or whether it is also motivated by what might seem as an altruistic interest, (Moon 2001). Veradajan and Menon (2002) states that there are several objectives of CSR for corporate giving beyond altruism. Companies seek to enhance their image in order to create a positive reputation that may also relate to higher long-run

organizational performance. Some of the marketing objectives of CSR are increasing visibility, enhancing corporate image and thawing negatives publicity. In support of this assertion is Bennet et al., (2006) who explains that the main advantage of CSR are improvement of company image, attracting media attention, altering attitudes and helping the company's relationship with the government and impressing key decision makers.

More CSR practices leads to an improved (or at least maintained) reputation, which causes the firm to continue to be a target of activism, the consequence of which is more commitment to CSR. From the point of view of the company, however, having a good reputation can be a "double edged sword" or at least a potential liability when facing activists who seek the public limelight, (Rhee and Hauns child 2006). Corporate social responsibility (CSR) has become an important focus of attention among companies. A McKinsey global survey shows that 76% of executives believe that corporate social responsibility contributes positively to customer trust, and 55% of executives agree that sustainability helps their companies build a strong reputation, (McKinsey 2010).

The theory of firm claims that an organization's interest is to maximize its shareholders value. Observing CSR from this point, it can be said that it is an answer to the ever increasing competition in the environment coupled with excessive demands on executives from different stakeholder group, (McWilliams and Siegel, 2006: Menon and Menon, 2007). Gray et al (2005) asserts that including stakeholders in the business of a corporation and embarking on sustainability reporting can be seen as mechanisms by which the organizations satisfy and manipulate stakeholders. In other words, CSR reporting can be seen in the light of corporate image management, marketing and a public relations tool which corporations use in order to show that they perform some sort of CSR activity. These tools are used adequately in order to foster a healthy competitive status by passing on information created to preserve an excellent image (Adkins, 2004; Darby, 2009). As such, many organizations pay particular attention to the image the public sees of them because it helps them do business effectively, anything that affects their image can possibly hinder their sales and even affect their licenses or funding, (Reich, 2008)

Khan far (2012) states the one of the benefits CSR is reputable for is its ability to enchase, if not build a business's image and reputation. Concurring with this notion is Barney (2010) who states that, firms seek to enhance their public image to gain more customers, better employees, access to money markets, and other benefit. Porter and Kremer (2006) also supports the assertion by stating that reputation is used

by many companies to justify CSR initiatives on the grounds that they will improve a company's image, strengthen its brand, enliven morale, and even raise the value of its stock. Since the public considers social goals to be important, business can create a favorable public image by pursuing social goals, a poor social responsibility image can lead to sell outs of company shares by large investment funds, which can in turn negatively impact financial performance, (Chatterji, 2006; Levine, and Toffel 2009).

Siphiwe P (2014) did a study and the findings attributed good relations between a company and the community to corporate philanthropy.

The study also showed that relations with the community results in a social license to operate as was reflected by 83% of the respondents who agreed with this view. Importance of matching corporate philanthropy activities with expectations of stakeholders was found to be important as it enables the organization to achieve its objectives. CSR and Company Image after analyzing the responses it can be concluded that CSR activities have a positive impact on a company's image. A positive image creates good relations with stakeholders, attracts investors, and the company will enjoy positive media reviews.

The researchers can thereby conclude that CSR activities by UM have played a significant role on the positive company image they are currently enjoying. This was clearly supported by 85.5% of the respondents agreed that CSR activities enhance company image.

Katsoulakos and Katsoulacos (2007) upholds that in recent times, organizations have been taking steps to ensure that they are not only tops at what they do but are projected in a positive light, by striving to be socially responsible either by making sure they are ethical in their dealings or transparent in their accounts to their stakeholders. Embedding Corporate Social Responsibility activities into organizations, otherwise known as mainstreaming, is a step that a growing number of organizations are beginning to take in making sure that every area of their business operations is linked with CSR, (Portney, 2008).

From the assessment by different scholars above, it is clear that they all acknowledge the fact that corporate social responsibility activities can indeed enhance the company's image. They also concur on the fact that CSR can go beyond enhancing company image, and also bring other benefits to the organization which will; all if summed up will; improve the overall performance of the organization and also improve the bottom line of the organization in all its areas of focus. Although Bhardwag (2001) and Black (2007) state that CSR on its own is not enough to create and maintain a positive image; it is however clear that these authors do not dispute the fact that CSR enhances company image.

It can be noted that CSR improves company image. CSR actually portrays the image of the firm itself. It shows what the company has done to fulfill its corporate duty to ensure the firm is not only good in providing the service but also plays its roles by contributing something to the community. The issue of an increase in costs from the researcher's point of view may only be experienced in the short run however in the long run CSR activities are beneficial to the organization. Organizations are concerned with survival in the long run.

CSR as an important part of their activity, there are certain scholars that argue against. As stated in the previous section, Scholars like Friedman assert that a business's primary responsibility is to make profit, and the only interests that matter when making managerial decisions are those of the shareholders. Proponents of this notion usually argue that ethical and discretionary considerations are irrelevant, and decisions that include these factors may harm a firm's financial performance. For them Corporate Social Responsibility is a practice that harms a firm's financial performance. Those in favor of CSR practices in businesses have a fundamentally opposing view and argue that social issues can be just as important as market factors in determining long-run success, and thus deserve the same attention (Lin, Yang & Liou, 2008).

It seems therefore that there is almost a general consensus concerning the notion that businesses should contribute their share in solving social problems of the society in which they are operating. Their contribution has to be more of voluntary, not every time consider their economic interest but rather more concerned with moral responsibility. But this contribution by any means compromise their profit making and other business objectives. Based on this notion, people forward view concerning the importance of engaging in CSR activities.

(Lin, Yang & Liou, 2008) argue that CSR plays a role in consumer behavior and has a spill over or "halo effect" on consumer judgments, such as the evaluation of new products. They explain that there are clear, concrete, market-driven benefits and competitive advantages for companies that integrate their business policies with CSR. As an example they forward that, strong local communities with quality housing, schools, and shopping attract and retain competent workers. A company's efforts in these areas may pay off in recruiting and retaining skilled personnel. Similarly, workers tend to want to work for a "good company."

Bearing in mind such benefits, corporations around the world seem to understand the importance of participating in CSR activities and start taking part in the actual CSR practices. In the 2011 report, the Global Fortune Top 250 companies were reviewed. The report found that 95 percent of global companies issue annual CSR reports that summarize their CSR initiatives. In comparison, the 2002 report disclosed that only 45 percent published a separate corporate report on their performance. In sum, the last decade has realized a 111 percent increase in CSR reporting to stakeholders (Palmer, 2012). Palmer further confirms the findings of other scholars concerning the relation between increased involvement in CSR practices and the expanding customer base. CSR initiatives lead to an increase in customer base because customers are willing to switch brands for a company that supports a cause, which translates into increases in revenue. In addition, customers build self-identity through consumption choices, and will switch to brands with effective CSR initiatives to enhance their self-identities. (Ibid)

Banks play a crucial role in a nation's economic development through their function as financial intermediary. Due to the nature of their service, as depositors and borrowers, their CSR demand an exceptional devotion. Prior to anything else, The impact of the banking sector on the stability of the economy requires a sector managed with integrity and due diligence that: handles the risks inherent to its activity in a realistic and responsible manner; is transparent to customers and stakeholders about its operational management and the products offered; and pays attention to its basic function as engine of the economy, by e.g. lending to private persons and companies (<https://www.febelfin.be/en>). Besides, banks are expected to watch environmental and societal harms that might be inflicted through credits they provide for various projects. In this instance, although banks have smaller direct impact on the environment, their indirect environmental and social responsibility may increase if they grant credit to companies which pollute the environment, produce unsafe products or violate human rights. (Lentner, Szegedi and Tatay, 2015)

The nature of competition in the banking industry is another compelling factor that makes banks considers CSR as their main line of duty. Winning customers and sustaining long term profitability have become a great challenge in the industry through the conventional business development and promotion activities alone. They are not helping in a required manner in expanding customer base and boosting sales volume. The following extract might clearly show why banks should have adequate CSR policy and make it part of their core activity.

"These days, competition in the banking sector has a non-price nature: many banks offer similar

conditions in the same markets. The necessity of searching for additional benefits is got mainly through the promotion of new products and brand development. It should be taken into account that to maintain the uniqueness in the market within the introduction of innovations is not possible in the long term - financial engineering does not stand still, and competitors can always offer something similar, if the product is successful. That is why the development of brand of the bank by creating a positive image in front of the main groups of stakeholders is an important aspect of the performance in a high-competitive environment. To achieve this target, tools of socially responsible business are often used... “(I. Mozghovyi, etal.)

Many theoretical and quantitative studies have been conducted to identify relation, if there is any between corporate social performance (CSP) and corporate financial performance (CFP). Four or three hypotheses regarding possible relationships linking CSP and CFP have been proposed: For example, (Soana, 2009) compiled four: negative relationship, positive relationship, mixed relationship and no relationship. (J. Palmer, 2012) on the other hand dwells on the three of them: Negative association, null association and positive association. As discussed in the previous sections, the majority of recent empirical and theoretical studies on CSP and CFP indicate they are positively associated. Among the major factors contributing for positive relationship are: Enhanced organizational reputation, Increased sales, Increased ability to attract better employees, Decreased operation costs, and reduced business risk are uniformly mentioned in the studies. The relationships developed by J. Palmer are selected for discussion:-

Enhanced Organization Reputation: Here the theories and quantitative findings assert that Stakeholders are more likely to engage in transactions with companies that have a CSR record of showing a commitment to the community and environment. The benefits of enhanced reputation include less scrutiny from society, an increase in customer and investor loyalty, and an increase in intangible assets—all of which lead to stronger financial performance in the long run. CSR programs also improve the esteem of customers because they enable customers to feel more valued by society since they are helping improve the community with their consumer decisions. (Enimil et al, June, 2012)

Increased Sales: Another potential explanation for appositive associate between CSP and CFP is that CSR programs are revenue generators especially in the long run either through an increased customer base or an ability to increase prices. According to a study by a brand consulting U.S firm, Burson-Marsteller, American consumers are willing to pay a premium for goods from socially responsible

companies, with 70 percent saying they would pay more for a \$100 product from a company they regard as responsible (Enimil et al, June, 2012). In another study that same year in the U.S, 80 percent of customers are likely to switch brands, similar in price and quality, to one that supports a cause.

Brand Loyalty; is a core dimension of brand equity. (Aaker D. A., 1991) Defines brand loyalty as the attachment that a customer has to a brand. (Grembler and Brown, 1996) describe different levels of loyalty. Behavioral loyalty is linked to consumer behavior in the marketplace that can be indicated by number of repeated purchases (Keller, 1998) or commitment to rebuy the brand as a primary choice (Oliver, 1999). Cognitive loyalty which means that a brand comes up first in a consumers' mind, when the need to make a purchase decision arises, that is the consumers' first choice.

The cognitive loyalty is closely linked to the highest level of awareness (top-of- mind), where the matter of interest also is the brand, in a given category, which the consumers recall first. Thus, a brand should be able to become the respondents' first choices (cognitive loyalty) and is therefore purchased repeatedly (behavioral loyalty) (Keller, 1998). (Chaudhuri & Holbrook, 2001) mentioned that brand loyalty is directly related to brand price. (Aaker, 1996) identifies price premium as the basic indicator of loyalty. Price premium is defined as the amount a customer will pay for the brand in comparison with another brand offering similar benefits and it may be high or low and positive or negative depending on the two brands involved in the comparison. To reap these benefits from carrying out their CSR duties, companies including banks have to accomplish a variety of CSR tasks. Dr. Archie B. Carroll identifies these four categories the most important: Economic responsibility, Legal responsibility, Ethical responsibility and Discretionary (philanthropic) responsibility. Economic responsibility is the traditional reason for having banks, in other words to increase the owners' welfare, ensure profitability and growth. Since individual and corporate financial interests are constantly changing, banks create new opportunities for risk management and the effective mediation of resources. This involves developing new products, redefining the exist in ones and creating new channels. Legal responsibility is largely concerned with regulations put in place to minimize risk and ensure safety and confidence in the financial system. Banks are expected to comply with such legal provisions. The basic ethical principles of honesty and sincerity are which together with trust are traditionally linked to the financial sector. The codes of ethics that embody voluntary constraints also include the basic principles of integrity, fair conduct, respect and transparency in the financial sector. Discretionary (philanthropic) responsibility is a voluntary activity; however, it has become common practice among banks, contributing to the better reputation of the

financial sector. (Enimil et al, June, 2012)

2.2 Empirical Literature Review

Prior studies have been conducted by different researchers in different part of the world about CSR and Corporate Image. None these studies specifically conducted to assess the role of CSR on organizational image in Ethiopia. There are also studies conducted about the role of CSR role on organizational image in the rest part of the world. Sipiwe P. Mandina, (2016) also aims at investigating the Effectiveness of Corporate Social Responsibility in Enhancing Company Image, Usin Unki mine (UM) as a case study, in Zimbabwe, with corporate philanthropy as center of focus. Research design was descriptive and exploratory. A sample size of 208 respondents was used. According to The research findings show the findings attributed good relations between a company and the community to corporate philanthropy. The study also showed that relations with the community results in a social license to operate as was reflected by 83% of the respondents who agreed with this view. Which indicate Importance of matching corporate philanthropy activities with expectations of stakeholders was found to be important as it enables the organization to achieve its objectives. That Philanthropic activities do enhance company image as well as relations between an organization and the community surrounding it Su, Swanson, and Chen (2016) examined the CSR brand image relationship in Chinese. It was a descriptive study and revealed that CSR activities positively and significantly affected corporate image. They concentrated on four CSR dimensions economical, legal, and ethical and philanthropy activities; the respondents comprising the sample study were selected from Kuala Lumpur's five-star hotels. They suggested that future studies examine the entire CSR dimensions from the perspective of customers, and employ a significantly larger sample size.

Similarly, Tingchi Liu et al. (2014) contended that CSR activities or initiatives in terms of the economical, legal, ethical and philanthropy activities positively influence the image among Chinese consumers, while Deegan (2017) showed that CSR improvement can lead to the improvement of image and reputation of the firm, indicating that CSR perceptions offer a valuable contribution to image (Martínez et al., 2014). Ricks's (2015) experimental study involving 293 undergraduate students supported the above by concluding that corporate philanthropy activities maximized the relationship with corporate image. Along similar lines, Singh et al. (2018) showed that CSR initiatives geared towards improving social interests were positively associated with the image in a study that involved famous brands and diverse individuals. Prior studies reported More CSR practices leads to an improved (or at

least maintained) corporate image, which causes the firm to continue to be a target of activism, the consequence of which is more commitment to CSR. From the point of view of the company, however, having a good image can be a—double-edged sword for at least a potentially ability when facing activists who seek the public limelight, (Rhee and Haunschild 2016).

Corporate social responsibility (CSR) has become an important focus of attention among companies. A McKinsey global survey shows that 76% of executives believe that corporate social responsibility contributes positively to customer trust, and 55% of executives agree that sustainability helps their companies build a strong image, (McKinsey 2010). Research in the banking industry has shown that CSR has a direct impact in building trust and organizational image (Fatma, Rahman, and Khan, 2015). Edelman also concluded that banks and financial services were the least trusted industries globally, and that trust in the banking industry has increased in developing markets (e.g. China, India, Mexico), but decreased in developed markets (e.g. UK, Germany, France) (Edelman, 2014b).

Shu-ling hsu, (2018) also aims at investigating the effects of corporate social responsibility on corporate image an empirical study on the telecommunication industry in India. The study was attempts to investigate whether or not CSR serves to enhance corporate image. After the Questionnaire process was completed, linear regression studies were used to test the hypotheses. According to the results show that the implementation of CSR in the telecommunication industry has a positive impact on corporate image.

Tuongdung Lenguyen et al. (2014) also studied the impact of corporate social responsibility programs on a company's image and reputation: a case study in Thailand. The study also questionnaires were used and personal interview conducted to survey 400 stakeholders of the case company Siam Cement Group (SCG), Considered a CSR pioneer in the CSR movement. The author reports that CSR programs, which pertain to economic, legal, ethical and philanthropic concerns, have been found to a low to medium influence on SCG image.

Petr Mochalov (2017) also studied the Consequences of implementing CSR on Corporate Image and customers' purchasing decision in airline industry in Turkish. The study also questionnaires were used as primary data consists of a survey among Turkish Airlines' customers. As result of the research, it can be concluded that due to the increased importance and media coverage of environmental economic, legal, ethical and philanthropic issues, airlines are faced with increasing pressure to implement actions that will affect significantly corporate image. Zainab al Mubarak, Anji Ben Hamed and Muneer Al Mubarak, (2019) sought to impact of corporate social responsibility on banks corporate image in Bahrain. It was a

descriptive study which comprised of 240 banks customers were approached using a questionnaire. The findings of the study revealed that customers perceive CSR activities as main element when dealing with banks. The corporate image is strengthened when the banks adopt such activities, and positive significant relationships were statically found between CSR activities and corporate image.

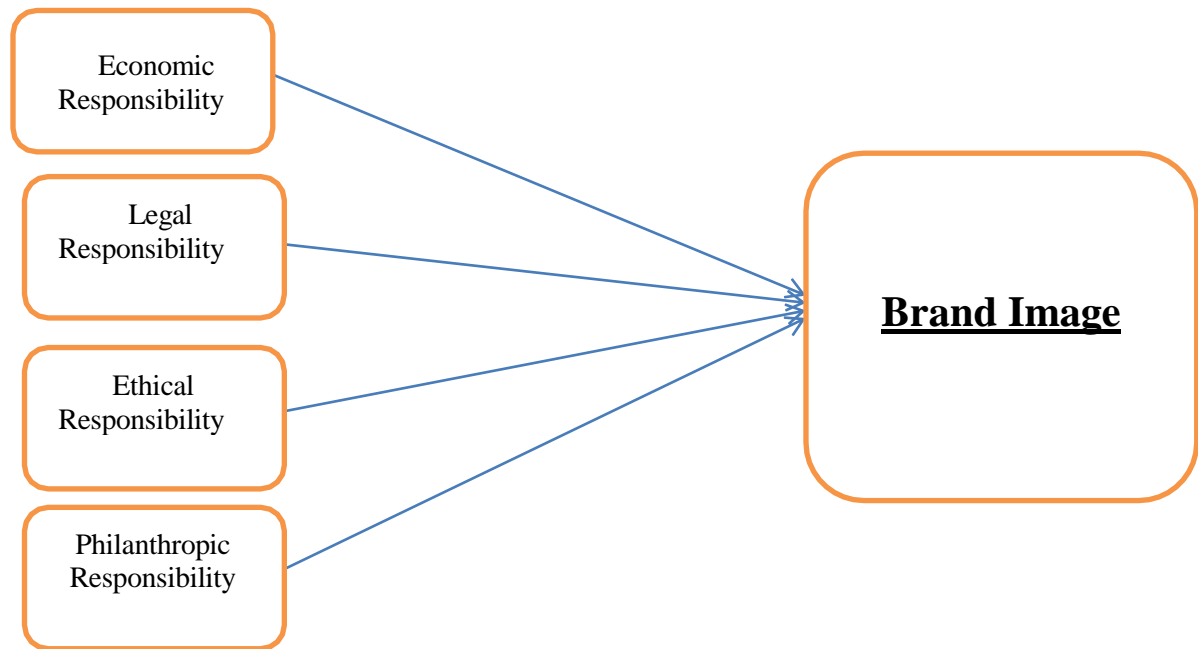
Hossein Rahimi Kolour, Nader Eskandari, (2019) was conducted study in order to analyze the Relationship between Social Responsibility, as an Ethical Factor and Corporate Image in Iran. The study was based on primary data collected through questionnaire and descriptive-correlation study. The population of the study includes all staffs of banks in Iran. Among all staffs, 240 subjects (in access group) filled the questionnaire completely. Data were gathered by questionnaire and were analyzed by SPSS through multiple regressions. The results of the study suggested that show that customers understand company social responsibilities activities as a main element when dealing with banks. When banks accept these activities, the positive figure of company reinforces and it creates positive relations and noticeable relations between activities of CSR responsibility and corporate image.

2.3 Conceptual Framework

A conceptual framework helps the reader to quickly see the proposed relationships between the dependent and independent variables in the study and depict the same graphically.

By identifying the basic variables on the research subject and creating a relationship between them through theoretical and empirical literature background, conceptual framework and model of this study will designed. In the conceptual model of research, dimensions of organizational image are extracted from Poolthong and Mandhachitara (Poolthong and Mandhachitara, 2009; Vlachos et al., 2009) and Yusof, Manan (Yusof, Manan, Karim, and Kassim, 2015) which includes perceived trust, Organizational Reputation, brand loyalty and the corporate social responsibility model is extracted from Schwartz & Carroll model (Schwartz & Carroll, 2003) which contains the ethical, legal and economic domains of corporate social responsibilities. The conceptual framework of this research will be presented in the following figure.

Figure2.2: Proposed research model



Source:-The pyramid of corporate social responsibility model by Carroll, 1991 and customized by the author.

2.4 Research Hypothesis

The study hypotheses are as follow

H₁: There is a positive and significant effect of economic responsibility on CBE brand image.

H₂: There is a positive and significant effect of legal responsibility on CBE brand image.

H₃: Ethical responsibility has a positive and significant Effect on the CBE brand image.

H₄: There is a positive and significant effect of philanthropic responsibility on the CBE brand image.

2.5 Research Gap

In different parts of the world various research studies have been conducted on corporate social responsibility. In Ethiopia some research studies also have been conducted on CSR practice in different bank and service giving industry, the effect of CSR on marketing performance and the contribution of CSR on brand equity by Helen Arega (2019) and Tewodros Jemal (2018). However, to the knowledge of the researcher there are no studies conducted in identifying the role of CSR and its dimension on organizational image focused on services industry specifically in Ethiopian banking context. Different frameworks and theories are also used in different studies like Intersecting Circles model and Concentric Circles. However this study employed the pyramid of corporate social responsibility model by Carroll. Most of previous studies also based on descriptive data analysis whereas this study is based on econometrics or ordinal logistic regression analysis. Thus, this research study will shed light on the role of CSR and its role on improving organizational image service in Ethiopian banking context specifically in CBE and to fill the research gap in this regard.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This section of the study looks at the methods to be used in order to achieve the objectives of the study. It highlights research design, data source and the methods to be used in data collection for the research. It also identified the target population for the study, the sample size and frame, sampling technique and how data obtained from the study will be analyzed.

3.1 Research Design

The main objective of this research is to assess the Effect of corporate social responsibility in improving organizational image." to conducting the study, the researcher employed both descriptive and explanatory research designs for all objectives. According to Shit al., (2009) descriptive studies are concerned with specific predictions, narrations of facts and characteristics concerning individuals, groups or situations of a defined target population. Therefore, this research describes systematically the extent of organizational image towards CSR in CBE. Explanatory research tests the research hypothesis and shows the effect of CSR on CBE Image as area of the study. In line with this, Saunders et al., (2009) described that explanatory research aims at identifying how one variable affects the other; it seeks to provide an empirical explanation to the causality and causes and effects relationship between one or more variables.

3.2 Research Approach

A research approach is a strategy and technique that includes general assumptions as well as specific methods of data gathering, analysis, and interpretation. In order to achieve the objectives of this study and answer the research questions, the research follows a quantitative approach enables the measurement of the variables by asking the respondents questions, which helps to examine the relationship among the dependent and independent variables.

3.3 Data to be collected

In this study, primary sources of data were employed. Primary data was collected through a questionnaire from the customers of CBE because the questionnaires are the most appropriate tools for collecting primary data. Besides, unpublished and published theses were used to elaborate on the research findings.

3.4 Population, Sample Size and Sampling Techniques

3.4.1 Target Population

According to the National Bank of Ethiopia 2024 annual report, there are over thirty commercial banks operating in Ethiopia, which comprises two state owned and twenty eight private commercial banks. Thus, the population of this study was comprised of customers of CBE Branch within the Addis Ababa area. The aim of the study is to assess the role of CSR on organizational image so the reason why the researcher choose is because The commercial bank of Ethiopia (CBE) the largest commercial bank in Ethiopia as of June 2024 the total asset has reached 1.3 trillion Birr and the reported over 30 billion birr of gross profit in the same year so the researcher aim to study the role of CSR on this large organization (CBE) image because CBE is one of the biggest and governmental commercial bank in Ethiopia.

3.4.2 Sample Frame

The fact that CBE with its more than 2000 branches (as at Jun 2024) stretched across the width and breadth of the country, the more than 40 million account holders (As at 2024) distributed all over the country makes deciding the optimal sample size difficult. Distance, cost and time are major constraints in this respect. Thus, the sample frame for the study was all customers of selected CBE branches within the Addis Ababa area, because outside of Addis Ababa area are not considered throughout security and financial problem.

3.4.3 Sample Size

The size of the sample and the way in which it is selected will definitely have implication for the confidence that the researcher can have in the data and the extent to which you can generalize. On June, 2024 the total numbers of customers of Commercial Bank of Ethiopia East Addis Ababa District North Addis Ababa District, South Addis Ababa District and West Addis Ababa District are 408,879, 2,120,268, 358,290 and 1,753,106 respectively (as of Jun 2024).

The researcher considered 5% level of significance or margin of tolerable error and the confidential level is 95%. A 95% confidence is conventionally accepted level for most business Research, most commonly expressed by denoting the significance level as $p \leq 0.05$.

To get a representative sample from the population of customers the following sample size determination technique was used.

$$n = N / (1 + Ne^2)$$

Where,

N=number of total population of selected Districts i.e. 4,484,051 in our case

n = required sample size;

e=margin of error 5%

$$n = 4,484,051 / (1 + 4,484,051(0.05)^2), n = \underline{399}$$

Based on the above information, the sample size (n) is calculated for the target population of 4,484,051 and it is 399. However, the obtained result indicates the total sample sizes of selected district therefore it is vital to calculate proportional sample sizes for each district. According to Kothari, (2004) sample size of respective stratum can be calculated by using the total sample size obtained.

Thus, the proportion of the sample size for each district is determined based on the following manner:

$$n_h = (N_h / N) * n$$

Where;

N_h is the sample size for stratum i.e. respective banks;

N_h the population size for stratum i.e. respective banks;

N is the total population size;

n is the total sample size.

The following table depicts the proportion of the sample size for each bank branch;

Table3.1 Sample Size Determination for Customer

<i>District</i>	Target population	Samples size
<i>East Addis Ababa District</i>	408,879	36
<i>North Addis Ababa District</i>	2,120,268	188
<i>South Addis Ababa District</i>	1,753,106	156
<i>West Addis Ababa District</i>	201,798	19
Total	4,484,051	399

The researcher is intended to collect data from Grade 3, 4 and special branches by taking one representative branch from each category. Grade 1 and 2 branches will be omitted due to the fact that as many of them are newly opened relatively few customers visit such branches and transaction are less on a daily basis. Moreover, as the Bank currently pursues branchless banking, an account holder is normally a customer to every branch throughout the country.

Table3.2 Information on CBE Branch with in the Addis Ababa city branches (as at June 2024)

<i>Name of District</i>	<i>Number of Branches</i>					<i>Total</i>
	Grade1	Grade2	Grade3	Grade4	special	
<i>East Addis Ababa District</i>	30	60	6	7	1	104
<i>North Addis Ababa District</i>	38	55	13	8	4	118
<i>South Addis Ababa District</i>	29	40	16	14	2	101
<i>West Addis Ababa District</i>	51	45	13	12	2	123
<i>Total</i>	148	200	48	41	9	446

Table3.3: Number of questionnaires to be distributed to branches (Customer Questionnaires)

<i>District Name</i>	<i>Selected Branch</i>	<i>Questionnaire to be Distributed (N)</i>			<i>Total Number of Questionnaires(NX3)</i>
	<i>S</i>	<i>G3</i>	<i>G4</i>	<i>special</i>	
<i>East Addis Ababa District</i>	3	12	12	12	36
<i>North Addis Ababa District</i>	3	63	63	63	188
<i>South Addis Ababa District</i>	3	52	52	52	156
<i>West Addis Ababa District</i>	3	6	6	7	19
<i>Total</i>					399

3.4.4 Sampling Techniques

The study was based on non-probability sampling techniques. Thus, Purposive sampling technique was used to select bank branches. This method is selected to enable the researcher to target specific customers from bank branches based on their knowledge, experience, or characteristics relevant to the study. In addition it is better to select those bank branches of respective bank.

Systematic sampling techniques were also used to select customers from selected bank branches because systematic sampling is technique where researchers select participants at regular intervals from an ordered population list. Once the sampling population has been separated into non-overlapping groups the researcher select the required number of samples from each classification, using the systematic sampling technique. In the sampling process, every sample was selected at every fixed call waiting interval. The most practical way of sampling was to select customers of CBE that reach every 5th person from the call waiting machine to build a sample systematically. These intend to save us time and cost by

selecting those customers who are easily available during a survey.

3.4.5 Data Collection Methods

This research employed primary data sources as a major input, with the occasional use of secondary data sources. The researcher collected the primary data using questionnaires designed specifically for this purpose. The main questionnaire was distributed to customers of the CBE. A questionnaire with almost similar content was distributed to customers at the branch. A total of 399 questionnaires will be distributed.

The questionnaires were primarily prepared in English, and all customers were not expected to have the required level of language proficiency. The questionnaires were also translated into the working language of the federal government as well as the Addis Ababa city administration, 'Amharic'.

The questionnaire was divided into two parts. The first section of the questionnaire enables the researcher to collect demographic data and general information about the respondents, such as age, gender, occupation, and background information, while the second section contains the respondent's observations on the role of CSR in improving organizational image. Closed-ended questions were rated on a five-point Likert scale ranging from '1', 'strongly disagree' to '5', 'strongly agree'. The target respondents will be customers of selected bank branches.

Secondary sources of data took second place in terms of importance in collecting data for the study. Both published and unpublished secondary sources will be used here. Reports developed by the bank on its CSR practices, budget allocation, and utilization, as well as the areas of CSR the bank engaged in during the past 3-5 years, will be major sources of secondary data.

The respondents for the questionnaires were conveniently selected and filled out the questionnaires by themselves without intervention from the researcher or the managers; they self-administered the questionnaires. The distribution and collection of the questionnaire were made randomly without any prior qualification. Customers are selected 'on a first come, first served' basis by requesting their willingness only.

3.5 Data Analysis

In this study, two types of statistical analysis were used to test the proposed hypotheses. These are descriptive statistics and inferential statistics. Descriptive statistics such as the arithmetic mean, frequency distribution, standard deviation, and percentages were used to assess the demographic profile of the respondents to make the analysis more meaningful, clear, and easily interpretable. Then,

correlation analyses between dependent and each of the independent variables were made to measure the strength of association. Descriptive statistics allow the researchers to present the data acquired in a structured, accurate, and summarized manner (Creswell, 2003). Statistical Package for Social Sciences (SPSS) version 2020 data analysis software was used to analyze the descriptive parts of the study, and also regression model analysis was employed to analyze the quantitative data obtained from the distributed questionnaire on the effect of corporate social responsibility in improving organizational image.

More importantly, before the regression analysis and hypothesis testing, basic assumptions such as multicollinearity, and normality were tested to know if the assumptions of CLRM were violated or not. Accordingly, the study intends to apply tabular form to check assumptions for normality and multicollinearity. Also, the study undertook multicollinearity using VIF to check whether there is correlation or not among the independent variables. If the assumptions are violated, then interpreting the results from running multiple regressions becomes spurious.

3.6 Validity and Reliability

The validity and reliability of the data were checked carefully. Validity and reliability of scores on instruments, as well as additional standards for making knowledge claims, lead to meaningful interpretations of data.

3.6.1 Validity

In order to ensure the quality of this research design, the validity of the research instrument was checked. The content validity was verified by the advisor to this research, who looks into the appropriateness of questions and the scales of measurement. Moreover, copies of the questionnaire were distributed to twenty respondents as a pilot test. This is used to find out whether the developed instrument measures what it is meant to measure and also to check the clarity, length, structure, and wording of the questions.

3.6.2 Reliability Test

Reliability has to do with the accuracy and precision of a measurement procedure. Has Cronbach alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of the instrument. According to statistical interpretation, the closer the reading of Cronbach's alpha to digit 1, the higher the reliability is in internal consistency. In general, reliabilities less than 0.60 are considered to be poor, those in the 0.70 range are acceptable, and those over 0.80 are good. Hence, Cronbach's alpha was utilized and calculated to test the accuracy, dependability, or, as we usually call

it, reliability of the research instrument (George & Miller, 2003).

Table 3.4 below indicate that the Cronbach's Alpha values are greater than 0.7, this implies that the gathered data had relatively high internal consistency and could be generalized this implies that the data of the study is more reliable.

Table 3.4 Reliability test

Cronbach's alpha test for independent variable

Cronbach's Alpha		
Constructs	No. of Items	Cronbach's Alpha Values
Economic Responsibility	5	.746
Legal Responsibility	5	.857
Ethical Responsibility	5	.771
Philanthropic Responsibility	5	.832

Source: Data survey SPSS output, 2024

Cronbach's alpha test for dependent variable

Cronbach's Alpha		
Constructs	No. of Items	Cronbach's Alpha Values
Organizational Reputation	3	.713
Trust/goodwill	3	.822
Brand loyalty	3	.751

Source: Data survey SPSS output, 2024

3.7 Model Specification

The researchers intend to establish the effect of independent variables, which include economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility, on dependent variables, i.e., improving organizational image. Regression analysis is used to analyze the data quantitatively and study relationships between dependent and independent variables.

The regression model of the study is specified as follows: $OI = \alpha + \beta_1EO + \beta_2LR + \beta_3ER + \beta_4PR + e_i$

Where: OI (Dependent variable): organizational image

Independent variables:-

EO: Economic responsibility,

LR: Legal responsibility,

ER: Ethical responsibility

PR: Philanthropic responsibility

α = Constant term

β =is the coefficient predictor variables.

e_i =is the error term which captures the effect of independent variables which are not included in the model

3.8 Ethical Considerations

The researcher was trying its level best to minimize respondents' bias that would come due to the design of the questionnaires as well as in selecting the respondents. Most importantly, the original questionnaires and their Amharic translation were made simple enough to be attempted by the respondents with no or little intervention from the researcher. Respondents were recruited based on their consent, and the researcher made sure that the participants expressed their full consent before they started answering the questionnaires. They were given a promise that their identity would not be exposed or that no clues would be given about it.

All the literature reviewed for this research has been properly acknowledged, and other materials used as inputs in the process are properly cited to make this research work free from unethical conduct in the form of plagiarism. The researcher made sure that the responses were properly coded and entered, and only based on this information was the analysis made.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND INTERPRETATION

Introduction

The main purpose of this section is to present the analysis and discussion of the findings of the study. Hence, the Statistical Package for the Social Sciences (SPSS 2020) software is used to analyze the descriptive and the regression part of research findings. The first part of the chapter presents the demographic characteristics of the respondents. The second part of the chapter contains a detailed analysis of descriptive and regression findings.

4.1 Response Rate

The researcher distributed a total of 399 questionnaires to four purposely sampled branch of Commercial Bank of Ethiopia. Out of the total 399 questionnaires, 362 useable questionnaires were obtained to enable a meaningful analysis of the data with 90.7% response rate, while 37(9.3%) remain uncollected and not relevant for analysis due to negligence of the respondents in filling the questionnaires.

Table 4.1: Response Rate

Category	Frequency	Percentage%
Responded	362	90.7%
Did not responded	37	9.3%
Total	399	100%

Source: Data Survey SPSS output, 2024

4.2 Demographic Characteristics

This study was conducted with an objective of identifying the effect of CSR on improving organizational image in the case of CBE. The respondents of the survey have different personal information. This section outlines the findings on the demographic characteristics of the sample, which includes gender, age, educational level, marital status and occupation of the respondents. To reveal the demographic profile of the respondents, the study used frequencies to determine the number of times a respondent answered a particular question and clearly depicted in the following table.

As reflected in Table 4.2 below, about 45.3% of the entire respondents were females and around 54.7% of them were males. This indicated that there were slightly more male respondents participated in the study than their female correspondents. Also the majority of the respondents (about 28.45%) were

between the ages of (34-41), followed by the age group of (>50) & (42-49) with the respondent percentage of 24.86 & 24.03 respectively. Five percent (4.9%) of the respondents fall below the lowest age group which was above age group of (18-25). This implies that almost all classes of population were represented and the data provided reflected the views of the entire population.

Table 4.2 Respondents demographic characteristics

Demography	Label	Frequency	Percentage
SEX	Female	164	45.3 %
	Male	198	54.7 %
AGE	18-25 years	18	4.9%
	26-33 years	64	17.67%
	34-41 years	103	28.45%
	42-49 years	87	24.03%
	>50 years	90	24.86%
EDUCATIONAL LEVEL	Primary	4	1.10%
	Secondary	12	3.31%
	Diploma	68	18.78%
	Degree	216	59.7%
	Master and above	62	17.12%
OCCUPATION	Government	174	48.06%
	Private	82	22.7%
	Business	90	24.9%
	Student	16	4.41%
	Other	-	0%
MARITAL STATUS	Single	147	40.6%
	Married	212	58.6%
	Divorced	3	3%
	Widowed	-	-
	1-3YEARS	39	10.77%

YEARS OF BEING CBE CUSTOMER	4-6 YEARS	106	29.28%
	7-9 YEARS	109	30.11%
	MORE THAN 10 YEARS	108	29.83%
Total		362	100.0

Source: Data Survey SPSS output, 2024

Educational level of the respondents indicates that most of them had University level education; around 60% of the respondents were degree and above degree holders. Meanwhile, around 4.41% of the respondents had primary and secondary education level which is the lowest educational category. As revealed from the age of respondents most of them are mature which could be a possible reason for obtaining many university level education holders respondent. This implies that the respondents could read, understand and interpret questionnaires reliably.

The occupation distribution of the respondents included in the study deferred from one another. The study revealed that, the highest respondents were government employee with around 48% of the respondents, followed by the business persons with around 25 % of the total respondents. Students were the lowest respondents of the study while their marital status revealed that most of the respondents are married individuals followed by single status respondents.

The years of being CBE customer of the respondents included in the study deferred from one another. The study revealed that, the highest respondent's years between 7-9 with around 30.1% of the respondents, followed by the more than 10 years with around 30 % of the total respondents. Meanwhile, around 29% of the respondents had years between 4-6 years. This implies that most of respondents are more familiar with the bank of CBE.

4.3 Descriptive Analyses Results of Dependent Variable

4.3.1 Organizational Image (OI)

The major objective of this section is to find out to what extent the CSR activities the Bank have effect on the improving organizational image. The major argument discussed in the theoretical part. This largely deals with the motive for business organizations to devote their resources to CSR duties and their reputable tasks and to investigate the motive of the Bank for engaging in the CSR practices and how the practices are accepted by the customers in terms of winning their loyalty and as well as the trust or

goodwill brought with it. Three sub groups of questions are presented for customers of the Bank and the responses are the following. By using a five-point Likert scales ranging from „1“ “Strongly Disagree” to „5“ “Strongly Agree.

From the results of below table 4.3, responses observed from the customers sampled for the study indicates that, majority of respondents (about 54.3%) responded agree and strongly agree scale. The mean value of 3.46 rated out of five point Likert scale revealed that the summation of this three response group shows that majority of CBE customers who are participated in this research are aware of CBE brand, recognize the brand from others and consider themselves loyal to CBE. Additionally, majority respondents will not use other brand, assumed the likely that the Banks motive for engaging in CSR activities is societal good rather than mere profit and the Bank runs its business in a responsible manner, investigate the motive of the Bank for engaging in the CSR practices and how the practices are accepted by the customers in terms of winning their trust as well as the goodwill brought with it. Relationship between CSR, trust, and loyalty it is essential to understand the influence of CSR on organizational image, as this is the major concern of investors and hence top management.

Table 4.3 summary of organizational image

Response	Strongly disagree & Disagree	Neutral	Strongly agree & agree
Frequency	122.5	42.6	196.6
Percentage	33.85%	11.8%	54.3%

OI		
Mean	N	Std. Deviation
3.46	362	4.92

Source: Data Survey SPSS output, 2024

From the table below 4.4, the major concern is to investigate the motive of the Bank for engaging in the CSR practices and how the practices are accepted by the customers in terms of winning their loyalty brought with it. With an average mean score of 3.30, the majority of responses agree that CBE has cultivated the loyalty of its customers. The responses say that the customers are comfortable with the Bank and even willing to stay as customers.

Table 4.4 Table of Customer Loyalty Questions (LQ)

No.	Questions	Frequency		%	N	Mean
OI1	CBE engaging in CSR activities appears in a favorable image	SD	129	35.6	362	3.40
		D	14	3.9		
		N	6	1.7		
		A	10	2.8		
		SA	203	56.1		
OI2	CSR activities of my bank will change my view toward the bank	SD	101	27.9	362	3.78
		D	6	1.7		
		N	8	2.2		
		A	4	1.1		
		SA	243	67.1		
OI3	CBE engaging in CSR activities appears, I can recognize CBE brand among other competing brands and I would prefer to use CBE.	SD	171	47.2	362	2.73
		D	24	6.6		
		N	30	8.3		
		A	6	1.7		
		SA	131	36.2		
Total						3.30

SD= strongly disagree; D=Disagree; N=Neutral; A=Agree; SA= Strongly Agree

The major concern in the table below 4.5 is to investigate the motive of the Bank for engaging in the CSR practices and how the practices are accepted by the customers in terms of winning their trust as well as the good will brought with it. With an average mean score of 3.58, the majority of responses agree that CBE has cultivated trust and goodwill of its customers.

Table 4.5 Table of Customer Trust/Goodwill Questions (TQ)

No.	Questions	Frequency	%	N	Mean	
OI4	CBE participates in CSR activities out of genuine interest to contribute for the well-being of the society.	SD	28	7.7	362	3.53
		D	98	27.1		
		N	54	14.9		
		A	18	5.0		
		SA	164	45.3		
OI5	I feel good and comfortable in CBE because it involves in different social initiatives.	SD	45	12.4	362	3.66
		D	37	10.2		
		N	76	21.0		
		A	42	11.6		
		SA	162	44.8		
OI6	I prefer to work for CBE rather than other institution of lesser CSR reputation	SD	28	7.7	362	3.57
		D	14	3.9		
		N	166	45.9		
		A	32	8.8		
		SA	122	33.7		
Total		3.58				

SD= strongly disagree; D=Disagree; N=Neutral; A=Agree; SA= Strongly Agree

In this table 4.6 is designed based on the major argument discussed in the theoretical part. This largely deals with the motive for business organizations to devote their resources to CSR duties and their reputable tasks. The majority of respondents, represented by 59.4%, agrees and strongly agrees that the Banks motive for engaging in CSR activities is societal good rather than mere profit and the Bank runs its business in a responsible manner. Respondents also revealed high mean value of (3.5) on the organizational reputation construct.

Table 4.6 Table of Organizational Reputation Questions (RQ)

No.	Questions		Frequency	%	N	Mean
OI7	The major derive behind CBE's participation in CSR activities because it values the society.	SD	102	28.2	362	3.59
		D	28	7.7		
		N	4	1.1		
		A	12	3.3		
		SA	216	59.7		
OI8		SD	148	40.9		

	The major derive behind CBE's participation in CSR activities is generating profit	D	61	16.9	362	2.71
		N	24	6.6		
		A	6	1.7		
		SA	123	34.0		
OI9	CBE's CSR activities are consistent with long-term future of the Bank	SD	70	19.3	362	4.20
		D	-	-		
		N	4	1.1		
		A	2	0.6		
		SA	286	79.0		
Total						3.5

SD= strongly disagree; D=Disagree; N=Neutral; A=Agree; SA= Strongly Agree

Summary of descriptive Results of Dependent Variable

The following (table 4.7) shows that Customer Trust/Goodwill have the highest Mean of 3.58, and Organizational Reputation and Loyalty have the high Mean of 3.5 and 3.30 consequential.

Table 4.7 variance between the factors

		Statistics		
		LQ	TQ	RQ
N	Valid	362	362	362
	Missing	0	0	0
Mean		3.30	3.58	3.5
Std. Deviation		1.83	1.37	1.72

Source: Data Survey SPSS output 2024

4.4 Descriptive Analysis Results of independent variable

Descriptive statistical analysis is used to present and interpret the data collected on various variables of the four CSR activities to improve organizational image. Frequencies, table, percentage, mean and standard deviations are also employed to analyses the responses of respondents.

4.4.1 Economic Responsibility

The first part under independent variable CSR is denoted EO. This part deals with the economic domain of CSR. Under economic domain of CSR 5 questions were presented to customers of CBE and mean has been calculated. Their response has been summarized in the following table.

Table 4.8 Table of Economic Responsibility

Economic Responsibility Legal Domain of Corporate Social Responsibility						
No.	Questions	Frequency		%	N	Mean
EO1	It is important for me whether the bank is profitable.	SD	166	45.9	362	2.82
		D	27	7.5		
		N	6	1.7		
		A	32	8.8		
		SA	131	36.2		
EO2	Banks that maintain a strong competitive position will be able to attract more customers	SD	148	40.9	362	2.99
		D	7	1.9		
		N	46	12.7		
		A	24	6.6		
		SA	137	37.8		
EO3	I am willing to pay more to get services from a bank that cares for the well-being of our society	SD	124	34.3	362	3.51
		D	9	2.5		
		N	-	-		
		A	18	5.0		
		SA	211	58.3		
EO4	In all its business doing CBE maintain high level of efficiency.	SD	117	32.3	362	3.57
		D	7	1.9		
		N	6	1.7		
		A	17	4.7		
		SA	215	59.4		
EO5	All of CBE business activities have direct or indirect economic impact on pact	SD	185	51.1	362	2.80
		D	2	0.6		
		N	18	5.0		
		A	14	3.9		
		SA	143	39.5		
Total						3.2

SD= strongly disagree; D=Disagree; N=Neutral; A=Agree; SA= Strongly Agree

From the results of above table 4.8, responses observed from the customers sampled for the study indicates that, majority of respondents (about 52%) responded agree and strongly agree scale.

respondents of the survey had the Mean (3.2) on the Economic Responsibility construct, which means they mostly agreed that Economic Responsibility is expected to be useful or have good performance.

The mean value of 3.2 rated out of five point Likert scale revealed an Economic Responsibility which indicates to improve organizational image. Thus, if customers observe better Economic Responsibility from the organization they are likely to have improved image for the company.

4.4.2 Legal responsibility

The second part of the questionnaire is denoted as LR. This part deals about the legal domain of corporate social responsibility. To investigate the legal domain of CSR, 5 questions were presented to customers of CBE and the mean has been calculated. Their response has been summarized in the following table.

Table 4.9 Table of Legal responsibility

Legal responsibility Domain of Corporate Social Responsibility						
No.	Questions	Frequency		%	N	Mean
LR1	CBE is governed by the country's' and also international laws of business.	SD	102	28.2	362	3.59
		D	28	7.7		
		N	4	1.1		
		A	12	3.3		
		SA	216	59.7		
LR2	CBE's different activities obey or comply with the law	SD	148	40.9	362	2.71
		D	61	16.9		
		N	24	6.6		
		A	6	1.7		
		SA	123	34.0		
LR3	CBE advocate its employee to act lawfully	SD	70	19.3	362	4.20
		D	-	-		
		N	4	1.1		
		A	2	0.6		
		SA	286	79.0		
LR4	CBE is doing business with other companies that are operating lawfully	SD	88	24.3	362	4.02
		D	36	9.9		

		N	-	-		
		A	-	-		
		SA	272	75.1		
LR5		SD	142	39.2	362	2.77
		D	63	17.4		
	In its sponsorship program CBE only work and prioritize a program that obey or comply with the law	N	22	6.1		
		A	6	1.7		
		SA	129	35.6		
Total					3.45	

SD= strongly disagree; D=Disagree; N=Neutral; A=Agree; SA= Strongly Agree

From the descriptive analysis of above responses on table 4.9 observed from the customers sampled for the study revealed that, majority of them (about 58.2%) responded agree and strongly agree scale. Respondents also revealed a value of (3.45) on the Legal responsibility construct, which means they mostly agreed Legal responsibility on the useful or have good performance in improving organizational image.

The average result of 3.45 rated out of five point Likert scale revealed that Legal responsibility can improving organizational image. The researcher concluded that, when a Legal responsibility is practiced appropriately to be easy to use that customers saw it as a condition for doing a business. It is revealing a positive and significant effect of Legal responsibility on organizational image.

4.4.3 Ethical responsibility

The third part of the questionnaire is denoted as ER. The major concern of this section is to investigate the ethical domain of CSR. To investigate the ethical domain of CSR, 5 questions were presented and the mean has been calculated. The responses are presented as follows.

Table 4.10 Table of Ethical responsibility

Ethical responsibility Domain of Corporate Social Responsibility						
No.	Questions	Frequency		%	N	Mean
ER1	CBE's different activities adhere ethical or moral standards or principles Of the society?	SD	153	42.3	362	3.14
		D	6	1.7		
		N	14	3.9		
		A	16	4.4		
		SA	173	47.8		
ER2	CBE forced its employees to keep ethical or moral principles of the	SD	36	9.9	362	4.4
		D	10	2.8		
		N	18	5.0		

	society?	A	6	1.7		
		SA	292	80.7		
ER3	In its business relationship, CBE is working with only other companies Which keep ethical or moral principles of the society?	SD	156	43.1	362	2.99
		D	28	7.7		
		N	6	1.7		
		A	7	1.9		
		SA	165	45.6		
ER4	CBE support works that promote wellbeing of the society in ethical manner?	SD	92	25.4	362	3.91
		D	8	2.2		
		N	-	-		
		A	4	1.1		
		SA	258	71.3		
ER5	In its sponsorship program CBE prioritize a program that keeps ethical or moral practice of the society?	SD	74	20.4	362	4.12
		D	6	1.7		
		N	-	-		
		A	4	1.1		
		SA	278	76.8		
Total					3.71	

SD= strongly disagree; D=Disagree; N=Neutral; A=Agree; SA= Strongly Agree

Table 4.10 revealed that, responses observed from the customers sampled for the study indicates that, strongly agree responses (about 64.4 %). Most of the respondent's response with a Mean value of (3.71) The mean value of 3.71 rated out of five point Likert scale revealed almost a positive and significant effect of Ethical responsibility of CSR practice on improving organizational image which is in contrast with observed higher customer's intention to organizational image i.e. a mean value of 3.46.

4.4.4 Philanthropic responsibility

The forth part of the questionnaire is denoted as PR. This part deals about the philanthropic domain of corporate social responsibility. To investigate the legal domain of CSR, 5questions were presented to customers of CBE and the mean has been calculated. Their response has been summarized in the following table.

Table 4.11 Table of Philanthropic responsibility

Philanthropic responsibility Domain of Corporate Social Responsibility						
No.	Questions	Frequency	%	N	Mean	
PR1	The bank gives financial support to local community activities	SD 130	35.9	362	3.53	
		D 2	0.6			
		N -	-			
		A 5	1.4			

		SA	225	62.2		
PR2	A bank that supports the society will always have a positive image	SD	144	39.8	362	3.29
		D	2	0.6		
		N	14	3.9		
		A	10	25.13		
		SA	14	2.8		
PR3	Companies should participate in corporate social responsibility activities Out of genuine interest to contribute for the wellbeing of the society.	SD	152	42.0	362	3.22
		D	2	0.6		
		N	12	3.3		
		A	6	1.7		
		SA	190	52.5		
PR4	The bank provides sponsorship for activities that support the Society	SD	196	54.1	362	2.62
		D	20	5.5		
		N	6	1.7		
		A	4	1.1		
		SA	136	37.6		
PR5	Do you think that CBE is effective in Philanthropy?	SD	142	39.2	3.23.	
		D	2	0.6		
		N	-	-		
		A	6	1.7		
		SA	212	58.6		
Total					3.40	

SD= strongly disagree; D=Disagree; N=Neutral; A=Agree; SA= Strongly Agree

Table 4.11 revealed that, responses observed from the customers sampled for the study indicates that, more than half of the respondents strongly agree responses (about 52.7%). The mean value of 3.40 rated out of five point Likert scale strongly revealed almost a positive and significant impact of Philanthropic responsibility for improving organizational image which is in contrast with observed higher customer's

organizational image i.e. a mean value of 3.46. These suggest that the customers are concerned on the existence of philanthropic responsibility in CBE. This indicates that the Philanthropic responsibility facets/practice of CBE will likely to influence their image toward the bank and their decision of the customer to choose working with the organization.

The Mean value for all indicators is above 3.00 suggesting that the customers agree on the existence of CSR in CBE. This indicates that the bank participates in local community activities, the bank gives financial support to local community activities and projects (e.g. charitable donations), the bank provides Sponsorship for activities that support the society, and the bank is concerned to improve general wellbeing of society.

Summary of descriptive Results of independent Variable

The following (table 4.12) shows or implies that All Independent Variables has direct strong Effect for CBE overall organizational image. Ethical Responsibility have the highest Mean, and Economic Responsibility to have the lowest Mean, as effect on improving organizational image.

Table 4.12 variance between the factors

Descriptive Statistics

	Mean	Std. Deviation	N
EO	3.13	1.85	362
LR	3.45	1.72	362
ER	3.71	1.70	362
PR	3.40	1.92	362
OI	3.46	4.92	362

Source: Data Survey SPSS output 2024

4.5 Correlation Analysis

In determining the strength of the relationship between variables the value of the coefficient of correlation(r)which is between 0 &1 value is used and interpreted as follows if $r=0.10$ to 0.29 or $r= -0.10$ to -0.29 weak correlation, $r=0.30$ to 0.49 or $r= -0.30$ to -0.49 moderate and $r=0.50$ to 1 or $r=-0.50$ to -1 strong correlation. The correlation analysis of the Table 4.13 below shows that there is a positive relationship between each independent variables of CSR practice to organizational image.

The following table reveals the strong of relationships between organizational image and each independent CSR activity variables and relationship between independent variables. Accordingly there is

Strong positive direct relationship between organizational image and CSR activity of legal responsibility (0.835). It reveals the highest correlation coefficient with organization image out of the available CSR activities (independent) variables. Thus executing legal responsibilities will definitely improve corporate image of CBE.

Table 4.13 correlation matrix

		Correlations				
		OI	EO	LR	PR	ER
OI	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	362				
EO	Pearson Correlation	.413**	1			
	Sig. (2-tailed)	0				
	N	362	362			
LR	Pearson Correlation	.835**	.267**	1		
	Sig. (2-tailed)	0	0			
	N	362	362	362		
PR	Pearson Correlation	.511**	.577**	.385**	1	
	Sig. (2-tailed)	0	0	0		
	N	362	362	362	362	
ER	Pearson Correlation	.722**	.340**	.637**	.437**	1
	Sig. (2-tailed)	0	0	0	0	
	N	362	362	362	362	362

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

Source: Data Survey SPSS output 2024

There is also strong direct relationship between ethical responsibility and organizational image ($r=0.722$). This shows banks involvement in executing ethical responsibility will highly influence improvement on organizational image. There is also strong correlation relationship between philanthropic responsibility and organizational image with the correlation coefficient of ($r=0.511$). This shows that Philanthropic responsibility significantly effect to the improving organizational image. The last moderate positive correlation between organizational image and economic responsibility ($r=0.413$). This implies banks engagement on economic responsibility of CSR activities will likely to influence organization image from the general public. This is due to the fact that consumers may have less recognition or understanding of

corporate practices with regards to economic responsibility.

The highest correlation coefficient is observed between Legal and ethical responsibility ($r=0.637$), whereas the lowest correlation coefficient is observed between legal and economical responsibility ($r=0.267$).

4.6 Regression Analysis

4.6.1 Regression Assumption

A. Normality

Normality is defined as the “shape of the data distribution or an individual metric variable and its correspondence to the normal distribution, which is the benchmark for statistical methods” (Hair et al., 2006). Normality can be diagnosed through visual check or by graphical analysis such as histogram and normal probability plot that compare the observed data values with a distribution approximating the normal distribution. If the observed data distribution largely follows the diagonal line then the distribution is considered normal (Hair et al., 2006). Skewness and Kurtosis are statistical tools which can enable to check if the data is normally distributed or not.

For this study, the skewness and kurtosis test results are within the acceptable range (-2.0 to $+2.0$) and it can be concluded that the data for all variable are normally distributed (George and Mallery (2010) or Weston and Gore (2006).

Table 4.14 Test of Normality

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
EO	362	-0.092	0.128	-1.167	0.256
LR	362	-0.324	0.128	-1.2	0.256
PR	362	-0.239	0.128	-1.47	0.256
ER	362	-0.676	0.128	-0.661	0.256
Valid N (list wise)	362				

Source: Data Survey SPSS output 2024

B. Multicollinearity test

Multicollinearity will occur if some or all of the independent variables are highly correlated with one another may contribute significantly to the model. If the tolerance value below 0.10 or the variance inflation factor (VIF) greater than 10, Multicollinearity problem would be a serious problem for the

distribution (Field, 2020). Tolerance is a test statistics used to indicate the variability of the specified independent variable whether explained by other independent variables in the model or not.

As the study result illustrated in the table below, the entire variables tolerance are greater than 0.10 and their VIF values also lower than 10. So, there is no Multicollinearity problem that alters the analysis of the regression model (Table 4.15).

Table 4.15: Multi Collinearity statistics

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.370	.098		3.785	.000		
EO	.089	.026	.103	3.407	.001	.657	1.522
LR	.490	.026	.602	18.687	.000	.579	1.726
PR	.081	.024	.107	3.341	.001	.590	1.696
ER	.232	.030	.257	7.725	.000	.545	1.835

a. Dependent Variable: OI

Source: Data Survey SPSS output 2024

4.6.2 Inferential Analyses

In this study multiple regression model is used to identify the significance of on each variables to the effect of improving organizational image in banking industry of Ethiopia in the case of CBE. There are four independent variables (Economic Responsibility, Legal responsibility, Ethical responsibility and Philanthropic responsibility) with one dependent variable (corporate/Organizational image) to be analyzed in this stage. Based on the regression result, the relationship between the variables included in the model can, therefore, be represented in the following multiple regression equation model.

Organizational image = α + β_1 Economic Responsibility + β_2 Legal responsibility + β_3 Ethical responsibility + β_4 Philanthropic responsibility + e_i

A. Model Summary

Table 4.16 Model Summary overall practice of CSR as predictor to OI

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.886 ^a	.785	.783	.52367	1.029

a. Predictors: (Constant), ER, EO, PR, LR

b. Dependent Variable: OI

Source: Data Survey SPSS output, 2024

Based on this, model summary of Table 4.16 determination (R^2) indicates that 78.5% of the variation in the measure function (OI) can be explained by Economic Responsibility, Legal responsibility, Ethical Responsibility and Philanthropic responsibility. The remaining 21.5% of variations of on customer satisfaction was explained by other variables which are not included in this model and R is 0.886 shows that there is a positive relationship between CSR practices and organizational image (OI).

B. ANOVA

Table 4.17 ANOVA (F Test)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	357.737	4	89.434	326.124	.000 ^b
	Residual	97.902	357	.274		
	Total	455.638	361			

a. Dependent Variable: OI

b. Predictors: (Constant), ER, EO, PR, LR

Source: Data Survey SPSS output ,2024

The F-test result and p-value in the Above ANOVA table tests whether the overall regression model is a good predictor and the probability of this result is occurred by chance or not. In this regard, as shown in table 4.17, the F-test result in the company is 326.124 with a significance of less than 0.01. This implies that, the probability of these results occurring by chance is less than 0.01. Therefore, a significant amount of OI is influenced by the overall practice of CSR, which means independent variable statistically and significantly predict the Dependent variable, and it can be concluded as, the overall regression model is significant, $(4,357) = 326.124$, $p < 0.01$, $R^2 = 0.785$ in CBE.

Then, the lower value of the standard error of the estimate and the higher F value evidenced that, the Interdependence of the two variables, i.e. CSR and Organizational image is significant in the CBE. Therefore, it may be concluded as; the practice of corporate social responsibility influence over Organizational image is significant, where, $p < 0.01$ in the company.

C. Coefficient

Table 4.18 Coefficient Table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.370	.098		3.785	.000
EO	.089	.026	.103	3.407	.001
LR	.490	.026	.602	18.687	.000
PR	.081	.024	.107	3.341	.001
ER	.232	.030	.257	7.725	.000

a. Dependent Variable: OI

Source: Data Survey SPSS output 2024

From the above table 4.18, the regression coefficient for Economic Responsibility (EO) in this multiple linear regression is 0.089, with a t-value of 3.407 and a p-value of 0.001. This indicates it has a positive and significant effect on Organizational Image (OI) in CBE 5% level of significance, it suggesting that a one-unit increase in Economic Responsibility results in a 0.089 unit increase in OI. The regression coefficient for Legal responsibility (LR) is 0.490, with a t-value of 18.687 and a p-value of 0.000, which also indicates a positive and significant relationship. This means that a one-unit change in Legal responsibility leads to a 0.490 unit increase in OI. The regression coefficient for Philanthropic responsibility (PR) is 0.081, with a t-value of 3.341 and a p-value of 0.001, indicating positive and significant relationship between Philanthropic responsibility and OI based on 5% level of significance. Similarly, the regression coefficient for Ethical responsibility (ER) is 0.232, with a t-value of 7.725 and a p-value of 0.000, showing also positive and significant impact on OI. In summary, All Economic Responsibility, Legal responsibility, Philanthropic responsibility and Ethical responsibility have a positive and significantly contribute to OI.

D. Hypothesis Summary

To determine whether the study's hypotheses were rejected or not, the four hypotheses were evaluated using standardized coefficients beta at a 95% confidence level.

Table 4.19: Summary of Hypothesis testing

NO	Developed hypothesis	Test result
H1	There is a positive and significant effect of economic responsibility on CBE brand image.	Accepted

H2	There is a positive and significant effect of legal responsibility on CBE brand image.	Accepted
H3	Ethical responsibility has a positive and significant Effect on the CBE brand image.	Accepted
H4	There is a positive and significant effect of philanthropic responsibility on the CBE brand image.	Accepted

4.7 Discussion of the findings

A. Economic Responsibility and Its Effect on corporate image

The result of regressions shows that Economic Responsibility has positive and significant effect on improving organizational image with regression coefficient 0.089, a t-value of 3.407 and a p-value of 0.001 Confidence level ($p > 0.05$) which is consistent with theoretical literatures.

Therefore This study is congruent with Economic Responsibility has a positive effect on corporate image, which in turn has a mediating effect on purchase decision making Su, Swanson, and Chen(2016). This leads to benefits, including greater brand loyalty and higher revenues (Huang et al., 2014; Servaes & Tamayo, 2013; Stan land, Lwin, & Murphy, 2016). The finding of the study is also consistent with that of Mandina SP, Maravire CV, Masere et al (2018) and (Rhee and Haunschild 2016).

B. Legal responsibility and its Effect on corporate image

The result of regressions shows that Legal Responsibility has positive and significant effect on improving organizational image with regression coefficient 0.490, a t-value of 18.687 and a p-value of 0.000 Confidence level ($p > 0.05$) which is in line with theoretical Findings.

Therefore This study is congruent with that The legal dimension of CSR addresses the companies' responsibility to ensure the legitimacy of their business practices and that their performance is aligned with the rules and regulations established by the government and with entities for societal benefit (Carroll & Shabana, 2010; Mullerat & Brennan, 2005). Adherence to consumer protection and privacy laws are positively related with customer satisfaction and retention (for example, Hassan et al., 2015), because customers have more trust and confidence in firms that act according to legal regulations for the

protection of consumer privacy (Wirtz, Lwin, & Williams, 2007). Most prior studies reported a positive legal CSR-customer satisfaction relationship, with the exception of a few like Nareeman and Hassan (2016).

The finding of the study is in line with Hossein Rahimi Kolour, Nader Eskandari, and (2019) which found out that Legal responsibility has positive and significant impact on Corporate Image. Similarly Tingchi Liu et al. (2014), contended that CSR activities or initiatives in terms of the economical, legal, ethical and philanthropy activities positively influence the image among Chinese consumers, while Deegan (2017) showed that CSR improvement can lead to the improvement of image.

C. Philanthropic responsibility and its Effect on corporate image

Philanthropic responsibility is found to be positive and significant effect on improving organizational image with a beta value (0.081, with a t-value of 3.341 and a p-value of 0.001 at confidence level ($p > 0.05$).

The finding of the study is consistent with most of the theory. Firms engaging in voluntary activities are often perceived as socially responsible if they satisfy community expectations, and they will be preferred by the community (Jamali & Mirshak, 2007; Wood, 2010). The firm's charitable contributions and the activities it engages in for the development of the community positively relate to corporate image that eventually results in high growth of corporate reputation and retention of customers (Lev, Petrovits, & Radhakrishnan, 2017). And also a study conducted by Kaur, Maneet et al. (2016) that Philanthropic dimension is important dimension because it absorbs customers by bank and creates protection from society. When a society protects from institution, society becomes stronger and healthy. A bank is interested in a society that helps charities and voluntary activities.

Other studies support the outcome of this study. For instance the study undertaken by Siphwe P. Mandina, (2016) and Singh et al. (2018) on According to the results show that which indicate Importance of matching corporate philanthropy activities with expectations of stakeholders was found to be important as it enables the organization to achieve its objectives. Those Philanthropic activities do enhance company image as well as relations between an organization and the community surrounding it.

D. Ethical responsibility and its Effect on corporate image

Ethical responsibility found to have positive and significant effect on the Effect of improving organizational image with a beta value (0.232, with a t-value of 7.725 and a p-value of 0.009, at

confidence level ($p > 0.05$) which is consistent with theoretical findings.

They are guided, Ethical responsibilities cover strategies for environmental sustainability, civil rights, and moral norms/values acknowledged in society (Carroll, 1991). While businesses obtain profits from the public, they have a responsibility to act in an ethical manner so that society can benefit from them (Hiseh, 2009; Tsoi, 2010); this in turn becomes a competitive advantage (Mahmood & Humphrey, 2013) that enables the firm to create a positive image in society and obtain greater profits (Bondy, Moon, & Matten, 2012). The majority of studies revealed that ethical firm practices enhance improving organizational image (Galbreath, 2014; Hassan et al., 2015; Lee, Kim, Lee, & Li, 2016).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter consists of three sections which include summary of the findings, conclusion and recommendations.

5.1 Summary of the Findings

The aim of this research is to assess the Effect of CSR on the improving organizational image. The analysis of the questionnaire results shows that CSR has a significant Effect on improving organizational image. However, CSR can be subdivided into economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility.

The relevant data were gathered using questionnaire. During the survey 362(90.7%) completed response rate were returned. Regression model constructed for the dependent variable (OI) and independent variables (CSR). As a result of the analysis and interpretation, the major findings of study are summarized below.

- The results of the aggregate mean value for organizational image scored mean of 3.46(53.2%) which showed a strongly agreed result shows that majority of CBE customers who are participated in this research are aware of CBE brand, recognize the brand from others.
- The overall agreement of the customers of the Bank towards Economic Responsibility score mean of 3.2(52%) means they mostly agreed that Economic Responsibility is expected to be useful or have good performance on organizational image (OI).
- The overall agreement of the customers of the Bank towards Legal responsibility score mean of 3.45(58.2%) means they mostly agreed that Legal Responsibility is expected to be useful or have good performance on organizational image (OI).
- The overall agreement of the customers of the Bank towards Ethical responsibility score mean of 3.71(64.4%) means Ethical responsibility of CSR practice expected to be useful on improving organizational image(OI).
- The overall agreement of the customers of the Bank towards Philanthropic responsibility score mean of 3.40(58.1%) means Philanthropic responsibility of CSR practice expected to be useful on improving organizational image(OI).

- The correlation analysis at CBE shows a favorable association between organizational image (dependent variable) and CSR (independent variable). Accordingly, there is a strong positive correlation between Ethical responsibility ($r = 0.722$), legal responsibility (0.835), philanthropic responsibility and moderate positive Economic responsibility (0.413) with organizational image. This implies that banks engagement in the CSR activities will likely influence the organization's image.
- Among the coefficients, the variables economic responsibility, legal responsibility, philanthropic responsibility and ethical responsibility have coefficient values of 0.089, 0.490, 0.081 and 0.232 respectively are statistically significant at the 0.05% level of confidence.

5.2 Conclusions of the study

The outcomes deduced from the present study affirm that CSR is a major positive determinant for corporate image. The CSR has been classified into four dimensions: economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility, all of which contribute in one way or another toward inculcating in the minds of the public perception toward an organization. The study found out that the mean scores from questionnaire responses for the four dimensions of CSR were 3.2 for economic responsibility, 3.45 for legal responsibility, 3.71 for ethical responsibility, and 3.40 for philanthropic responsibility, which means that all these four areas of CSR contribute positively to the corporate image of the CBE.

The study revealed that out of these dimensions, legal responsibility was the most important factor, giving the impression that customers attach huge importance to a bank's observance of the law when making banking decisions. An implication is that customers are becoming increasingly aware and concerned about compliance with legal standards, which is then a view that banks with strong legal standing are more likely to earn public trust. Further, correlation analysis confirmed that all CSR dimensions positively correlated with the organizational image, implying improvement in CSR practice enhances corporate reputation and customer perception.

The next step was to conduct multiple regression analysis, which showed that legal and ethical responsibilities were the two most important variables impacting the corporate image of CBE, whereas economic and philanthropic responsibilities were notable variables but with less impact on corporate image. Emphasizing the role of financial institutions in being more legally and ethically accountable to

create a corporate image in shaping customer trust and organizational reputation. Generally, the study has established that CSR is imperative in banking; a well-implemented CSR strategy enhances corporate image and customer loyalty.

5.3 Recommendation for future researchers

The following recommendations are some areas from which this study may look at for further research in the study of CSR on corporate image:

- **Increasing the Scope of CSR Dimensions:** Besides economic, legal, ethical, and philanthropic responsibilities, other factors of CSR may be studied to show a wider scope and understanding of how CSR affects corporate image, such as environmental sustainability and technological responsibility.
- **Cross-Sector Comparison:** The study would be comparative across industries, such as banking, manufacturing, and telecommunications, to ascertain whether CSR strategies bear different impacts on corporate image concerning the industry.
- **Longitudinal Studies on the Impact of CSR:** Long-term studies on how CSR impacts corporate image could be conducted to establish whether its effects are consistent, increasing, or diminishing based on prevailing market conditions and customer expectations.
- **Customer Perception and Behavioral Intentions:** Future research should investigate how CSR influences not only corporate image but also customer behavior, such as loyalty, trust, and purchasing decisions. These aspects of behavior will help businesses understand and refine their CSR strategies for better outcomes.
- **Mediating and Moderating Factors:** The presence of mediating or moderating variables, such as corporate governance, brand reputation, or customer demographics, may be considered in explaining how CSR manifestations influence corporate image under varying contexts.
- **A Qualitative Approach for Deeper Insights:** Although the research study followed the quantitative method of approach, other studies may implement a qualitative one through interviews and focus groups in order to give more detail regarding how the customer perceives CSR initiatives.

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APPENDIX
ST. MARRY UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MBA

Part I. Introduction

I am a graduate student of St. Mary's University undertaking a research project on the Effect of corporate social responsibility in improving organizational image (in the case of CBE), in partial fulfillment of the requirement for the award of a master of business administration (MBA) in management.

This questionnaire is prepared to collect data from the respondents in order to assess the role of corporate social responsibility in improving organizational image; (In the case of CBE). The main objective of the study is therefore to assess and analyses factors affecting customer's intention to uptake agency banking service.

The study is only intended for academic purpose and the information you provided will be kept confidential. Therefore, I kindly request your cooperation to fill this questionnaire accurately as it determines the acceptability and quality of the study.

Thank you in advance

MIHIRET GETAHUN ABOYE

Phone: +251991191444

Email: mihiretgetahun@gmail.com

Part II. Demographic profile and background information

Please, provide your responses by putting '✓' mark in the space provided.

1. Gender

☐ Male

☐ Female

2. Age: -

☐ Between 18- 25 years

☐ Between 26- 33 years

☐ Between 34-41 years

☐ Between 42-49 years

☐ Over 50 years

3. Level of Education

☐ Under Secondary School

☐ High School

☐ Bachelor's Degree

☐ Secondary School

☐ Diploma/Vocational Education

☐ Master's Degree or Above

4. Employment status

☐ Student

☐ Self Employed

☐ Unemployed

☐ Employed in the private sector

☐ Employed In the Public sector

5. How long do you know the Commercial Bank of Ethiopia as a customer? _____

Corporate Social Responsibility in the Commercial Bank of Ethiopia

Please, provide your responses by selecting the ranges from Strongly Agree

Strongly Disagree, represented by Strongly Agree = SA, Agree= A, Neutral=N,

Disagree =D and Strongly Disagree = SD

No	<i>1.1 Economic domain of corporate social Responsibility(EO)</i>	<i>SA (5)</i>	<i>A (4)</i>	<i>N (3)</i>	<i>D (2)</i>	<i>SD (1)</i>
EO1	It is important for me whether the bank is profitable.					
EO2	Banks that maintain a strong competitive position will be able to attract more customers					
EO3	I am willing to pay more to get services from a bank that cares for the well-being of our society					
EO4	In all its business doing CBE maintain high level of efficiency.					
EO5	All of CBE business activities have direct or indirect economic impact On the bank.					
No	<i>1.2 Legal domain of Corporate Social Responsibility (LR)</i>	<i>SA (5)</i>	<i>A (4)</i>	<i>N (3)</i>	<i>D (2)</i>	<i>SD (1)</i>
LR1	CBE is governed by the country's' and also international laws of business.					

LR2	CBE's different activities obey or comply with the law					
LR3	CBE advocate its employee to act lawfully					
LR4	CBE is doing business with other companies that are operating lawfully					
LR5	In its sponsorship program CBE only work and prioritize a program that obey or comply with the law					
No	1.3 Ethical domain of Corporate Social Responsibility (ER)	SA (5)	A (4)	N (3)	D (2)	SD (1)
ER1	CBE's different activities adhere ethical or moral standards or principles of the society.					
ER2	CBE forced its employees to keep ethical or moral principles of the society.					
ER3	In its business relationship, CBE is working with only other companies Which keep ethical or moral principles of the society.					
ER4	CBE support works that promote wellbeing of the society in ethical manner.					
ER5	In its sponsorship program CBE prioritize a program that keeps ethical or moral practice of the society.					
No	1. 4 Philanthropic Responsibility (PR)	SA (5)	A (4)	N (3)	D (2)	SD (1)
PR1	The bank gives financial support to local community activities and projects (e.g. charitable donations)					
PR2	A bank that supports the society will always have a positive image					
PR3	Companies should participate in corporate social responsibility activities out of genuine interest to contribute for the wellbeing of the society.					
PR4	The bank provides sponsorship for activities that support the society					
PR5	Do you think that CBE is effective in Philanthropy?					
NO.	2. Organizational image (OI)	SA (5)	A (4)	N (3)	D (2)	SD (1)
LQ	Loyalty Questions					
OI1	CBE engaging in CSR activities appears in a favorable image					
OI2	CSR activities of my bank will change my view toward the bank					
OI3	CBE engaging in CSR activities appears, I can recognize CBE brand among other competing brands and I would prefer to use CBE.					

TQ	Trust/Goodwill Questions					
OI4	CBE participates in CSR activities out of genuine interest to contribute for the well-being of the society.					
OI5	I feel good and comfortable in CBE because it involves in different social initiatives.					
OI6	I prefer to work for CBE rather than other institution of lesser CSR reputation					
RQ	Organizational Reputation Questions					
OI7	The major derive behind CBE's participation in CSR activities because it values the society.					
OI8	The major derive behind CBE's participation in CSR activities is generating profit					
OI9	CBE's CSR activities are consistent with long-term future of the Bank					