

MEKELLE UNIVERSITY

INSTITUTE OF PALEOENVIRONMENT AND HERITAGE CONSERVATION



**ASSESSING THE SOCIAL RESPONSIBILITY INITIATIVES OF THREE- AND
FOUR-STAR RATED HOTELS AND THEIR POSITIVE IMPACT ON THE
LOCAL COMMUNITY: A CASE STUDY OF MEKELLE CITY**

BY

GEBREYESUS BIRHANE

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**A THESIS SUBMITTED TO THE INSTITUTE OF PALEOENVIRONMENT AND
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OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS OF
ARTS IN HOSPITALITY MANAGEMENT**

ADVISOR

DEJEN G/YOHANNES (PHD/PHD FELLOW)

CO-ADVISOR

MAHLETAY ALEM (PHD/PHD FELLOW)

Dedication

this dissertation is dedicated to my family, whose wisdom and guidance has profoundly shaped me. Your unwavering strength and enduring influence inspire my every step. I carry your lessons within me, standing resilient because of the foundation you built. You are an extraordinary role model, and everything I have become is a testament to your legacy. Thank you for leaving an indelible mark on my life.

Declaration

I, **Gebreyesus Birhane**, hereby declare that this dissertation, titled "*Assessing the Social Responsibility Initiatives of Three- and Four-star Hotels and their Positive impact on the local community: A Case Study of Mekelle City*" submitted in partial fulfillment of the requirements for the Master's Degree in Hospitality Management, complies with the regulations of the University. This work adheres to the accepted standards of originality and academic quality.

Name of candidate Gebreyesus Birhane Date _____ Signature _____

Advisor _____ Date _____ Signature _____

Co-Advisor _____ Date _____ Signature _____

Signed by the Examining Committee:

Chair of Examining Committee

Ex-Examiner _____ Date _____ Signature _____

In-Examiner _____ Date _____ Signature _____

Abstract

Nowadays, hospitality industry establishments, especially hotels, are the major component and innovators in the corporate social responsibility (CSR) concept, the major concern of this century's business enterprise. As a vital economic sector, the hospitality industry plays a significant role in promoting corporate social responsibility (CSR) to ensure the well-being of local communities. Corporate social responsibility (CSR) of hotels is considered an ideal vehicle for ensuring the local community's well-being, and this industry has been chosen as one of the top priorities for economic growth in Ethiopia. However, CSR practices in developing countries are taken the wrong way and abused due to limited empirical evidence and many investigations. So, this paper examines the CSR initiatives of three- and four-star hotels in Mekelle City, Tigray, focusing on their alignment with community needs, the positive impact on local development, and associated opportunities and challenges. Primary and secondary sources of data were used. To meet the objectives of the study, a mixed-methods approach was used, the research integrates quantitative data from surveys and qualitative insights from interviews with hotel managers, employees, and community leaders. The researcher uses probability (simple random sampling) and non-probability (purposive sampling) as sample designs. The study employed a descriptive case study research design to investigate the social responsibility initiatives of three- and four-star hotels in Mekelle City and their positive impact on the local community. A descriptive method of data analysis and descriptive statistical analysis was used to analyze the impacts of social responsibility initiatives on the local community and to describe the mean, percent, frequency, and standard deviation through the SPSS software application as well. The findings of the study show that while CSR practices in Mekelle's hotel sector include local employment, and environmental initiatives; their alignment with the community's socio-economic priorities remains inconsistent. Hotels face challenges such as limited financial resources, lack of government support, and insufficient awareness of CSR principles. However, opportunities exist to enhance brand reputation, employee satisfaction, and community relations through strategic CSR implementation.

Key Terms: corporate social responsibility, Star hotel, Local community, and hospitality industry.

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List of Acronyms

CSR- corporate social responsibility

EU- European Union

GDP- Gross domestic product

IMF- international monetary fund

ISO- international standardization organization

LDCs-least developed countries

MNCs- multinational companies

NGOs Non-Governmental Organizations

SMEs-small and medium enterprises

SPSS- statistical package for social science

SR- social responsibility

TBL- triple bottom line

UNEP- United Nations Environment Program

UNDP-United Nations Development Program

UNWTO- United Nations World Tourism Organization

WB-World Bank

WBCSD- World Bank Council for Sustainable Development

ESG - Environmental, Social, and Governance

GRI - Global Reporting Initiative

IIRC- International Integrated Reporting council

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CHAPTER ONE

1. INTRODUCTION:

1.1 Background of the Study:

The hospitality industry is a crucial sector in the global economy, contributing significantly to GDP, employment, and social cohesion. According to the World Travel and Tourism Council, the global travel and tourism sector contributed 10.4% of global GDP in 2019. This multibillion-dollar industry serves millions globally and is expected to grow substantially in the coming years (Mattera & Melgarejo, 2012). The global hotel industry encompasses a variety of accommodation types, from luxury hotels to smaller establishments such as inns and bed-and-breakfasts, operated by independent owners or multinational chains. These businesses impact social, economic, and environmental conditions in every destination and their operations can play a significant role in sustainable development (International Labor Organization, 2010).

In recent years, Corporate Social Responsibility (CSR) has become an integral part of business practices in the hospitality sector. CSR is not only an ethical necessity but also a business imperative. By integrating CSR strategies, hospitality businesses can achieve benefits such as improved brand image, customer loyalty, employee satisfaction, risk mitigation, and long-term sustainability (De Grosbois, 2012). CSR initiatives, such as recycling, reducing energy consumption, and supporting local communities, can help differentiate businesses in a competitive market. Moreover, in the age of social media, a hotel's commitment to CSR can mitigate the risks of reputational damage, building goodwill and trust with stakeholders.

The hospitality industry, particularly hotels, has undergone significant changes. In the past, businesses focused primarily on profit maximization for shareholders. Today, however, businesses are expected to be socially responsible, considering the broader impact of their operations on society (Onwuegbuchi, 2009). CSR in the hotel industry involves aligning business practices with the expectations of stakeholders, including customers, employees, suppliers, and local communities. It requires businesses to manage their economic, social, and environmental impacts to maximize benefits and minimize negative effects.

Corporate Social Responsibility (CSR) refers to a company's commitment to managing its impact on stakeholders and contributing positively to society. CSR involves businesses going beyond legal obligations and voluntarily taking steps to improve quality of life for local communities and society as a whole (Carroll, 1979; Clarkson, 1995). This can include sustainable business practices, fair treatment of employees, environmental conservation, and active contributions to the social and economic development of local communities. CSR is a vital component of modern business strategies as companies realize that long-term success is linked to their social and environmental responsibility.

In Africa, CSR is increasingly recognized as a tool to address pressing societal and environmental issues, such as poverty, deforestation, and global warming (Kathurima, cited in Mabogunje, 1995). Through CSR, businesses can promote ethical values, strengthen local communities, and contribute to environmental sustainability. In Ethiopia, for instance, the hospitality industry has long been a key part of the country's culture, as Ethiopians are traditionally known for their hospitality (Elias Kebede, 2014). As Ethiopia's hotel industry grows, CSR initiatives can help ensure that the sector contributes positively to local communities and the environment.

The hotel sector is labor-intensive and continues to grow rapidly. CSR in this context involves businesses considering the interests of not only customers and investors but also employees, suppliers, and the local community. CSR can lead to positive economic and social outcomes, including job creation, skills development, and improvements to local infrastructure. Hotels can also contribute to education and cultural development, as well as health and well-being (Aston & Anca, 2011). Additionally, CSR practices often include philanthropy, which can be an important aspect of a hotel's contribution to the community.

The hospitality industry is particularly important in urban centers like Mekelle City, where star hotels can play a vital role in both economic and social development. As the focus on CSR continues to grow, understanding the impact of hotel CSR initiatives on local communities becomes crucial for ensuring sustainable and ethical business practices. Hotel businesses that engage in CSR not only contribute to the local economy but also help improve the quality of life for residents, creating a positive cycle of growth and development. *Enrichment Journal*. (2021)

Corporate Social Responsibility (CSR) has become an essential element of business practice in the global hospitality industry. It helps businesses improve their public image, attract loyal customers, and foster long-term sustainability. In the context of urban centers like Mekelle City, star hotels can have a significant positive impact on local communities by creating employment, supporting local businesses, and contributing to social and environmental well-being. The growing emphasis on CSR in the hospitality industry is not just a trend but a vital part of building a sustainable future for both businesses and the communities they serve. The integration of CSR practices into the operations of hotels is crucial for ensuring that the hospitality industry continues to thrive while benefiting society as a whole.

1.2 Statement of the Problem:

Corporate Social Responsibility (CSR) has emerged as an essential practice in modern business, particularly within industries like hospitality, where establishments are deeply intertwined with their local communities. CSR initiatives hold significant potential to address socio-economic challenges, promote environmental sustainability, and enhance community well-being. In Ethiopia, however, the adoption and implementation of CSR practices are still in their infancy. Studies have shown that CSR in the country is primarily driven by multinational corporations (MNCs) and non-governmental organizations (NGOs), often reflecting philanthropic models imported from Western contexts. Local businesses, including hotels, have been slower to integrate structured and impactful CSR practices into their operations.

The hotel industry, especially three- and four-star hotels, has the capacity to meaningfully influence local development through targeted CSR efforts. These establishments can support employment, improve infrastructure, and promote environmental conservation. However, in Ethiopia, and specifically in the Tigray region, research on the CSR practices of the hospitality sector is limited. Existing studies have focused predominantly on small and medium-sized enterprises (SMEs) or other industries, leaving a critical gap in understanding the role and impact of hotels in fostering sustainable community development.

In Mekelle City, the challenges are magnified by the socio-economic disruptions caused by recent conflicts. Poverty, damaged infrastructure, and social instability have heightened the need for businesses to actively engage in rebuilding the community. Despite the evident potential for CSR

to contribute to recovery and development, the extent to which three- and four-star hotels in Mekelle have embraced CSR principles remains unclear. There is a lack of empirical research on the nature, scope, and effectiveness of their CSR initiatives, how the community perceives these efforts and whether they align with local needs.

Previous studies in Ethiopia, such as those by Kassaye (2016) and Legesse (2021) highlight issues such as limited awareness of CSR concepts, inadequate organizational infrastructure, and a lack of regulatory measures to encourage sustainable practices. These challenges are likely to be even more pronounced in Mekelle's post-war context, where businesses may prioritize economic survival over social and environmental responsibility.

This research seeks to address these gaps by assessing the CSR initiatives of three- and four-star hotels in Mekelle. It will examine the alignment of these initiatives with the community's needs, evaluate their impact on social and economic development, and identify barriers and opportunities for effective CSR implementation. The findings aim to provide actionable insights for hotel management, policymakers, and stakeholders, enabling the hospitality sector to play a pivotal role in fostering sustainable and inclusive growth in Mekelle.

Besides this, however, some studies on CSR in Ethiopia or the Tigray region were conducted and almost reviewed to gain contextual and theoretical understandings. So, unlike these studies, this study deeply investigated the CSR initiatives and practices of the three- and four-star rated hotels examined the positive impacts on the local community and their CSR alignment with community priorities, and evaluated the opportunities and challenges they faced. Despite the potential benefits of star hotels, there is a lack of understanding of their CSR initiatives and their tangible impacts on the local community in the study area. This knowledge gap can lead to insufficient accountability and hinder the development of the hotel industry.

1.3 Research Objective:

1.3.1 General Objective:

The study's general objective is to evaluate the social responsibility initiatives of three- and four-star hotels in Mekelle City and assess their positive impact on the local community's development and well-being.

1.3.2 Specific Objectives:

1. To identify the types and scope of social responsibility initiatives implemented by three- and four-star hotels in Mekelle City.
2. To assess the level of alignment between the hotels' CSR initiatives and the needs and priorities of the local community.
3. To examine the perceived impact of the hotels' CSR initiatives on the local community's social and economic development.
4. To identify the challenges and opportunities in implementing effective CSR initiatives in the hospitality sector in Mekelle City.

1.3.3 Research Questions

1. What types of social responsibility initiatives are implemented by three- and four-star hotels in Mekelle City, and what is their scope?
2. How well do the social responsibility initiatives of three- and four-star hotels align with the needs and priorities of the local community in Mekelle City?
3. What is the perceived impact of the CSR initiatives undertaken by these hotels on the social and economic development of the local community?
4. What challenges and opportunities do three- and four-star hotels face in implementing effective CSR initiatives in Mekelle City?

1.4 Significance of the Study

This study is significant as it addresses the critical role of Corporate Social Responsibility (CSR) in the hospitality industry, specifically focusing on three- and four-star hotels in Mekelle City. By evaluating the types, scope, and effectiveness of these hotels' CSR initiatives, the research provides valuable insights into how the hospitality sector can contribute to the social, economic, and environmental well-being of its local community.

The study offers hotel managers and decision-makers a comprehensive understanding of how their CSR initiatives are perceived by the local community and the extent to which they address community needs. This knowledge enables hotels to refine their CSR strategies, ensuring they are more impactful and better aligned with local priorities. Additionally, the study underscores opportunities for the hospitality sector to enhance its role in sustainable development, thereby improving both the community's welfare and the hotels' corporate reputation.

Furthermore, this study assesses whether and how CSR initiatives in the hospitality sector address critical challenges such as unemployment, infrastructure development, and environmental sustainability. By amplifying the voice of the community, the research ensures that future CSR efforts are tailored to local priorities, fostering stronger and more mutually beneficial relationships between hotels and the local community.

The empirical data generated by this study also provides valuable insights into the intersection of CSR and community development in Mekelle. Policymakers can leverage these findings to develop or refine guidelines and incentives that encourage hotels to adopt sustainable, community-focused CSR practices. Development practitioners can use the results to facilitate partnerships between hotels and local stakeholders, driving impactful development initiatives in the region.

This research contributes to the limited body of literature on CSR in the Ethiopian hospitality industry, particularly in post-war contexts. By exploring the challenges and opportunities faced by hotels in implementing CSR initiatives, the research fills a critical knowledge gap and serves as a foundation for further studies in similar settings or industries.

Ultimately, the significance of this study lies in its potential to promote a more strategic and impactful approach to CSR in the hospitality sector, enhancing the well-being of the local community while fostering sustainable growth and resilience in Mekelle City.

1.5 Scope of the Study

The scope of this study is defined conceptually, geographically, and methodologically.

Geographically, the research is restricted to Mekelle City, chosen due to its accessibility to the researcher and its significance as a hub for star-rated hotels. Conceptually, the study focuses on examining the social responsibility initiatives undertaken by star-rated hotels, the challenges and opportunities encountered during CSR implementation, and the resulting positive impacts on the local community in Mekelle City. The research aims to explore CSR initiatives in detail as a representative case of the hotel industry.

Methodologically, the study adopts a descriptive case study design, utilizing both qualitative and quantitative research approaches. The focus is specifically on star-rated hotels in Mekelle City, analyzing their CSR practices and assessing their effects on the local community.

1.6 Organization of the paper

This research is structured into five chapters, each addressing a specific aspect of the study. **Chapter One** serves as the introduction, offering an overview of the study, including the background, research questions, statement of the problem, general and specific objectives, significance, scope, the organization of the paper, and limitation of the study.

Chapter Two provides a comprehensive review of the relevant literature, exploring key concepts and dimensions of Corporate Social Responsibility (CSR) and the theories underpinning it, as discussed by various researchers. Additionally, this chapter incorporates insights from empirical studies related to the research topic.

Chapter Three explains the research methodology, detailing the research design, target population, sampling techniques, sample size determination, and the procedures used for data collection.

Chapter Four focuses on the analysis, discussion, and presentation of results derived from the collected data, offering insights into the findings of the study.

Finally, **Chapter Five** concludes the research by summarizing the key findings, providing conclusions based on the results, and offering recommendations for future research and practical applications.

1.7 Ethics of Consideration

This study adhered to strict ethical standards to ensure the rights, privacy, and well-being of all participants. Prior to participation, respondents were informed about the purpose of the study, the reasons for their selection, and what would be expected of them. Their consent was sought explicitly, and only those who expressed interest were included in the study.

To safeguard confidentiality, respondents were not required to disclose their names or other personal identifiers. All information gathered was treated with the utmost privacy and analyzed in aggregate form to avoid individual identification. Participants were assured that the data collected would be used solely for academic purposes and would not have any adverse effects on them.

Organizational approval was obtained from Mekelle University, including a formal written recommendation letter outlining the research purpose. This letter facilitated communication with respondents and other relevant stakeholders. Additionally, the questionnaire included a cover page that detailed the study's purpose and informed participants of their rights, including the right to voluntarily accept or decline participation without any obligation.

The study prioritized the well-being of participants above all else, recognizing that the research question was secondary to ensuring ethical conduct. As Mack et al. (2005) emphasize, causing harm to participants not only undermines their rights but also jeopardizes the integrity and credibility of the research itself. Consequently, all efforts were made to ensure that the research process was conducted in a manner that respected the dignity, autonomy, and safety of the participants.

1.8. Study Limitation

The study identifies some limitations not fully addressed by the researcher, pointing to areas for future exploration and improvement. These include:

- *Limited Geographic Scope:* The study is confined to three- and four-star hotels in Mekelle City, which may not represent CSR initiatives across other towns and hotel classifications in the region, Ethiopia.
- *Narrow Focus on Stakeholder Perspectives:* The study primarily relies on the perceptions of hotel managers, employees and community leaders with limited input from other key

stakeholders, such as community members and government representatives, which affects the comprehensiveness of the findings.

- *Insufficient Quantification of CSR Impacts:* The study recognizes challenges in measuring and evaluating CSR outcomes, but the study does not propose or utilize comprehensive metrics or frameworks to quantify these impacts effectively.
- *Generalizability:* this study's finding may not be generalizable to hotels of other classifications such as one and two star non star hotels. The behaviors, preferences or operational practices observed may differ significantly in hotels outside this study.

Addressing these gaps would enhance the robustness and applicability of the study's findings and contribute to more effective CSR strategies in the hospitality sector in the study area.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. The Concept of Corporate Social Responsibility (CSR)

2.1.1 An Overview of Corporate Social Responsibility

Corporate social responsibility (CSR) has become one of the most talked-about subjects in business today. The CSR debate has assumed national, international, and global dimensions. Business organizations intending to maintain and increase their market share must therefore take a critical look at the subject. There are several definitions of CSR, and it is quite difficult to have an agreed definition that reveals the concept of corporate social responsibility. For this paper, it is better to look at definitions of CSR that helps the researcher to analyze the problem statement. This section overviews some literature about CSR and provides some key concepts in this area. How CSR is defined and concepts under the context of the economic, social, and environmental perspective of CSR are assessed. The definitions of CSR vary, and selected definitions are illustrated as follows:

Modern CSR has evolved significantly, emphasizing active stakeholder engagement (Freeman, 1984), encompassing all stakeholders from employees to competitors, and integrating sustainability as a core element, considering environmental, social, and economic dimensions (Elkington, 1997). CSR is increasingly viewed as a strategic driver for innovation, reputation enhancement, and improved financial performance (Porter & Kramer, 2006), with a growing focus on measuring impact and demonstrating effectiveness through metrics and reporting frameworks like the GRI. Key developments include the rise of ESG investing (Eccles & Krzus, 2010), the Corporation movement, and increased demands for transparency and accountability, leading to frameworks like the IIRC for integrated reporting.

Mitihell and Wood (1997) define corporate social responsibility as being concerned with treating the stakeholders of an organization or institution ethically or responsibly. Ethically, or responsibly, means treating key stakeholders in a manner deemed acceptable according to international norms.

The World Business Council for Sustainable Development in its publication *Making Good Business Sense* by Holme and Walts (2012) used the following definition. Corporate Social Responsibility is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large.

Similarly, the European Commission (2010) hedges its bets with two definitions wrapped into one and define Corporate Social Responsibility as a concept whereby organizations decide voluntarily to contribute to a better society and a cleaner environment. It is a concept whereby organizations integrate social and environmental concerns in their business operations and their interaction with their stakeholders voluntarily.

Another often-used definition with a bit of a different approach is from the World Business Council for Sustainable Development (1999) as “the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life.” Also, the definitions given by the WBCSD and EU Commissions in 2006 have been used (Fougère & Solitander 2009).

Brotherton (2009, p. 3) also provides a broader definition of the responsibilities of organizations (not limiting the scope to the social aspect only): Corporate Responsibility is the responsibility of the organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, including health and the welfare of society, take into account the legitimate interests and expectations of stakeholders and is integrated throughout the organization and practiced in its relationships.

Sapkauskiene and Leitoniene (2014, p. 237) define CSR as the activity policy and practice of organizations (and individuals) when the companies voluntarily integrate social and environmental matters into their business and combine them harmoniously with economic interests, and the relationships with all stakeholders are based on the valuable principles of respect for the individual, society and the environment.”

According to Cornel & Mahaele (2010a: p. 116), CSR is also described as the responsibility of organizations for the surrounding environment, for the best working practices, for their engagement in their local communities, and for their recognition that brand names depend.

The brand names are not only based on quality, price and uniqueness but also on how, cumulatively, they interact with the organization's workforce, community and environment.

On the same issue, Aamir (2008, p. 6) defines CSR as a business organization's contribution to sustainable development and helps the organizations on their way to long-term success while being good for society and society in return benefiting from combined activities related to legal, ethical, economic and philanthropic. From the above definitions, it becomes clear that social responsibility is the obligation that businesses assume towards society. Being socially responsible means maximizing the positive effects and minimizing the negative effects on society (customers, owners, employees, community, suppliers, government) for the success of business organizations.

According to Meghan (2010), social responsibilities can be observed in four dimensions: legal, ethical, economic and philanthropic. The legal dimension of corporate social responsibility (CSR) relates to the compliance with laws and regulations established by authorities, which set standards for responsible behavior - the codification of what society thinks is right or wrong. The legal regulation of business leadership is necessary because society, including consumers, interest groups, competitors and legislators, has no guarantee that businesses do right in a particular field. Thus, laws set rules for responsible business activities (Cornel & Mihaela, 2010b). According to Veal (2008), the ethical dimension of CSR refers to behaviors and activities that are approved or prohibited by organizational members, the community, and society. Social responsibility can't only be a response to problems when they arise. Only if an organization addresses ethical concerns and includes ethics in business strategy can social responsibility as a concept be integrated into daily decision-making (pp. 96-98).

Wood (2010, p. 36) explains the economic dimension of CSR as how resources for the production of goods and services are distributed within the social system. In connection to Wood's statement, social responsibility encompasses many aspects regarding how an organization's economy is affected by competition, customer preferences, employee handling, the community at large, and the environment. Thus, given DeGeorge (1990, p. 269), the economy is affected by the economic power of organizations concerning resources and the control of product supply.

The relationship between the environment and the organizations also affects the economy. Organizations are encouraged to establish mechanisms for the control of pollution and other environmentally friendly policies. If such concerns are not taken care of by these organizations, they might deplete resources and harm society by focusing only on their economic interests (Terungwa, 2011, p. 24). Consumers and employees also influence the economy (Cornel & Mihaela, 2010a). If organizations do not target consumers efficiently, the profitability of the organization and the ability to compete may be significantly affected.

From the employees' point of view, the effect of business on the economy is significant. The major concerns in this sense relate to equal employment opportunities, fair remuneration, health and safety at work, job diversity and employee privacy. According to Cornel and Mihaela (2010b, pp. 216-224), the philanthropic dimension of CSR refers to the organization's contribution to the local community or to society. Due to this fact, the philanthropic dimension offers mainly four benefits to society. First, the philanthropic dimension improves the quality of life. In addition, it helps the community to become an environment suitable for doing business and raising children that attracts consumers and employees. Secondly, it reduces the size of government involvement in charity, offering help to people with legitimate needs. Thirdly, it increases the staff leadership ability. Fourthly, the philanthropic dimension builds the staff's morale to work with the organizations involved in philanthropic activities. Since employees are part of the community, they are beneficiaries of such activities.

Dahlsrud (2006) outlines five key dimensions of Corporate Social Responsibility (CSR), which collectively capture the diverse ways businesses engage with society. The **environmental dimension** emphasizes a company's responsibility towards the natural environment, including its efforts to reduce its ecological impact. The **social dimension** focuses on a business's contributions to societal well-being and community development. The **economic dimension** highlights a company's role in driving economic growth and stability through its operations. The **stakeholder dimension** underscores the importance of fostering positive relationships with employees, suppliers, customers, and local communities, ensuring fair treatment for all involved. Finally, the **voluntariness dimension** stresses that CSR actions are often driven by ethical values and voluntary commitment, rather than legal requirements.

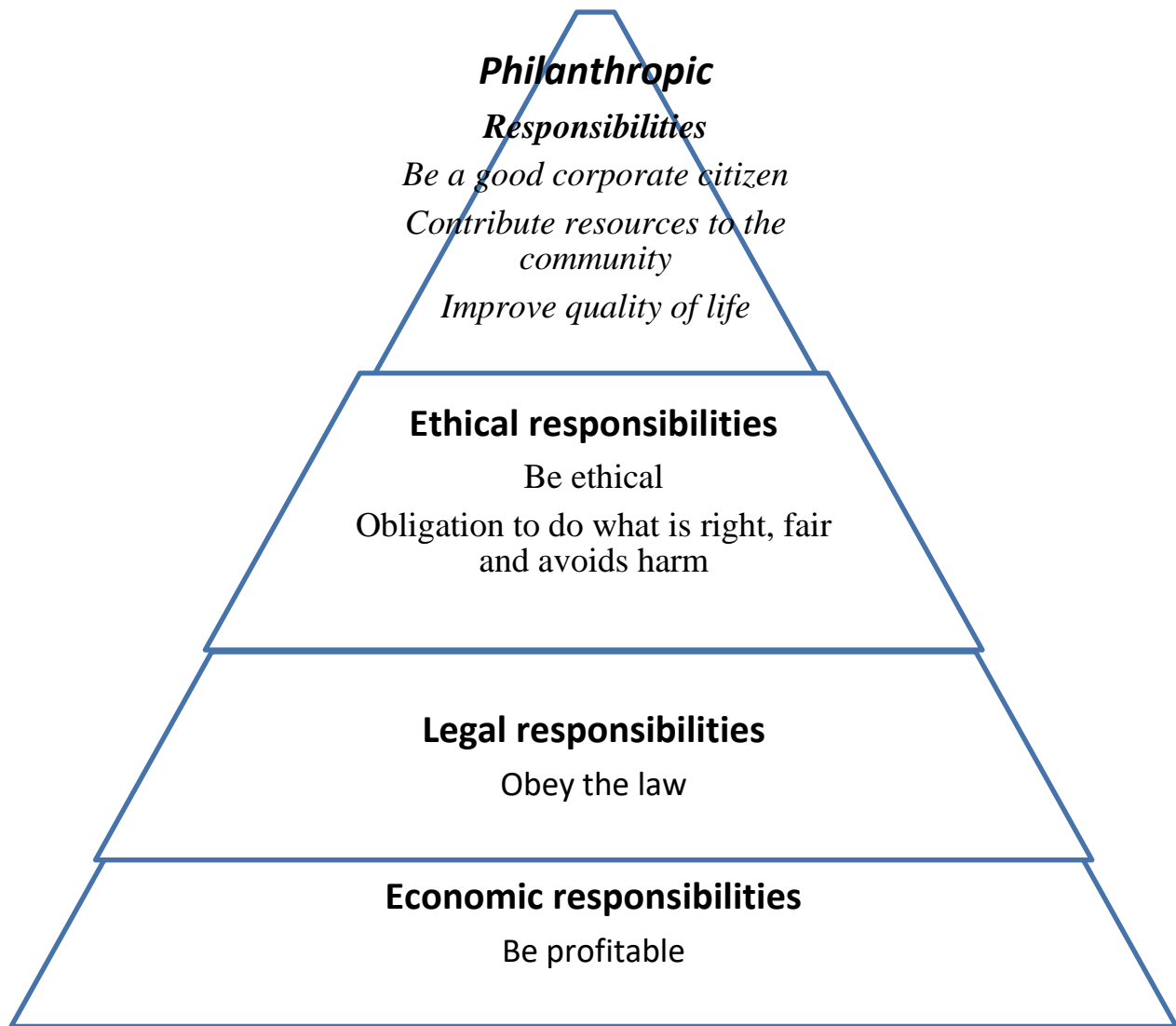
2.2 Theories of Corporate Social Responsibility

Over the last few decades, several models and theoretical perspectives have been presented on CSR that can provide a useful understanding of business and society relationships. It is impossible to discuss all of them in a single research. The major is reviewed as follows:

2.2.1 Carroll's Theory

And perhaps one of the earliest theoretical lenses and conceptions was provided by Carroll. Carroll classified CSR into four conceptual categories (economic, legal, ethical, and philanthropic responsibilities). He argued that business and society enter a social contract and business is obliged to consider society at large. Later, Carroll revisited his CSR model and added a new rationale to the model by suggesting the interdependence of the four components of his previous CSP model. More recently, Carroll realized that globalization and the growing number of MNCs have raised the importance of business ethics in a global context, so he attempted to incorporate the notion of global business ethics into his CSP pyramid. The following (Figure 1) shows Carroll's CSR conception. CSR pyramid presents company responsibilities comprising economic, legal, ethical, and philanthropic dimensions. According to this model, businesses are expected to be profitable, obey the law, be ethical, and be good corporate citizens (Carroll, 1991).

Figure 2. 1Carroll's CSR Model: A Four-Layers Pyramid



Source: Carrol (1991)

In general, within the broad basic principles of CSR, Carroll (1991) identified the following four responsibilities of a business from the perspective of CSR.

1. Economic components: which involve performing in a manner consistent with maximizing earnings per share, being committed to being as profitable as possible, maintaining a strong competitive position, a high level of operating efficiency, and being consistently profitable to sustain in the business?

2. Legal responsibilities: performing in a manner consistent with expectations of government and law, complying with various federal, state, and local regulations, being a law-abiding corporate citizen, successfully meeting all legal obligations, and offering goods and services that at least meet minimal legal requirements.

3. Ethical Responsibilities: including performing in a manner consistent with expectations of societal mores and ethical norms, recognizing and respecting new or evolving ethical moral norms adopted by society, preventing ethical norms from being compromised to achieve corporate goals, doing what is expected morally or ethically, and recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations.

4. Philanthropic responsibilities involve performing in a manner consistent with the philanthropic and charitable expectations of society, providing assistance to private and public educational institutions, managers & employees participating in voluntary and charitable activities within their local communities, assisting the fine and performing arts, and assisting voluntarily those projects that enhance a community's quality of life.

2.2.2 Stakeholder Theory

Stakeholders are different individuals or groups that have an interest in the operations of a business and affect or are affected by the decisions of the firm. The theory argues that even though shareholders are the prominent stakeholders of a business, the firm should create value not only for the shareholders but also for the stakeholders. The stakeholder's theory emphasizes the interconnectedness between a business and its stakeholders. The stakeholder theory was first described by Edward Freeman in 1984 in his book 'Strategic Management'. (Freeman, 2001) described the stakeholder theory as follows:

The 21st Century is one of "Managing for Stakeholders." The task of executives is to create as much value as possible for stakeholders without resorting to tradeoffs. Great companies endure because they manage to get stakeholder interests aligned in the same direction. (Freeman, 2001) as cited in Gereziher, 2019).

According to Freeman (Freeman, 2001), cited in Gerezgiher, 2019, a company's real success depends on the satisfaction of its stakeholders, not just its shareholders. As quoted by Nigatu (Nigatu, 2016), stakeholder theory deviates from the shareholder capitalism orientations that see business as an instrument for profit maximization.

2.2.3 Shareholder Theory

Well, as explained by (Camilleri, 2015) and Ekornes (Ekornes, 2013), Contrary to Freeman's stakeholder theory, Milton Friedman's shareholders theory argues that businesses do not have any obligation other than making profit and maximizing returns to their shareholders. He believes that there are no other goals a business needs to pursue other than making a profit. Shareholders are individuals who own a business or part of a business. There is one thing that they want the managers they hire to achieve, and that is profit. Friedman further argues that any employee who does anything other than maximizing profit for the employer is doing something wrong. Besides, if a government requires a business to seek something other than profit, they are wrong. However, the doctrine also faces expansive criticism since it turns a blind eye to social responsibility activities.

2.2.4 ISO 26000

ISO standards in general are commonly adopted and certified among companies and products around the world; usually, they are used as a means to ensure the quality of products and operations. The International Organization for Standardization (ISO, 2010) has identified six areas of corporate sustainability that companies face in society. This is one of the major frameworks for companies to shoulder their social responsibilities, Mathias Nigatu (2016).

Figure 2. 2: ISO 26000



Source: Adopted from Mathias Nigatu and Kasahun 2016

2.2.5 The Triple Bottom Line Theory

John Elkington introduced the term “triple bottom line (TBL)” in 1994. Due to the frustration with traditional-oriented measures of business performance, which emphasize profit as their key measurement, the triple bottom line approach came into existence. Elkington’s triple bottom line approach is the concept that encourages the assessment of business performance based on three important areas. Traditionally, businesses were assumed to be profit-maximizers and profit was the measure of business success. Many corporations and nonprofit organizations have adopted the TBL sustainability framework to perform CSR projects. TBL is a concept, that is similar to the Carroll Pyramid, but the environmental, social, and economic impacts replace finance (Manente, Minghetti, & Mingotto, 2014). This approach adds an environmental and social element to the economic bottom line for an increasing number of corporations (Eraqi, 2010). It measures the economic, environmental, and social profits and losses. Despite being responsible only for-profit optimization, companies that are engaged with CSR have to be responsible for their actions.

Elkington (2004) argues for a more balanced approach to assessing business performance through the "Triple Bottom Line" framework, which evaluates a company's impact on profit, people, and the planet. **Profit** focuses on traditional financial performance, assessing whether a company is generating profits or losses based on its share value and financial activities. **People** emphasize the company's social responsibility, measuring its relationships with stakeholders—such as employees, suppliers, and the local community—by evaluating factors like fair wages, good working conditions, and overall societal contributions. **Planet** addresses the environmental impact of the company, evaluating how its operations affect the natural world, aiming for sustainable business practices that minimize harm to the environment. Together, these three dimensions offer a more holistic view of a company's overall performance.

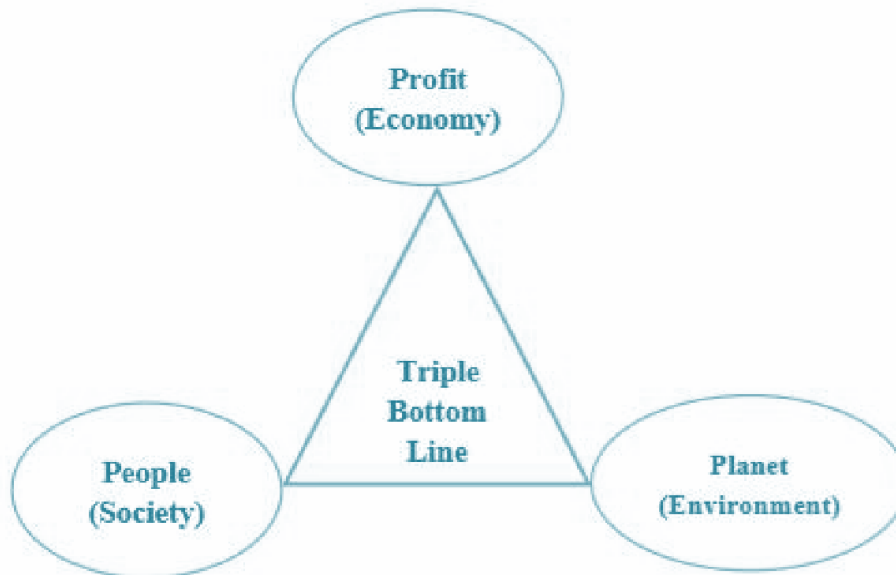
The **Triple Bottom Line (TBL) theory** emphasizes the interconnected dimensions of sustainability: economic, social, and environmental. Economically, it advocates for fostering local economic growth by engaging with local suppliers and customers, ensuring fair wages and benefits for employees that align with national standards, providing employment opportunities for residents, and contributing to the community through tax payments proportional to gross revenues.

Socially, the TBL underscores the importance of community well-being by supporting local charitable activities as a percentage of revenues and addressing health, safety, and security concerns. This includes minimizing traffic congestion, ensuring property security, and maintaining a healthy environment within properties.

Environmentally, the focus is on adopting sustainable practices such as conserving water and energy, using eco-friendly products, and implementing green building strategies supported by robust governance policies. Additionally, it emphasizes waste reduction through recycling and minimizing waste generation to reduce environmental impact.

In summary, the TBL framework promotes a balanced approach to sustainability by integrating local economic development, social contributions, and environmental stewardship into business practices *Source: Tyrell et al (2012)*

Figure 2. 3: Triple Bottom Line Model



Source: Elkington (1998)

2.3 Social Responsibilities in the Hotel industry

Corporate social responsibility (CSR) is important in the hospitality industry because of its potential added financial (e.g., increased profits) and nonfinancial benefits (e.g., positive business image and reputation; Abaeian, Yeoh, & Khong, 2014; Caven & Nomathemba, 2014). Albahussain, El-Garaihy, and Mobarak (2014) concluded that CSR helps businesses gain a competitive advantage by improving customer satisfaction and corporate image. By embracing CSR, hotel business owners may be able to build a positive image and workplace environment that enhances their bottom line. Al (2015) observed that a hotel owner based in Jordan was able to improve the property's occupancy rate by engaging in CSR. Businesses can achieve increased profits, higher customer appreciation, positive image, and reputation as benefits from participating in CSR activities (Caven & Nomathemba, 2014).

The hotel business sector is one of the key elements of the tourism industry; consequently, it is the one that should be the most involved. This is because hotels have several social and environmental impacts, such as water consumption, wastewater management, energy consumption, waste production, purchasing and procurement, chemical use and atmospheric contamination, and local

community initiatives (UNEP, 1995). A study conducted by De Grosbois (2012) evaluated CSR reporting practices among the top 150 largest hotel companies in the world. It demonstrated that numerous hotel properties showed their commitment but without proper results achieved. The rising importance of CSR worldwide has brought international institutions and NGOs to develop CSR certifications, including tourism companies, to spread CSR management policies within tourism private firms (Marina & Alberto, 2012).

Miller (2010, P.12) states that hotels are a powerful industry for economic development in the least developed countries (LDCs) such as Spain, Malaysia, Tunisia, Morocco, and Ethiopia. Gross revenues from hotels are increasing by 9.5 per annum (United Nations World Tourism Organization, 2013). The hotel business is the service industry that shows the growth of trade, flowing from the developed countries to the poorest nations. Forty-one of the poorest countries are now earning over 10% of their exports from tourists (United Nations World Tourism Organization, 2013). Considering this fact, a country can increase its hotel economy by applying social and environmental responsibility. Working on social and environmental areas allows the hotel organizations to benefit in the form of revenues. This is also evidenced by the United Nations World Tourism Organization's 2013 report, which identifies the increasing annual gross revenues, and among the poorest countries, forty-one are earning 10% of their exports from the hotel business. Thus, corporate social responsibility contributes to the increase of revenues for hotels since they are the main actors in the hotel economy.

The implementation of hotel policies and plans is a responsibility both for the government and for the private sector. Sustainable tourism, according to Cornel and Mihaela (2010b, p. 162), means the ability of hotel areas to remain competitive regardless of the problems to attract visitors and to ensure their sustained loyalty, to remain unique from the cultural point of view, and to always be in balance with the environment. Corporate social responsibility of the hotel helps the community to fill the gaps. It also supports what is required and is a good means for the hotel to build a good image and promote partnerships.

The application of CSR is not uniform and any attempt to provide a definition faces a range of major conceptual difficulties (Karounga & Sophie, 2014). This results in measurement and methodological inconsistencies, which in turn challenge measuring CSR (Alshareef & Sandhu, 2015). The World Business Council for Sustainable Development (WBCSD) has defined CSR as "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve the quality of life in ways that are good both for business and for development" (Fox et al, 2002). Another definitional version was added in the name of Carroll (1997), who states "social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time," cited in DeBakker et al (2005). While CSR practice and theory have been widely discussed, the consensual definition is yet to come, as a sign of disagreement among those involved (Donaldson & Fafaliou, 2003; Alshareef & Sandhu, 2015).

2.4 Dimensions of corporate social responsibility

In the part that follows, social responsibility initiatives of different hotel properties in the face of the three dimensions of CSR—*environmental*, *socioeconomic*, and *economic*—are discussed as a gesture of implying a lesson for the objectives of this study.

Environmental Dimensions in CSR

This is the first dimension of CSR and includes a corporation's CSR towards the environment. That is concerns towards the environment such as compliance with pollution laws and regulations, conservation of natural resources, and support for public/private action designed to protect the environment (Aggarwal, 2013; Ande, n.d.; Mishra & Suar, 2010; in Albahussain, 2015).

The environmental dimension of CSR has been an important issue among three CSR dimensions, which was considered from the 1970s as one of the most important issues that the business world had to deal with as a corporate social responsibility (Stojanović, Mihajlović & Schulte, 2016). As most of all industrial activities are causing environmental problems and scarcity of natural resources, corporations have been under pressure to cover the damage to environmental issues (Azzone, Bianchi & Noci, 1997).

For a hospitality business to be a sustainable one, responsibility towards energy and water management, wastewater and waste management, the responsible use of chemicals, biodiversity

protection and nature conservation are, among other things, guiding practices (Lund-Durlacher, 2015).

Social Dimensions in CSR

The social dimension of CSR is responsible for customers, employees and the community, and we can say that it is an obligation to contribute to social benefits and to achieve the interests of society and of the corporation in which the business is carried out. (Uddin, Hassan, & Tarique, 2008). The social dimension of CSR activities includes the problems of public health, human rights and equal opportunities, job training and education, community issues, public debate, social justice, workplace conditions, and workplace safety. (Jamali, Mezher, & Bitar, 2006).

From the socio-cultural point of view, the hotel sector is better off supporting social causes such as preventing child labor and sexual harassment, promoting fair and equal treatment of employees, and preferential treatment of the local community (Lund- Durlacher, 2015).

Economic Dimensions of CSR

The economic dimension defines corporate social responsibility, focusing on economic and financial perspectives. Typical examples are "contributing to economic development," "preserving corporate profits," and "business management" (Kim, 2015). Carroll (1979) highlights the economic dimension of CSR as follows: CSR is the most important social responsibility of corporations because society expects that people can get a profit by selling goods and services that are produced by companies.

Uddin, Hassan, & Tarique (2008) refer that the economic performance of corporations affects all stakeholders. For example, if corporations get good outcomes, then employees gain higher salaries so that they purchase products and services with taxes as customers, and it influences the government and local industry communities to get benefits. In other words, it is called a multiplier effect (Uddin, Hassan, & Tarique, 2008). This is the most important reason for the existence of corporations, and why the first obligation of a corporation is to strengthen economic function (Matten, 2006).

It makes good economic sense if hotels extend their contribution to the development of local communities by prioritizing local hiring, developing local capacity using different training platforms, encouraging local producers to supply goods and services, and last but not least, enhancing the well-being of the community by introducing projects with social values (Lund-Durlacher, 2015). Interestingly, local employment is one of the huge benefits of tourism to retain a significant amount of revenue to the local economy, but this should not be confined to low-skilled and pay positions (Sucheran, 2016). Moreover, he stressed the relevance of marketable skills and reinforcement of business development capabilities of the youth. The creation of well-established cooperatives for women who participated in the production and sale of local products and the delivery of skill and personal development trainings to the youth who latter retained permanent employment at the end of internship programs were also the best lessons ready for replication (Abram & Jarzabek, 2016).

2.5 Corporate Social Responsibility and Local Community

When an organization opens its door from the internal dimension (Employees, shareholders) of CSR practices towards development, it gets the local communities. The local communities are the first immediate stakeholders and need to be considered by the firm because as soon as the company starts the operation of its business practices, it becomes a part of the local community (Polasek, 2010). Many companies, to be socially responsible, competitive and to develop sustainably become involved in community causes, notably through the provision of additional vocational training places, assisting environmental charities, recruitment of socially excluded people, provision of child-care facilities for employees, partnerships with communities, sponsoring of local sports and cultural events or donations to charitable practices (Polasek, 2010).

Practically, the hotel industry and the local communities are strongly related. The hotel sectors contribute to the local communities through Community involvement, Employment creation and skills development, infrastructure to benefit business and the community, Wealth and income creation, economic impact, education and culture development, and protection of the health of locals (Aston and Anca, 2011). The CSR practice of the organizations in the local communities, mostly it is related to Philanthropy services, considered to be an important aspect of community corporate social responsibility. Philanthropy is taking action directed at improving the overall well-being of people. It is instigated by monetary donations, donations of equipment or resources, or through the volunteer work of groups or individuals. Making donations of money or resources is

not practical; giving time or skills to the local community is considered a CSR practice. It also expressed supporting the educational institution and giving training programs in the local area, involvement in cultural and heritage conservation practices in the area, and appreciation of their culture (Jamali, 2007).

2.6 CSR Practice in Developing Countries

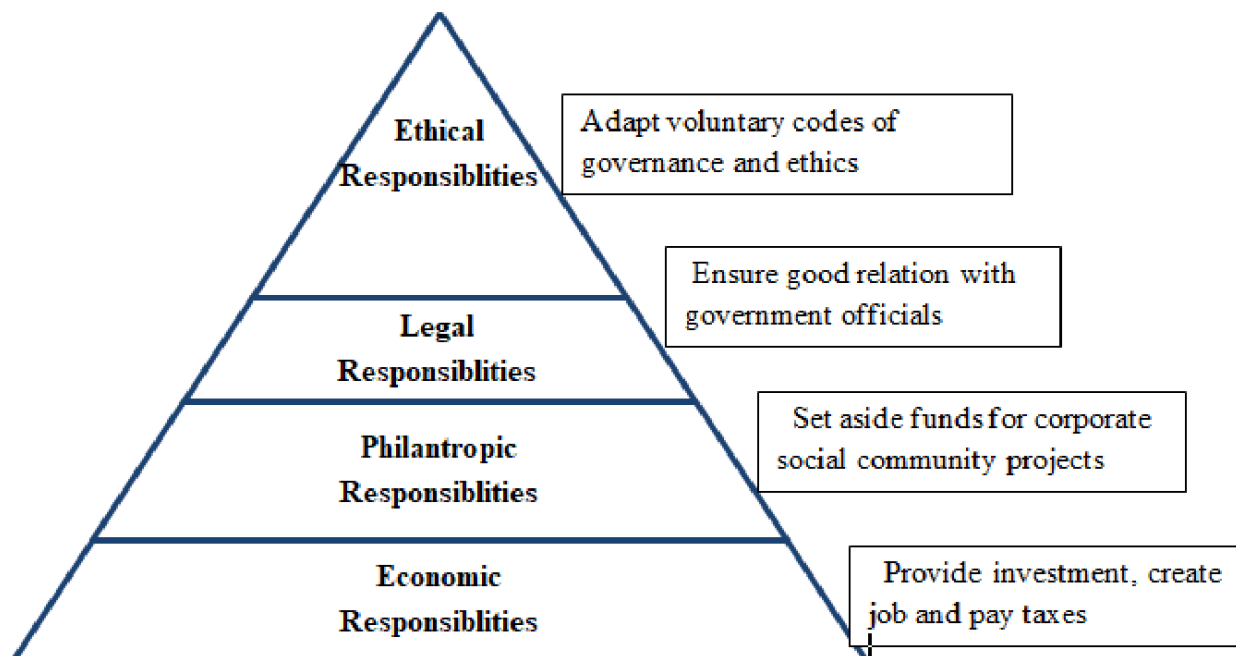
Most of the literature reveals that the idea of social responsibility emerged in Western and developed countries. Today's firms and other actors in developing countries working to promote responsible investment and work together on various societal problems Carol (1991) developed a pyramid model in which a firm is supposed to shoulder its responsibilities to various interest groups considered as one of the best models; yet, it has some criticism, this model of CSR has been tested and supported by the findings but mostly in an American context, Which makes it difficult to adapt to developing countries as it is (Visser, 2006).

Despite this fact, the developing countries CSR pyramid was developed by Visser (2006) to contextualize the concept. Then he revised Carroll's pyramid to the African context and argued that the order of importance of the four dimensions differs. This model explains also why firms need to adopt a socially responsible practice in a developing country context associated with the economic and social challenges to society and governance gaps in Africa. Countries in Africa look for more investment to create jobs and offer better social services in health and education. As a result, economic responsibilities are still valued as the most important, while philanthropic responsibilities are emphasized as second, with legal and ethical responsibilities as third and fourth, respectively. Hence, it helps to explain which component is focused on learning towards responsible business in practice.

Economic responsibility goes beyond generating profit or meeting shareholder expectations. Visser (2006) argues that due to Africa's high unemployment rates, shortage of Investment and high poverty, the economic role of companies is of prime value, thus leading to the importance of economic responsibilities in the African context. Companies that operate in developing countries progressively report on their economic responsibilities by indicating 'economic value added' statements (Visser 2008).

Philanthropic actions are second most important in African businesses to work with and are associated with, explained by the high socio-economic needs of African society. Visser (2006) argues that these needs are so great that philanthropy is an expected norm. As a newly developed concept in Africa, CSR is used with philanthropy interchangeably. Because businesses can't operate in a society that fails, they set funds to contribute for community/social development in Africa. **Legal responsibilities** are of third level in the pyramid and do have lower priority compared to advanced nations, but that does not mean they are less important. This responsibility is about how a business works within a legal framework formulated to operate safe business by the state. Developing countries have weaker legal infrastructure, lack administrative efficiency and put low pressure on good business practices. It is to develop smooth relationships with the government. Lastly, the ethical **dimension** of CSR exists, which seems to have the least influence on the CSR agenda (Visser, 2006). However, this doesn't mean developing countries do have the least ethical practices, and for instance, South African companies have led the world in their inclusion of CSR issues during 1992-2002. Ethical practices constitute voluntary adoption of governance codes and ethical practices. Such practices make firms have smooth relations with stakeholders both inside and outside a nation.

Figure 2. 4: Africa's Corporate Social Responsibility Pyramid



Source: Visser, (2006), adopted from Carrol (1991)

2.7 Corporate Social Responsibility in Ethiopia

Historically speaking, the role traditionally assigned to corporate officers is to promote the interests of member-investors, whether shareholders or partners (Friedman, 1970). This economic view of the corporate goal has been strongly mitigated over the last fifty years by the emerging concept of corporate social responsibility (Karounga & Sophie, 2014). However, the essential quality of CSR is its attempt to strike a balance between the economic, social and environmental concerns connected with the life of a corporation (Karounga & Sophie, 2014).

CSR in Ethiopia is not well-developed, and also the governance system takes the form of mere control in decision-making instead of encouraging development and implementation of a well-developed system. (Berihu and yohannes, 2020)

As cited in the work of Chatterjee & Mitra (2017), Ghosh (2014) stated four rationales behind studying CSR in developing countries as distinct from CSR in developed countries:

"Firstly, developing countries represent the most rapidly growing economies and hence a lucrative growth market for business (IMF, 2006).

Secondly, social and environmental crises are more acutely felt in developing countries (UNDP, 2006).

Thirdly, developing countries are the ones where the impact of globalization, economic growth, investment and business activity is likely to have a strong impact on societal and environmental issues (WB, 2006).

Finally, challenges faced by the developing countries with respect to CSR are different as compared to challenges faced by the developed countries" (Chatterjee & Mitra, 2017).

There are still a very few studies conducted on CSR in Ethiopia with special reference to the hotel industry. One of the studies was conducted by Kassaye (2016), entitled *"CSR from an Ethiopian Perspective."* In his finding, he showed that CSR, as a concept, is new in the Ethiopian soil. He further asserted its inception as a retort by multinationals and NGOs to remedy the effects of their extraction on the local communities. Consequently, he viewed the two results. Firstly, there is a recent development of formal CSR practices, mainly driven by the coming of MNCs and NGOs domestically. He went on saying that these initiatives were mainly philanthropic in content, which resembled imported formats from Western countries. Secondly, he witnessed the infancy of almost

all national companies and government organizations in implementing CSR practices. And Ibrahim Bushera (August 2019), “*Corporate social responsibility in Ethiopia: approaches and practices.*”

Findings of this study: the CSR practice in Ethiopia is not well managed and value creation-oriented. It is clearly seen in the finding that there is very poor organizational infrastructure to manage CSR and create the overall value it delivers. The fact that only 5 companies are members of the UN Global Compact shows the little attention given in this regard.

Nevertheless, the CSR practice in Ethiopia is quite different from what is argued in the theory and practiced within the framework of global trends.

The other aspect he identified was the existence of Ethiopian companies that have a tradition of partnership and dialogue with their communities and stakeholders in the form of informal CSR practices (Kassaye, 2016). A good deal of research has also indicated that the government has been criticized for not influencing companies to improve their environmental performance (Asfaw et al, 2017). However, companies in Ethiopia have not sufficiently considered environmental responsibility.

But, for the most part, they are concerned with economic survival (Robertson, 2009).

On the other hand, aggravating the problem, the Ethiopian government has been critiqued for its silence towards corporate practices that are detrimental to the environment (Asfaw et al, 2017). Another study conducted by Fentaye & Rama (2016) found that the local community (with a high level of awareness) had a higher positive perception toward CSR initiatives of firms in Ethiopia. This study categorized CSR initiatives under four headings, namely, sponsorship and donation; community development and helping the poor; employment opportunities; and environmental responsibility. The anticipated part of their result was the firm's limited attention to community development and helping the poor. However, generally speaking, they found out that firms demonstrated high levels of sponsorship of events and donation to social causes and social organizations (Fentaye & Rama, 2016). These events seemed to be reactive instead of proactive. One particular study was conducted by Hailu & Nigatu (2015), but it only emphasized employees' orientation towards CSR practices of hotels and lodges in one of the most popular historic cities - Gondar. They found out that initiatives that received the highest priority were the practice of gender equality, the recognition of work-life balance, and smooth facilitation for sick and

maternity leave. On the other hand, their findings revealed that the salary system, reward program, job security and promotion were least practiced by their respective hotels.

Another study is "Corporate Social Responsibility Practices of the Hotel Industry: A Case of Selected Hotels in Bishoftu Town, Ethiopia." (Abrham Legesse, 2021)

A key finding of this study is that 25% of managers have limited or no idea about CSR, which, by implication, is more likely to negatively impact the initiative and implementation of CSR practices.

The organizational structures of most hotels have no specific reference to a position responsible for sustainability management or so. The other result is, in economic terms, is the integration of hotel business into the local economy, where preferential local hiring and local purchasing are attached to significant magnitudes of frequency across respondents' groups.

And it is commendable to attest to the dominance of CSR practices in relation to the environment and the contradicting and insufficient evidence to support the integration of CSR into the hotels' corporate governance.

Besides the above studies, the effect of corporate social responsibility practices on brand equity (Efrem Assefa, 2020) is conducted.

The study found that all CSR dimensions were significantly related to the company's brand equity; stakeholder-related CSR activities were the most significant dimension that the customer experiences about the brand. Thus, relatively more CSR attention needs to focus on improving stakeholders interests. Among the three major aspects of social responsibilities, CSR to stakeholders produced the most contribution of increasing the level of brand equity. Promoting environmental and societal CSR performance has become increasingly common among various service providers, and customers are gradually getting familiarized with seeing service provider CSR practices.

2.8 CSR in Tigray region

There are still very few studies on CSR in Tigray with special reference to industries. One of the studies was conducted by *Amanuel Teklay Gebremichael* (2016), entitled "Corporate Social Responsibility: A Query on the Practice and Determinants among Large Manufacturing Industries in Tigray Regional State, Ethiopia."

This study views different reasons force large manufacturing industries to engage in CSR. This study found that the main driver for large manufacturing industries to engage in CSR is the need to gain marketplace-related CSR benefits. After the marketplace dimension, the need to treat employees and protect them from work-related damage is the main driver in those large manufacturing industries to engage in CSR. However, the need to ease community pressure with their operation remains insignificant as a driver.

Kahsu Mebrahtu (May 2020), “*SMEs’ CSR practice in Ethiopia, Tigray regional state*”

This study found that SMEs’ CSR is primarily visible in local community development. However, the SMEs; CSR interventions are mainly focused on philanthropy. They make financial donations for the construction of roads, dams, schools, clinics, hospitals, and the protection of natural heritage. This result is consistent with the findings of Jain, Vyas, and Chalasani (2016) where the surveyed enterprises reflected un-institutionalized philanthropic activities. SMEs’ CSR participation is primarily aimed at creating a favorable image for the organization. This is consistent with previous empirical findings (like Sen, 2014), where enterprise CSR engagement is targeted at the improvement of the image of businesses.

2.9 Conceptual Framework of the Study

This conceptual framework outlines the interconnectedness of the key elements involved in the study. It highlights the hotel's CSR initiatives, their alignment with community needs, and the perceived impact on social and economic development and community well-being. Furthermore, the challenges and opportunities that three- and four-star hotels face when implementing CSR programs.

2.9.1 Reasons for using Carroll’s model and TBL model for conducting this study

Carroll's pyramid: emphasizes a hierarchical structure encompassing economic, legal, ethical, and philanthropic responsibilities; it helps to categorize various CSR initiatives undertaken by hotels. This framework helps the researcher to analyze how three and four-star hotels fulfill community needs through their specific CSR initiatives such as: - economic obligations (e.g., job creation), compliance with legal regulations, considering ethical business practices (e.g., fair wages), and contribute to the community through philanthropy (e.g., supporting local schools).

Triple Bottom Line (TBL): emphasizes the three pillars of sustainability and interconnectedness of social, environmental, and economic aspects. This perspective ensures the study considers not only

the economic benefits hotels bring to the community (e.g., generate revenue) but also their social impact (e.g., employee well-being, cultural preservation) and environmental sustainability (e.g., water conservation, waste management).

By incorporating both models, the researcher ensures a well-rounded analysis of hotel CSR initiatives. Carroll's pyramid helps assess how hotels fulfill their various CSR responsibilities, while TBL emphasizes the interconnectedness of these aspects. These models can help to identify specific areas where hotels can improve their CSR efforts within the local community. So, through TBL, the study explores how these hotels can: minimize their environmental impact through sustainable practices (social aspect); support local businesses through responsible sourcing (economic and social aspects); and create local investment programs for the community (social and economic aspects).

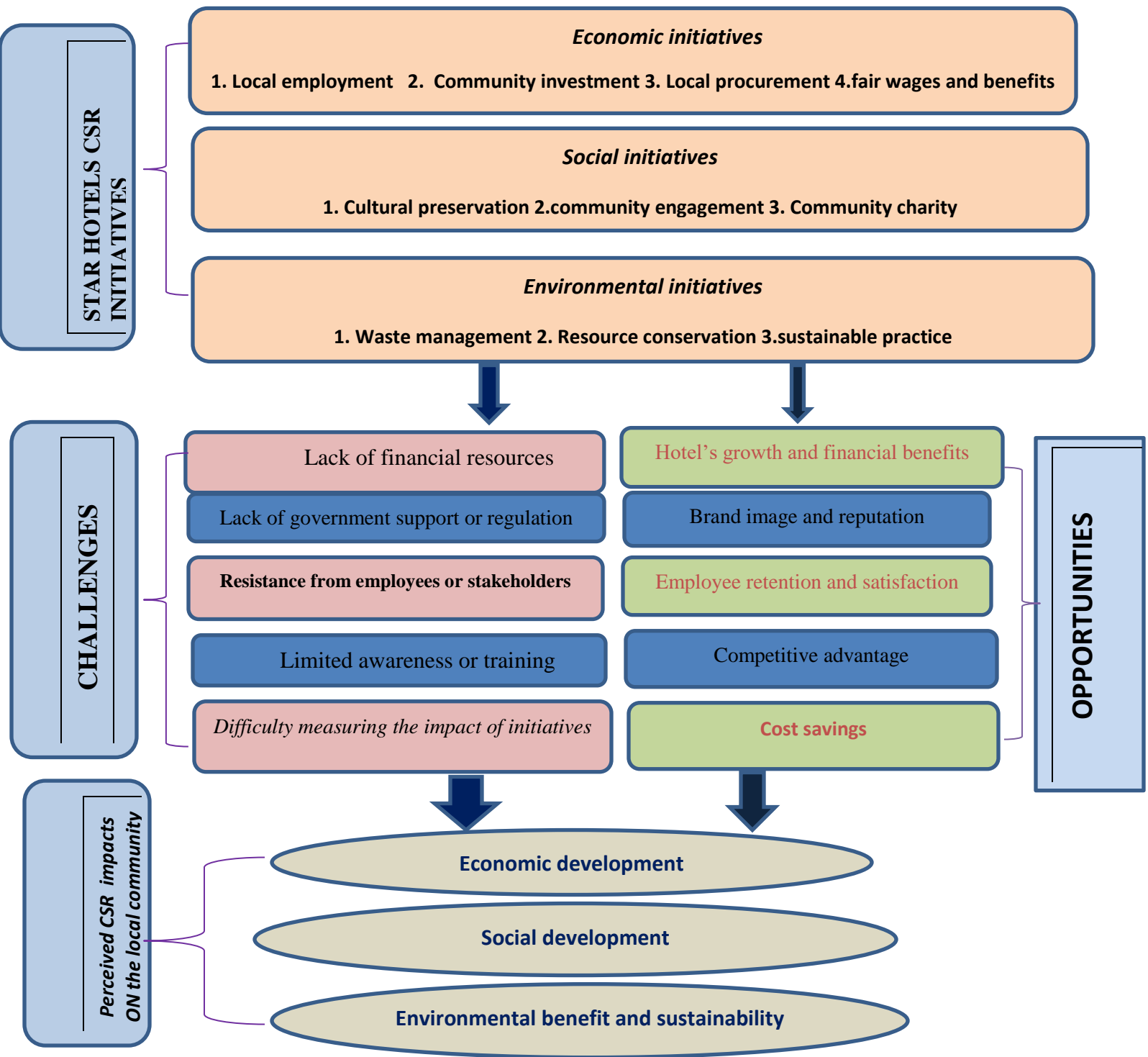
The researcher uses these models to compare the stated CSR initiatives of hotels with their actual practices. This allows the researcher to assess if hotels are genuinely addressing the needs of the local community across economic, social, and environmental dimensions.

Overall, incorporating Carroll's pyramid and TBL strengthens the study: Therefore, using these models allows the researcher to:

- Assess how hotel CSR initiatives address the economic well-being of the community (e.g., job creation, local procurement) and enable a comprehensive understanding of how hotel CSR initiatives address the multi-faceted needs of the local community.
- Systematically categorize various CSR initiatives undertaken by hotels, highlighting the multifaceted nature and scope of CSR in the hotel industry and evaluate the impact of these initiatives on the local community's well-being.
- Gain a deeper understanding of how hotels are fulfilling their responsibilities towards the local community and provide a structured framework for analyzing CSR initiatives.

Hence, the researcher uses these models as starting points. The study tailors the models to the specific research questions and delve deeper into areas where the star hotels demonstrate strong CSR activities in relation to local community well-being.

Figure 2. 5: conceptual framework of the study



Source: Researcher's own design 2024.

CHAPTER THREE

3. RESEARCH METHODOLOGY

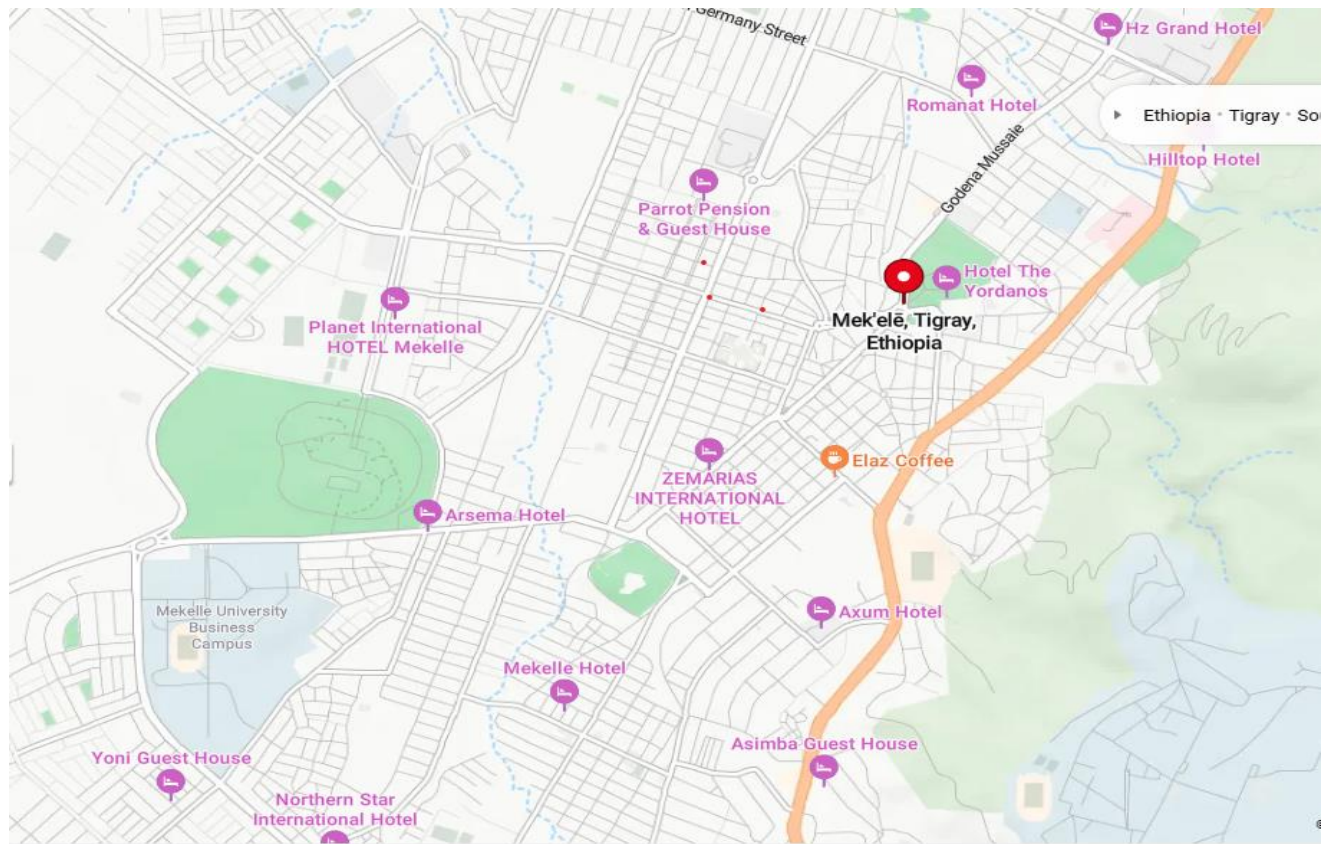
3.1 description of the study area

Figure 3. 1: the overall map of Northern Ethiopia and surrounding areas



Source: Map Data (2025)

Figure 3. 2: Map of Mekelle city the overall view



Source: Map Data (2025)

Economic Characteristics: Mekelle is a regional economic hub with various economic activities. Agriculture, trade, and small-scale industries are prominent contributors to the local economy. The city has seen some economic growth and development, with efforts to improve infrastructure and attract investments. **Social Characteristics:** Mekelle is known for its diverse population, with various ethnic groups residing in the city. It serves as an educational center, housing Mekelle University, one of Ethiopia's prominent higher education institutions. The city also hosts cultural events, festivals, and markets, showcasing the region's rich cultural heritage. **Cultural Characteristics:** Tigray, the region to which Mekelle belongs, has a unique cultural identity. The people of Tigray have their traditions, language (Tigrinya), and historical sites. The region is home to ancient rock-hewn churches, contributing to its cultural significance. **Star Hotels:** Star hotels in Mekelle cater to both local and international visitors. These hotels typically provide modern

amenities and services to meet the needs of business and leisure travelers. The presence of star hotels indicates the city's efforts to develop its tourism infrastructure and attract visitors.

3.2 Background of the Study area:

Mekelle is the capital of the Tigray Region of Ethiopia. It is located around 780 kilometers (480 mi) north of the Ethiopian capital Addis Ababa, at an elevation of 2,254 meters (7,395 ft.) above sea level. Administratively, Mekelle is regarded as a Special Zone divided into seven sub-cities. It is the economic, cultural, and political hub of northern Ethiopia.

Mekelle, the capital city of the Tigray region, Ethiopia, is experiencing some growth in the hospitality and tourism sector. This growth has concurrently led to development of several star-rated hotels, catering to domestic and international visitors. The researcher presents the area as a unique case study for analyzing social responsibility endeavors undertaken by three and four star-rated hotels and their positive impact on the local community. Mekelle boasts historical riches such as Emperor Yohannes IV's palace and the Martyrs' memorial monument. As Mekelle City experiences a surge in tourism, understanding the social responsibility practices of star hotels and their impacts on the local community becomes imperative. Here's a comprehensive background incorporating socio-economic factors, environmental considerations, and tourism potential.

The importance of the hotel industry is drastically growing from time to time worldwide. The number of hotels in Ethiopia's big cities including Mekelle city has been sharply increasing better than ever before (Ministry of Culture and Tourism, 2011). The hospitality industry plays a significant role in tourism and hotels are at the forefront of guest experiences. Corporate social responsibility practices by these star hotels can significantly influence the local community and contribute to sustainable development.

CSR in the study area refers to a hotel's commitment to operating in a way that benefits society and the environment alongside economic success. Besides this, it focuses on responsible practices that minimize negative impacts and enhance positive impacts for the local community and environment. However, limited research exists on the specific CSR initiatives implemented by these hotels and their positive impact on the local community and in Mekelle.

3.3 Research approach

This study adopted a mixed-methods research approach, combining both qualitative and quantitative methodologies to assess the Corporate Social Responsibility (CSR) initiatives of three- and four-star hotels in Mekelle City and their positive impact on the local community. This approach enabled a comprehensive analysis by integrating numerical data with subjective insights, which was essential for understanding the multidimensional nature of CSR within the hospitality sector.

The quantitative aspect of the research involved administering structured questionnaires to hotel management, employees, and members of the local community. This enabled the collection of measurable data regarding CSR initiatives' types, scope, and perceived impacts. Statistical tools were employed to analyze the data, identifying trends, patterns, and the level of alignment between the hotels' CSR efforts and community needs. The Quantitative analysis also provided valuable insights into challenges and opportunities, offering a broader perspective on CSR implementation in the sector.

The qualitative aspect of the study comprised semi-structured interviews with key stakeholders, including hotel managers and community leaders. These interviews provided in-depth insights into the motivations behind CSR initiatives, decision-making processes, and the challenges encountered during implementation. The qualitative data offered a deeper understanding of the subjective experiences and perceptions, shedding light on the effectiveness of CSR initiatives from various stakeholder perspectives.

This approach allowed for an in-depth examination of the unique socio-economic and post-war context of the city, which significantly influences the nature and impact of CSR efforts. By narrowing the scope to a specific geographic and industry context, the research can produce detailed findings that are both contextually relevant and actionable.

Overall, the mixed-methods research approach, underpinned by a case study design and robust data triangulation ensures that this study delivers a comprehensive and credible assessment of CSR initiatives in the hospitality sector of Mekelle City. The study provides actionable insights for hoteliers, policymakers, and community stakeholders, contributing to the development of sustainable and impactful CSR practices in the region.

3.4 Research Design:

The study employed a descriptive case study research design to investigate the social responsibility initiatives of three- and four-star hotels in Mekelle City and their positive impact on the local community. This aligns with the study's objectives, as it facilitates a detailed exploration of the practices, perceptions, and outcomes associated with Corporate Social Responsibility (CSR) in the context of Mekelle's unique socio-economic and post-war environment. The case study design is particularly appropriate for this research because it provides an in-depth understanding of a specific phenomenon of CSR initiatives within its real-world context. Mekelle City, with its distinct challenges and opportunities following the post-war recovery period, offers a rich setting for analyzing how the hospitality sector engages in social responsibility and how these efforts influence the local community.

The study incorporated a mixed-methods approach, combining both qualitative and quantitative techniques to ensure a comprehensive analysis. The quantitative component focused on gathering measurable data through surveys, while the qualitative aspect delved deeper into perceptions, motivations, and experiences using interviews. By integrating these methods, the research design enables a holistic understanding of CSR practices and their multifaceted impacts.

In summary, this research design, rooted in a descriptive case study approach and supported by mixed methods, provides a robust framework for assessing CSR initiatives in Mekelle's hospitality sector. The design ensures that the study captures both the measurable outcomes and the contextual, qualitative aspects of CSR, leading to actionable insights for improving the social and economic well-being of the local community.

3.5 Population and Sampling:

3.5.1 Population of the study

The population of this study consisted of three- and four-star hotels in Mekelle City, their management, employees involved in CSR initiatives, and leaders of the local community. Purposive and random sampling techniques were employed to select hotels and informants that are actively engaged in CSR, ensuring representation from different stakeholder groups (hotel managers, community leaders, and local beneficiaries). The sample included a representative selection of hotels, hotel staff with more than two years of experience there, general managers, and community leaders.

Based on the Tigray Culture and Tourism Bureau report (2011), there are three three-star (***) rated hotels and two four-star (****) rated hotels in Mekelle City. These include Planet International Hotel, Nobel House, and Yhdega Luxury Boutique Hotel (****), as well as Axum, Desta, and Zemarias International Hotels (***). The selected population is considered experts with an in-depth understanding of the hotels' CSR initiatives and their impacts on the local community.

3.5.2 Sampling technique and Sample size

About the objectives of the study and the data obtained from Tigray Culture and Tourism Bureau from a list of star hotels in Mekelle city, star-rated hotels are Eight in number, but three and four-star-rated hotels were selected based on their anticipated understanding of the engagement of CSR practice, as well as the researcher assumed that three and four-star rated hotels taking part in-depth familiarity with the aspect of hotels CSR practices on the local community in the study area. The study employed both probability and non-probability sampling techniques. Purposive sampling was used to select hotel employees with more than two years of work experience, community leaders, and five hotel managers, as these individuals were considered experts in the hotel industry with in-depth knowledge of CSR initiatives, their alignment with community needs, and their perceived impacts on the local community. After purposely selecting the five hotel managers and four community leaders (sub-city leaders) as key informants, the remaining population was sampled using a simple random sampling method to ensure representative participation.

An adequate sample size for the study is drawn from this population using a sample formula developed by (Yamane T., 1967): -

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

Where

N=Number of the target population

n=Sample size to be determined

e = level of confidence =0.05

$$n = \frac{368}{1 + 368(0.05)^2}$$

$$n = \underline{192}$$

Table 3.1 Distribution of Respondents across Hotels

NO	Name of Hotels	Total employee	No of Employees with 2 year experience and above including the GM	Proportional Sample size
1	Planet Int. Hotel	182	95	$95*192/368=50$
2	Desta Int. Hotel	96	70	$70*192/368=37$
3	Axum Hotel	196	160	$160*192/368=83$
4	Zemarias Hotel	85	18	$18*192/368=9$
5	Nobel house yhdega Luxury Boutique Hotel	37	25	$25*192/368=13$
6	Total	689	368	192

Table 3.1 Survey, 2024

To achieve the objectives of this research, 192 respondents were selected proportionally from employees of star-rated hotels. A total of 192 questionnaires were distributed, out of which 178 were properly completed and returned. The remaining 14 questionnaires were left incomplete due to the unwillingness of some respondents. Consequently, only 178 valid responses were included in the quantitative data analysis, yielding a response rate of 96.87%.

In addition, all general managers from three- and four-star-rated hotels (5 in total) and four community leaders (sub-city leaders) were individually approached for key informant interviews. Including these key informants, the study involved a total of 187 participants.

3.6 Data Type and Source:

Collecting relevant and sufficient data is significantly helpful in addressing the core problem of the research and accomplishing the stipulated research objectives. Both secondary and primary sources of data were used in this study.

3.6.1 Primary Source

Primary data is data that is collected by a researcher from first-hand sources, using methods like semi-structured interviews, structured questionnaires, and observations. It is collected with the research project in mind, directly from primary sources. The questionnaires helped in capturing the facts and figures for the study area while the interviews helped in obtaining face-to-face facts.

3.6.2 Secondary Source

Secondary data refers to data that is collected by someone other than the user. Secondary data is information that has already been collected by others for other purposes and includes books, journal articles, and websites of organizations and catalogs. The secondary source of data for this study includes: published books, journal articles, magazines, brochures, and unpublished materials (government office reports, thesis, and websites).

Secondary data from company reports that focus on CSR, brochures, profiles, websites and other official records which are company policy and manuals of the company that contain contents of corporate social responsibility will be reviewed.

3.7 Data Collection Technique:

Data was collected using structured questionnaires; semi-structured interviews and observation methods of data collection to ensure depth and accuracy. Structured questionnaires were administered to gather quantitative data on the types and scope of CSR activities, as well as perceptions of their impact. Semi-structured interviews with hotel managers, the community, and provided qualitative insights into the motivations, challenges, and opportunities related to CSR and captured the collective perspectives of community members on how these initiatives address their needs.

Both open-ended interviews and closed-ended questionnaires were distributed to the selected samples. The type of questionnaire was applied is the *five* scale-graded Likert scale questionnaire. To answer the questions from the respondents 5 indicates “strongly agree”, 4 “agree”, 3 “Neutral”, 2 “disagree”, and 1 “strongly disagree” were used. Additionally, a semi-structured face-to-face interview was administered with the hotel managers regarding the CSR activities of their hotels, determinants, and the impacts on the local community. These methods allow for both quantitative and qualitative data collection.

Data collection involved triangulation to enhance validity and reliability. Information was gathered from multiple sources, including hotel documents, CSR reports, community feedback, and observations. This multi-source approach ensures a comprehensive understanding of the research problem and mitigates the limitations of relying on a single data source.

3.8 Data Collection Procedures:

The researcher obtained necessary permissions from relevant authorities, established rapport with hotel management and the local community, and administered surveys and interviews with the utmost sensitivity to ethical considerations.

3.9 Methods of Data Analysis:

The data analysis method is simply the process of organizing and summarizing a mass of raw data into meaningful form and is important in interpreting the collected data so that the information can be put to use for appropriate conclusions and recommendations. (Healey, 2011).

The quantitative data, gathered through structured questionnaires, was analyzed using statistical tools to identify patterns and the alignment of CSR activities with community priorities. This analysis offers insights into trends and the overall effectiveness of CSR efforts. The qualitative data from interviews was analyzed thematically, focusing on recurring themes like the effectiveness, challenges, and perceptions of CSR initiatives. Thematic analysis helps uncover deeper insights into the subjective experiences and motivations behind CSR practices. Triangulation is used to enhance the validity and reliability of the findings. Data was cross-verified from multiple sources (e.g., hotel documents, CSR reports, community feedback) to provide a more accurate and comprehensive understanding of CSR practices.

The quantitative data collected from respondents was analyzed using the SPSS version 21 software package. The advantage of using SPSS version 21 software for the analysis of quantitative data is to display the results of the research work in a simplified way.

As a result, the responses to questionnaires and interviews from the selected sample employees were analyzed by descriptive data analysis techniques, and to summarize the findings, data is also presented in figures and tabulated in a logical and understandable manner.

CHAPTER FOUR

4. RESULTS AND DISCUSSIONS

4.1. Introduction

This chapter presents the results and discussion of the study on the environmental, socio-cultural, and economic Corporate Social Responsibility (CSR) initiatives of three- and four-star rated hotels in Mekelle City. It includes an analysis of the demographic characteristics of the respondents, the alignment of these CSR initiatives with community needs, and the overall perceived impact of the hotels' CSR activities on the local community. Furthermore, this chapter explores the major challenges and opportunities faced by these hotels in implementing CSR practices. This chapter on the other hand includes a discussion of the major previous works of research and theory related with this specific research work.

4.2. Demographic Characteristics of the Respondents

Table 4. 1: The Gender, Age, Level of education and Length of stay of the respondents in the three and four-star Hotels

Items	Category	Frequency	Percent%
Gender	Male	129	72.5
	Female	49	27.5
	Total	178	100.0
Age	18-25	48	27.0
	26-33	65	36.5
	34-41	48	27.0
	42 and above	17	9.5
	Total	178	100.0
Level of education	High school complete	18	10.1
	TVET certificate	37	20.8
	Diploma	47	26.4
	First Degree	61	34.3

	Masters and above	15	8.4
	Total	178	100.0
Length of stay at the Hotel(work experience)	2-5 years	114	64.0
	6 years and above	64	36.0
	Total	178	100.0

Source: Questionnaire survey 2024

The above table shows the gender of respondents, it indicates 129(72.5%) of the respondents are male and the remaining 49(27%) are female respondents. So, it implies more than two years of work experience employees of three and four-star Hotels are significantly male-dominated. Besides, of three (***) star and two (****) star-rated hotel managers, only one is female.

Concerning respondents' age category, the majority of respondents fall under the age interval of 26-33(36.5%). 27 %(48 in frequency) of the respondents fall under the age of 18-25, while the remaining 27 %(in frequency 48) and 9.5 (17 in frequency) respondents are found in the age interval of 34-41 and above 42, respectively. This proportion implies that most of the three—and four-star Hotels in Mekelle employees are young and energetic.

Concerning the educational background of the respondents, the majority of them have a good level of academic status; and have attained a first Degree 61(34.3%) followed by those with a Diploma 47(26.4%) and TVET certificate 37(20.8%). A smaller proportion has completed high school 18(10.1%) or holds a Master's degree or higher 15(8.4%). This indicates that the hotel employs a moderately educated workforce, with a focus on candidates holding professional qualifications. This implies hotel businesses in the study area create job opportunities for the majority of local communities with a higher academic qualification. But, most of them are not directly related to the industry fields.

With regard to the distribution of respondents based on their length of stay at the hotels, reflecting their work experience. Out of a total of 178 respondents, the majority, 64.0% (114), have been with the hotel for 2–5 years, while a smaller group, 36.0% (64), and have stayed for 6 years or above. This indicates that the workforce predominantly comprises employees with moderate experience, suggesting a relatively stable but not highly tenured staff base. The researcher realized

that this implies opportunities for employee retention strategies to encourage long-term commitment and reduce turnover among staff with shorter tenure.

4.3 Descriptive analysis of environmental CSR initiatives of three and four-star Hotels

Table 4. 2: Environmental-Related CSR Initiatives

This table presents the mean, standard deviation (SD), percentage, and frequency values for each item and scale related to environmental-related CSR initiatives.

Items		Level of agreement					Mean	Std. deviation
		1	2	3	4	5		
The hotel has implemented environmental strategies towards CSR.	F	10	64	32	64	8	2.98	1.063
	%	5.6	36.0	18.0	36.0	4.4		
The hotel has implemented energy-saving measures to reduce its environmental footprint (e.g., LED lighting, energy-efficient appliances).	F	15	32	27	62	42	3.47	1.263
	%	8.4	18.0	15.2	34.8	23.6		
The hotel has waste management practices in place, such as recycling or composting.	F	65	49	38	16	10	2.20	1.189
	%	36.5	27.5	21.3	9.0	5.6		
The hotel uses in-house biogas for specific purposes	F	81	42	16	14	25	2.21	1.446
	%	45.5	23.6	9.0	7.9	14.0		
Water saving mechanisms (Water reusing and recycling) are first priorities for the hotel.	F	26	58	54	26	14	2.69	1.131
	%	14.6	32.6	30.3	14.6	7.9		
Strategies are implemented to encourage staff and clients to save energy.	F	22	14	64	34	44	3.36	1.375
	%	12.4	7.9	36.0	19.1	24.7		
Purchase focuses on disposable and recyclable products and materials.	F	36	17	54	44	27	3.05	1.329
	%	20.2	9.6	30.3	24.7	15.2		

The Hotel uses environmentally eco-friendly products (e.g. cleaning products).	F	25	24	10	84	35	3.45	1.328
	%	14.0	13.5	5.6	47.2	19.7		

Source: Questionnaire survey 2024

Table 4.2 shows that, regarding the hotel has implemented environmental strategies towards CSR, most of the respondents 64 (36%) agreed and about 64 (36%) disagreed. Whereas 32(18%) of the respondents were neutral for this question and 10(5.6%) of the respondents were strongly agreed, the rest 8(4.4%) were strongly disagreed.

Based on the Mean value=2.98 and SD=1.063 the researcher realizes that the hotel's CSR environmental strategies seem moderately implemented but are not perceived as highly effective or visible.

Table 4.2 about the hotel implementing energy-saving measures to reduce its environmental footprint (e.g., LED lighting, energy-efficient appliances), from a total of respondents, 62(34.8%) of them agreed and 42(23.6%) strongly agreed, whereas 15(8.4%) of them responded strongly disagree, similarly, 27(15.2%) of them neutral 32(18.0%) of respondents showed disagree. In summary, the (Mean Value=3.47, SD=1.263) from this Positive agreement the researcher realized that star-rated hotels have implemented energy-saving measures to reduce their environmental footprint (e.g., LED lighting, energy-efficient appliances) and have visible efforts in energy-saving practices with recommended further promotion and consistency.

Table 4.2 concerning waste management practices in place, such as recycling or composting, from a total of respondents 65 (36.5%) strongly disagree, 49(27.5%) of them disagree, 38 (21.3%) of them neutral, 16(9.0%) of them agreed and 9(3.6%) of them strongly agreed. In summary, the (Mean Value=3.63, SD=1.189) so, a significant portion of respondents (36.5% strongly disagree, 27.5% disagree) indicate waste management practices including recycling and composting are inadequate, poorly implemented or not well-communicated.

Table 4.2 about the hotel uses in-house biogas for specific purposes, 25(14.0%) respondents strongly agreed, 14(7.9%) agreed and 16(9.0%) were neutral. Whereas, from a total of respondents 42(23.6%) disagree and 81(45.5%) response, strongly disagree. In summary, the (Mean Value=2.21, SD=1.446) indicates that the majority of respondents relatively show disagreement on the hotels' use of in-house biogas for specific purposes.

Table 4.2 with regard to water saving mechanisms (Water reusing and recycling) are priorities for the hotel, 14(7.9%) respondents strongly agreed, 26(14.6%) agreed and 54(30.3%) neutral. Whereas, from a total of respondents 58(32.6%) disagree and 26(14.6%) response, strongly disagree. Hence, the (Mean Value=2.69, SD=1.131) indicates that the majority of respondents relatively shows disagreement on the hotel's Water-saving mechanisms (Water reusing and recycling) are the priorities for the hotel. The researcher realizes that Water-saving mechanisms are not seen as a high priority of the three and four-star hotels in the study area, indicating potential gaps in their adoption or strategy.

Table 4.2 about hotel Strategies implemented to encourage staff and clients to save energy from a total of respondents 44(24.7%) of respondents strongly agreed, 34(19.1%) agreed and 64(36.0%) neutral. Whereas, from a total of respondents 14(7.9%) disagreed and 22 (12, 4%) responded, strongly disagree. In summary, the (Mean Value=3.36, SD=1.375) shows that the majority of respondents agreed on the hotel Strategies implemented to encourage staff and clients to save energy. Hence, the researcher realizes that based on the Positive response of respondents these hotels have good practices towards that but require better engagement, training and awareness campaigns can strengthen their results.

Table 4.2 about hotel Purchases focuses on disposable and recyclable products and materials from a total of respondents 27(15.2%) respondents strongly agreed, 44(24.7%) agreed and 54(30.3%) were neutral. Whereas, from a total of respondents 17(9.6%) disagreed and 36 (20, 2%) responded, strongly disagreed. Hence, the (Mean Value=3.05, SD=1.329) shows that the responses of respondents are varied, with 30.3% neutral and a fairly balanced spread across agreement and disagreement categories agreed on hotel Purchase focus on disposable and recyclable products and materials, Efforts the Hotels to focus on recyclable products is moderate, but it needs more improvement.

Table 4.2 Concerning the Hotel uses of environmentally eco-friendly products (e.g. cleaning products), 35(19.7%) of respondents strongly agreed, 84(47.2%) agreed and 10(5.6%) were neutral. Whereas, from a total of respondents 24(13.5%) disagree and 25(14.0%) response, strongly disagree. In summary, the (Mean Value=3.45, SD=1.328) Hence, the majority of respondents relatively show agreement that the Hotel uses environmentally eco-friendly products

(e.g. cleaning products). The researcher realizes that the use of eco-friendly products, such as cleaning materials, is relatively well-implemented in the three and four-star hotels.

4.4 Descriptive analysis of Socio-cultural CSR initiatives of three and four-star Hotels

Table 4. 3: Socio-cultural-Related CSR Initiatives

This table presents the mean, standard deviation (SD), percentage, and frequency values for each item and scale related to socio-cultural-Related CSR Initiatives.

Items		Level of agreement					Mean	Std. deviation
		1	2	3	4	5		
The hotel has implemented socio-cultural strategies towards CSR to ensure the welfare and safety of its employees.	F	21	39	21	60	37	3.30	1.335
	%	11.8	21.9	11.8	33.7	20.8		
The hotel promotes and it's design integrates local arts and heritages	F	12	5	38	98	25	3.67	.984
	%	6.7	2.8	21.3	55.1	14.0		
The hotel actively supports community development projects (e.g., donations, volunteering, sponsorships) and development of local attractions	F	14	10	46	47	61	3.74	1.213
	%	7.9	5.6	25.8	26.4	34.3		
The hotel promotes local entrepreneurship/entrepreneurs and provide Internship trainees & hired when appropriate	F	20	28	26	66	38	3.42	1.292
	%	11.2	15.7	14.6	37.1	21.3		
The hotel promotes local history, culture and traditions	F	20	11	21	81	45	3.67	1.238
	%	11.2	6.2	11.8	45.5	25.3		
The hotel provides training and development opportunities to its staff to enhance their skills and career growth.	F	17	22	25	43	71	3.72	1.352
	%	9.6	12.4	14.0	24.2	39.9		

The hotel engages in Corporate community projects, infrastructure and other social affairs	F	49	19	60	32	18	2.72	1.314
	%	27.5	10.7	33.7	18.0	10.1		

Source: Questionnaire survey 2024

Table 4.3 illustrates that from a total of respondents, 37 (20.8%) of them strongly agreed and 60(33.7%) agreed the hotel has implemented socio-cultural strategies towards CSR to ensure the welfare and safety of its employees, whereas 21(11.8%) of them responded neutral, similarly, 39(21.9%) of them disagree 21(11.8%) of respondents strongly disagree. In summary, the mean value is 3.30. SD=1.335) as a result, evidence from respondents shows over half of their agreement in this regard and indicating a need for more consistent efforts in this area.

Table 4.3 illustrates that from a total of respondents, 25(14.0%) of them strongly agreed and 98(55.1%) agreed that hotels promote and design integrates local arts and heritages, whereas 38(21.3%) of them responded neutral; similarly, 5(2.8%) of them disagree 12(6.7%) of respondents strongly disagree. Hence, the hotel's integration and promotion of local arts and heritage scored a higher mean of 3.67 with a standard deviation of 0.984. Over half (55.1%) of the respondents agreed, and 14% strongly agreed, and it indicates a positive perception of the hotel's efforts in this practice.

Table 4.3 shows that from a total of respondents, 61(34.3%) of them strongly agreed and 47(26.4%) agreed that the hotel actively supports community development projects (e.g., donations, volunteering, sponsorships) and development of local attractions, whereas 46(25.8%) of them responded neutral, similarly, 10(5.6%) of them disagree 14(7.9%) of respondents strongly disagree. In summary, Community development projects, including donations, volunteering, and support for local attractions, were rated even higher with a mean score of 3.74 and a standard deviation of 1.213. About 34.3% strongly agreed, and 26.4% agreed, which shows the hotel's strong commitment to community initiatives.

Table 4.3 illustrates that the efforts to promote local entrepreneurship and offer internships revealed a moderate level of agreement among respondents. The mean score was 3.42 with a standard deviation of 1.292, suggesting a degree of variability in opinions. While 37.1% of

respondents agreed and 21.3% strongly agreed with these initiatives, a notable 15.7% disagreed, indicating that there is potential for improvement in this area. This suggests that while these programs are generally well-received, there are specific aspects that could be enhanced to increase overall effectiveness, indicating some room for improvement in this initiative.

Table 4.3: Concerning whether the hotel promotes local history, culture and traditions, 45 (25.3%) of respondents strongly agreed, 81 (45.5%) agreed and 21 (11.8%) were neutral. Whereas, from a total of respondents, 11 (6.2%) disagree and 20 (11.2%) strongly disagree. The promotion of local history, culture, and traditions of three- and four-star-rated hotels received overwhelmingly positive feedback from respondents, with a mean score of 3.67 and a standard deviation of 1.238, indicating a high level of satisfaction and some variability in responses. Notably, 45.5% of respondents agreed and 25.3% strongly agreed with these efforts, demonstrating the successful implementation of cultural initiatives. This strong positive response suggests that these initiatives effectively connect residents with their heritage, foster a sense of community pride, and contribute to the overall cultural vibrancy of the study area.

In relation to the hotel providing training and development opportunities to its staff to enhance their skills and career growth received high marks from respondents, with a mean score of 3.72 and a standard deviation of 1.352, it implies a generally positive view among respondents while acknowledging some variability in their experiences. A significant 39.9% of respondents strongly agreed that these opportunities were valuable, while an additional 24.2% agreed, demonstrating that staff development is a prioritized aspect of the hotels. The researcher realizes that based on these findings, the hotels have more awareness that the provision of training and development programs contribute positively to employee satisfaction, engagement, and overall organizational performance.

Lastly, the hotel's involvement in corporate community projects and social affairs received the lowest mean score of all the evaluated areas, with a mean of 2.72 and a standard deviation of 1.314, showing a lower level of satisfaction and greater variability in opinions. While 33.7% of respondents remained neutral, a concerning 27.5% disagreed with the hotel's current level of community engagement, and only 10.1% strongly agreed. Hence, these findings indicate a significant area requiring attention and improvement. The researcher recommends the hotels

enhance community relations; the hotel should explore avenues for increased involvement in local projects, social initiatives, and charitable endeavors to better align with community expectations and values.

The researcher realizes that the three and four-star rated hotels demonstrates strong performance in socio-economic activities, areas such as local arts promotion, community development, and staff training and development, but there is a clear need to enhance efforts in corporate community projects and ensure consistency in socio-cultural strategies for employee welfare and safety.

4.5 Descriptive analysis of economic CSR initiatives of three and four star Hotels

Table 4. 4: Economic-Related CSR Initiatives

This table presents the mean, standard deviation (SD), percentage, and frequency values for each item and scale related to economic-Related CSR Initiatives.

Items		Level of agreement					Mean	Std. deviation
		1	2	3	4	5		
The hotel has implemented economic strategies towards CSR.	F	37	38	31	54	18	2.88	1.322
	%	20.8	21.3	17.4	30.3	10.1		
The hotel offers reasonable salary, fair wages and employment benefits to its employees.	F	14	18	17	97	32	3.65	1.127
	%	7.9	10.1	9.6	54.5	18.0		
The hotel offers relative preference for local purchase, when appropriate	F	5	9	14	104	46	3.99	.893
	%	2.8	5.1	7.9	58.4	25.8		
The hotel offers relative preference for local employment	F	3	7	9	88	71	4.22	.845
	%	1.7	3.9	5.1	49.4	39.9		
	F	6	3	13	124	32	3.07	.791

The hotel prioritizes local sourcing of goods and services to support the local economy.	%	3.4	1.7	7.3	69.7	18.0		
The hotel has a regular budget for implementation of CSR strategies	F	76	53	11	29	9	2.11	1.262
	%	42.7	29.8	6.2	16.3	5.1		
The hotel invests in improving the economic stability of the local community through its corporate activities.	F	36	65	49	22	6	2.42	1.051
	%	20.2	36.5	27.5	12.4	3.4		

Source: Questionnaire survey 2024

Table 4.4 figured that analysis of the three and four star rated hotel’s economic activities towards Corporate Social Responsibility (CSR) and highlights varying levels of agreement among respondents across the different initiatives.

According to the survey result on five- point scale, in table 4.4 the respondents indicated that their hotels engagement in economic CS R practices; the highest mean value scored in the issues of; hotel offers relative preference for local employment (mean value=4.22; SD=0.845), hotel offers relative preference for local purchase, when appropriate (mean value=3.99; SD=0.893) ,hotel prioritizes local sourcing of goods and services to support the local economy(mean value=3.97; SD=0.791) and hotel offers reasonable salary, fair wages and employment benefits to its employees (mean value= 3.65; SD=1.127). In terms of percentage description all the above four items were agreed and strongly agreed by more than 72.5 % of the respondents while, the remaining respondents strongly disagreed, disagreed and unsure. This figure indicates that the three and four star rated hotels in Mekelle city highly involved in offering relative preference for local employment, offering relative preference for local purchase when appropriate, prioritizing local sourcing of goods and services to support the local economy and offering reasonable salary, fair wages and employment benefits to its employees.

Table 4.4 illustrates that from a total of respondents, 54(30.3%) of them agreed and 18(10.1%) strongly agreed the hotel has implemented economic strategies towards CSR. whereas 31(17.4%) of them responded neutral, similarly, 38(21.3%) of them disagree 37(20.8%) of respondents

strongly disagree. As a result, based on the evidence of respondents their agreement indicated that the implementation of economic strategies towards Corporate Social Responsibility (CSR) revealed a moderate level of agreement among respondents, as reflected by a mean score of 2.88 and a standard deviation of 1.322. This distribution implies a mixed perception, highlighting a lack of consensus on the impact and success of these economic strategies in achieving CSR objectives. The moderate mean score, coupled with the relatively high standard deviation, underscores variability in respondents' views, possibly influenced by differing experiences, expectations, or awareness levels regarding CSR initiatives. Hence, the researcher realizes that while economic strategies have found some acceptance, there remains a considerable portion of stakeholders who are either unconvinced or dissatisfied with their outcomes, pointing to a need for further refinement and targeted improvements in these approaches.

Table 4.4 also shows that the three and four star rated hotels demonstrated a weak performance in maintaining a regular budget for Corporate Social Responsibility (CSR) implementation, as evidenced by a low mean score of 2.11 and a standard deviation of 1.262. This data reveals that a substantial 42.7% of respondents disagreed with the statement, while only 5.1% strongly agreed, underscoring a clear lack of consistent financial commitment towards CSR initiatives. This significant level of disagreement indicates that financial resources allocated to CSR are insufficient, inconsistently managed, or deprioritized within the hotel's strategic planning. The relatively high standard deviation further indicates variability in responses, implying differing perceptions or experiences among stakeholders. These findings shows that a critical gap in the financial sustainability of CSR efforts, emphasizing the need for these hotels to establish a structured and transparent budgeting process to ensure consistent funding and long-term success of its economic CSR activities.

Finally, Table 4.4 illustrates that the hotel's investment in improving the economic stability of the local community revealed a relatively low level of effectiveness, with a mean score of 2.42 and a standard deviation of 1.051. This data indicates that 36.5% of respondents disagreed with the statement, while a considerable 27.5% remained neutral, and only a minimal 3.4% strongly agreed. These respondents' response indicates that there have significant gaps in the three and four star rated hotel's effort to contribute meaningfully to the local community's economic well-being. The high percentage of neutral responses may imply uncertainty or a lack of awareness among

respondents regarding the hotel's initiatives in this area. Furthermore, the low mean score, combined with the moderate standard deviation, indicates unclear perceived impact and inconsistency in the hotel's approach to supporting local economic development. The researcher realizes that the findings highlight a clear need for the hotel to adopt more transparent, measurable, and impactful strategies to strengthen its contribution to the economic stability of the local community. The researcher recognizes that by implementing well-defined initiatives, ensuring consistent monitoring, and fostering open communication with stakeholders, the hotel can build trust and demonstrate tangible progress in its efforts. Addressing these gaps will not only benefit the local economy but also enhance the hotel's reputation as a socially responsible organization committed to sustainable community development.

In summary, based on the evaluation of the three- and four-star hotel's economic CSR performance revealed both strengths and weaknesses. These hotels showed strong commitment in areas such as prioritizing local employment, sourcing goods and services locally, supporting local businesses through procurement, and offering reasonable salaries and benefits to employees. However, its performance was moderate in implementing economic CSR strategies and notably weak in maintaining a regular CSR budget and investing in the local community's economic stability. These results indicate that while the hotel excels in certain economic CSR practices, it lacks consistency in financial commitment and proactive engagement with the local community's economic well-being, needs key areas for improvement.

4.6 Alignment of CSR Initiatives three- and four-star hotel with Community Needs and Priorities

Table 4. 5: Alignment of Hotel's CSR Initiatives with the needs of community

This table presents the mean, standard deviation (SD), percentage, and frequency values for each item and scale of alignment of Hotel's CSR Initiatives with the needs of community.

Items		Level of agreement					Mean	Std. deviation
		1	2	3	4	5		
	F	10	18	96	43	11	3.15	.892

The hotel's CSR initiatives are designed to address the most pressing social and economic needs of the local community.	%	5.6	10.1	53.9	24.2	6.2		
The hotel has conducted surveys or consultations to understand the needs and priorities of the local community before launching CSR initiatives.	F	80	63	22	9	4	1.84	.978
	%	44.9	35.4	12.4	5.1	2.2		
The hotel's CSR activities align with the community's development goals, such as improving education, healthcare, or economic opportunities.	F	21	35	72	31	19	2.96	1.129
	%	11.8	19.7	40.4	17.4	10.7		
The local community actively participates in or benefits from the hotel's CSR initiatives (e.g., community programs, employment opportunities).	F	16	27	48	67	20	3.27	1.128
	%	9.0	15.2	27.0	37.6	11.2		
The hotel collaborates with local government or community organizations to ensure its CSR initiatives are relevant to community needs.	F	30	28	64	45	11	2.88	1.151
	%	16.9	15.7	36.0	25.3	6.2		

Source: Questionnaire survey 2024

Table 4.5 reveals the respondents' perspectives on whether the hotels' CSR initiatives are tailored to address the most pressing social and economic needs of the local community. The data shows that 11 respondents (6.2%) strongly agreed, 43 (24.2%) agreed, 96 (53.9%) remained neutral, 18 (10.1%) disagreed, and 10 (5.6%) strongly disagreed.

The overall result, reflected by a mean value of 3.15 (SD=0.892), indicates a general sense of neutrality, with a slight inclination toward agreement. The fact that a majority of respondents (53.9%) remained neutral suggests a lack of awareness or uncertainty regarding the hotels' CSR initiatives. This neutrality highlights a potential gap in the efforts of three- and four-star hotels to design CSR practices that align closely with the community's priority needs.

Table 4.5 provides insights into the perceptions of respondents regarding various aspects of the hotels' CSR initiatives.

For the second statement, which examines whether hotels conducted surveys or consultations to understand the needs and priorities of the local community before launching CSR initiatives, only 4 respondents (2.2%) strongly agreed, and 9 (5.1%) agreed, while 22 (12.4%) were neutral. A striking 143 respondents (80.3%) disagreed. This statement scored the lowest mean value (1.84) with a standard deviation of 0.978, indicating a significant gap in community engagement during the planning phase of CSR activities. This lack of consultation suggests that hotels may not fully understand or incorporate community priorities into their initiatives.

Regarding the third statement, which assesses the alignment of CSR activities with the community's development goals—such as improving education, healthcare, and economic opportunities—results showed a mean value of 2.96 with a standard deviation of 1.129. While 40.4% of respondents remained neutral, only 28.1% either agreed or strongly agreed, and 31% expressed disagreement. These findings reveal a moderate level of alignment but also highlights disconnect between the CSR initiatives and the community's actual development priorities. This suggests a need for hotels to better align their activities with the specific goals and aspirations of the local community.

The fourth statement evaluates whether the local community actively participates in or benefits from the hotels' CSR initiatives, such as community programs and employment opportunities. The results show that 20 respondents (11.2%) strongly agreed, 67 (37.6%) agreed, and 48 (27.0%) were neutral, while 27 (15.2%) disagreed and 16 (9.0%) strongly disagreed. The mean value for this statement was 3.27, with a standard deviation of 1.128. Nearly half of the respondents (48.8%) had positive perceptions, suggesting that the community benefits to some extent from these activities. However, there is room for improvement in fostering more active community involvement and ensuring broader participation.

The final statement investigates the hotels' collaboration with local government or community organizations to ensure CSR initiatives are relevant to community needs. Among respondents, 11 (6.2%) strongly agreed, 45 (25.3%) agreed, and 64 (36.0%) remained neutral, while 28 (15.7%) disagreed and 30 (16.9%) strongly disagreed. The mean value for this statement was 2.88, with a

standard deviation of 1.151. These findings suggest mixed perceptions regarding the extent of collaboration, with agreement and disagreement levels being fairly balanced. This highlights the need for stronger partnerships between hotels and local stakeholders to enhance the relevance and impact of CSR initiatives.

In summary, the results from Table 4.5 highlight several critical areas for improvement in the design and implementation of CSR initiatives by three- and four-star hotels. These include fostering community engagement during the planning phase, better aligning activities with community development goals, enhancing active participation, and strengthening collaborations with local stakeholders. Addressing these gaps could significantly enhance the effectiveness of CSR initiatives and their positive impact on the local community.

Upon analyzing the three and four-star rated hotel's CSR initiatives aimed at addressing the social and economic needs of the local community, it becomes evident that stakeholder perceptions vary considerably. While the hotel showcases commendable efforts in areas such as local employment opportunities, local sourcing, and local promotion, critical gaps remain in key aspects. Notably, the design and implementation of CSR initiatives to meet the pressing needs of the local community received a mixed response, with 53.9% of respondents expressing neutrality. Furthermore, the hotel's limited efforts in conducting surveys or consultations before launching CSR initiatives highlight a significant shortfall in understanding community priorities. This absence of meaningful community input is further reflected in the moderate scores regarding the alignment of CSR activities with community development goals and the level of community participation in these initiatives. Additionally, collaboration with local government bodies and community organizations also received moderate ratings, emphasizing the need for stronger partnerships to address local challenges effectively. These findings underscore the researcher's realization of the urgent need to enhance community engagement, conduct comprehensive needs assessments, and establish more robust collaborative frameworks to ensure that the hotel's CSR initiatives are genuinely impactful and aligned with the true priorities of the local community.

Interview results of three and four-star rated hotel managers about their alignment of their hotels CSR initiatives with the community needs as follows;

The three and four star rated hotel managers emphasized that aligning the hotel's Corporate Social Responsibility (CSR) initiatives with the local community's needs is crucial for promoting sustainable development. They collectively highlight the importance of active engagement through consultations, surveys, and partnerships to ensure their efforts address critical areas such as education, environmental sustainability, and economic development. This approach allows them to identify and prioritize areas where their efforts can make the most significant impact, such as education, environmental sustainability, and economic development. They gather insights into community needs and priorities through guest feedback, online reviews, interactions with local partners, and trend analysis. They also highlight by involving community stakeholders in the planning and implementation of CSR activities, the hotel will better ensures its initiatives to be relevant and beneficial to the local population.

The managers also noted that their hotels have received positive feedback from stakeholders regarding its CSR initiatives, particularly in relation to environmental conservation, economic development, and support for local businesses. However, they mentioned that some stakeholders suggested extending the duration of programs and focusing more on specific community needs to enhance their effectiveness, to collect comprehensive feedback, the hotel has established formal channels, such as customer and employee surveys, community forums, and advisory boards. This feedback informs the hotel's CSR strategy, enabling them to adapt and prioritize initiatives that address urgent community concerns, thus strengthening their relationship with the local community and contributing to its overall well-being.

4.7 The opportunities of three and four star rated Hotels pursued while implementing CSR activities

Table 4. 6: the opportunities of three and four star rated Hotels pursued while implementing CSR activities

This table presents the mean, standard deviation (SD), percentage, and frequency values for each item and scale related to opportunities -Related CSR Initiatives.

Items		Level of agreement					Mean	Std. Deviation
		1	2	3	4	5		
Increases brand image and reputation	F	2	8	19	89	60	4.11	.847
	%	1.1	4.5	10.7	50.0	33.7		
Robust Hotel's growth and financial benefits	F	27	21	74	38	18	2.99	1.162
	%	15.2	11.8	41.6	21.3	10.1		
Increase the ability to attract, motivate and retain employees	F	35	24	24	62	33	3.19	1.409
	%	19.7	13.5	13.5	34.8	18.5		
Gaining competitive advantage	F	13	12	16	43	94	4.08	1.244
	%	7.3	6.7	9.0	24.2	52.8		
Cost saving advantage	F	56	42	50	23	7	2.34	1.165
	%	31.5	23.6	28.1	12.9	3.9		

Source: Questionnaire survey 2024

Table 4.6 presents an analysis of respondents' perceptions of various opportunities associated with Corporate Social Responsibility (CSR) initiatives in three- and four-star hotels in Mekelle City. The findings highlight areas of strength and potential gaps in how these initiatives are perceived and implemented.

The first statement, "**Increases brand image and reputation,**" received the highest mean score of 4.11 with a standard deviation of 0.847. A significant majority (83.7%) either agreed or strongly agreed that the hotels' CSR initiatives enhance their brand image and reputation. This indicates a strong positive perception among respondents, showcasing CSR's effectiveness as a tool for

strengthening the hotels' public image and reputation. The results suggest that brand enhancement is a clear strength of CSR initiatives in this context.

For the second statement, "**Robust hotel's growth and financial benefits,**" the mean score was 2.99, with a standard deviation of 1.162. The responses were more varied, with 41.6% of participants remaining neutral, 31.4% agreeing or strongly agreeing, and 27% expressing disagreement. This indicates mixed perceptions regarding the financial outcomes and growth benefits derived from CSR initiatives. The variability suggests that respondents either lack clarity on the financial implications of CSR or believe that these initiatives do not directly translate into measurable financial benefits for the hotels.

The third statement, "**Increase the ability to attract, motivate, and retain employees,**" revealed a mean score of 3.19 and a standard deviation of 1.409. Among respondents, 18.5% strongly agreed, 34.8% agreed, 13.5% were neutral, and 33.2% either disagreed or strongly disagreed. Despite the variability, more than half of the respondents perceived CSR initiatives as a tool for employee retention and motivation. This suggests that while CSR contributes to workforce satisfaction and engagement, there is still room to strengthen its impact in this area.

The fourth statement, "**Gaining a competitive advantage,**" scored a high mean of 4.08 with a standard deviation of 1.244. A substantial majority (77.0%) either agreed or strongly agreed, indicating a widely held perception that CSR provides the hotels with a notable edge in the market. This underscores the strategic value of CSR in differentiating the hotels from competitors and enhancing their market position.

The final statement, "**Cost-saving advantage,**" had the lowest mean score of 2.34 with a standard deviation of 1.165. A significant proportion (55.1%) of respondents either disagreed or strongly disagreed, while only 16.8% expressed agreement. This suggests that CSR initiatives are not widely perceived as a source of cost-saving advantages. The results imply that respondents see limited financial efficiency or direct cost reductions from these efforts, pointing to a potential area for improvement in aligning CSR activities with operational cost-saving strategies.

In conclusion, the analysis highlights key strengths of CSR initiatives, particularly in enhancing brand reputation, providing a competitive advantage, and contributing to employee motivation.

However, mixed perceptions regarding financial benefits and cost-saving opportunities indicate areas where hotels can further optimize their CSR strategies. By addressing these gaps, hotels can maximize the value of their CSR efforts for both the organization and the community.

4.8 challenges faced the three and four star rated Hotels while implementing CSR activities

Table 4. 7: The challenges faced the three and four star rated Hotels while implementing CSR activities

This table presents the mean, standard deviation (SD), percentage, and frequency values for each item and scale related to opportunities -Related CSR Initiatives.

Items		Level of agreement					Mean	Std.	Deviatio
		1	2	3	4	5			
Lack of financial resources	F	16	16	48	9	29	3.44	1.140	
	%	9.0	9.0	27.0	38.8	16.3			
Poor stakeholders' integration	F	22	11	57	61	27	3.34	1.183	
	%	12.4	6.2	32.0	34.3	15.2			
Limited awareness or training	F	11	29	33	48	57	3.62	1.257	
	%	6.2	16.3	18.5	27.0	32.0			
Lack of government support or regulation	F	5	15	27	58	73	4.01	1.076	
	%	2.8	8.4	15.2	32.6	41.0			
Difficulty measuring the impact of initiatives	F	7	6	12	65	88	4.24	.999	
	%	3.9	3.4	6.7	36.5	49.4			

Source: Questionnaire survey 2024

Table 4.7 presents the key challenges affecting the effectiveness of Corporate Social Responsibility (CSR) initiatives in three- and four-star hotels in Mekelle City, highlighting the levels of agreement, mean scores, standard deviations, and frequency distributions as perceived by respondents. The discussion integrates the findings for a coherent analysis of the barriers identified.

The first challenge, “**Lack of financial resources,**” received a mean score of 3.44 with a standard deviation of 1.140. Over half of the respondents (55.1%) agreed or strongly agreed that financial constraints significantly hindered the implementation of CSR practices. However, 27% of respondents remained neutral, suggesting some variability or uncertainty in perceptions about the extent of financial barriers. The findings indicate that financial limitations are among the most pressing obstacles for these hotels, impeding their ability to sustain effective CSR activities.

The second challenge, “**Poor stakeholder integration,**” had a mean score of 3.34 and a standard deviation of 1.183. While 49.5% of respondents agreed or strongly agreed that stakeholder integration was inadequate, a notable 32% remained neutral. This suggests a lack of clarity on the roles and contributions of stakeholders in CSR initiatives. The findings emphasize moderate concern about stakeholder involvement and highlight the difficulty in aligning stakeholder interests and fostering effective collaboration.

The third challenge, “**Limited awareness or training,**” emerged as a significant barrier, with a mean score of 3.62 and a standard deviation of 1.257. A substantial 59% of respondents agreed or strongly agreed that lack of awareness and inadequate training hindered the success of CSR initiatives, while 18.5% were neutral. This indicates a considerable gap in knowledge and skills related to CSR activities, underscoring the need for targeted training and awareness programs to enhance engagement and effectiveness.

The fourth challenge, “**Lack of government support or regulation,**” recorded a mean score of 4.01 and a standard deviation of 1.076. A majority of respondents (73.6%) agreed or strongly agreed that inadequate government support or regulatory frameworks posed a critical barrier to CSR implementation. This finding underscores the significant role of government policies and support systems in either enabling or hindering the success of CSR initiatives.

The final challenge, “**Difficulty measuring the impact of initiatives,**” had the highest mean score of 4.24 and a standard deviation of 0.999. A vast majority (85.9%) of respondents agreed or strongly agreed that assessing the outcomes and quantifying the benefits of CSR initiatives was a major challenge. This highlights widespread recognition of the need for effective evaluation mechanisms to measure the impact of CSR activities and guide future efforts.

In summary, the researcher realizes that financial constraints, stakeholder integration, awareness and training, government support, and impact in measurement are key barriers to the successful implementation of the three and four-star rated hotel's CSR initiatives. Among these, government support and impact in measurement emerge as the most critical concerns. Addressing these barriers will require strategic interventions, such as improving collaboration with government agencies, enhancing stakeholder engagement, providing better training and awareness programs, and developing robust monitoring and evaluation systems to measure initiative outcomes effectively.

Interview results of community leaders about the perceived impact of three and four star rated hotels CSR initiatives on the community as follow;

SCL1: *“As a community leader in Mekelle, I have observed that the Corporate Social Responsibility (CSR) activities of three- and four-star hotels have positively impacted our community's well-being. These hotels provide employment opportunities and support environmental conservation efforts, making the city cleaner and more sustainable.”*

SCL2: *“The CSR initiatives of local hotels have benefited our community through local sourcing, training programs, and sponsorships. These activities help strengthen our economy and improve residents' quality of life.”*

SCL3: *“These star Hotels in Mekelle engage in various CSR efforts, including environmental protection, job creation, and skill development. Their contributions foster economic growth and sustainability in our community”*

Therefore the researcher realized that Corporate Social Responsibility (CSR) activities by three- and four-star hotels have significantly contributed to the overall well-being of communities. Through different initiatives such as donations, development of different projects, and infrastructure projects, hotels have provided essential resources that improve access to education, public services and environmental sustainability.

Hotels' CSR initiatives have proven to be moderately effective in addressing key social issues Programs like scholarship funds for underprivileged students and skills training workshops have provided opportunities for personal and professional growth (Nguyen & Tran, 2021).

SCL2: *“The effectiveness of three- and four-star hotels' CSR initiatives in addressing key social issues in Mekelle such as education gaps, unemployment, and environmental sustainability has been good. However, efforts in internship, health, and environmental sustainability are commendable, there is no organized in terms of alignment with the community's specific needs and the sustainability of these initiatives. Therefore the effectiveness of these programs should depend on their consistency and alignment with the community's actual needs. For instance, short-term initiatives may not yield long-lasting results, whereas sustained partnerships with community stakeholders often demonstrate more significant impacts.”*

A study on CSR in Ethiopia states that the integration of ethical and social concerns into business strategies can enhance the effectiveness of CSR activities (Asfaw & Getachew, 2019). Therefore, a more strategic approach, involving continuous engagement with community stakeholders, could enhance the effectiveness of these initiatives.

SCL1 & SCL4: *“The three and four-star rated Hotel’s CSR initiatives have positively influenced the Mekelle's local economy by promoting job creation local residents, sourcing goods and services from local suppliers has stimulated economic activity and supported small businesses., encouraging tourism growth and income generation within the community. However, the overall impact on economic development could be amplified through more comprehensive and sustained CSR programs that focus on long-term economic empowerment and capacity building.”*

Smith *et al.*, 2019 stated that Hotels often prioritize hiring local staff, which not only reduces unemployment but also ensures that economic benefits remain within the community. Additionally, collaborations with local farmers and suppliers to source produce and goods for hotel operations contribute to increased income and market opportunities for local entrepreneurs.

SCL3: *“Hotels in Mekelle support local businesses and entrepreneurs by sourcing locally produced goods, offering marketing opportunities, and enhancing their competitiveness in the market.”* The researcher realized that hosting events of these hotels that promote local culture and products can further support entrepreneurs by increasing their visibility and market reach. Such collaborations not only boost the local economy but also strengthen the community's cultural heritage.

SCL1, SCL2 & SCL4, emphasized that these Hotels' Corporate Social Responsibility (CSR) activities in Mekelle have enhanced community sustainability and quality of life by implementing environmental initiatives like waste management programs, which promote ecological balance and raise environmental awareness among residents. Activities to reduce energy consumption and adopt sustainable practices within hotel operations set a positive example, encouraging broader adoption of sustainable practices. Besides, economic benefits from employment and support for local businesses have increased household incomes, enabling residents to achieve a better standard of living. However, to maximize these benefits, these hotels should engage in ongoing dialogue with the community to ensure that their CSR practices effectively address the most pressing needs and contribute to sustainable development.”

Therefore, the researcher realized that three and four star rated Hotels in Mekelle have bolstered community sustainability and enhanced quality of life through various environmental and economic initiatives. Their initiatives in waste management and energy conservation have fostered ecological balance and heightened environmental consciousness among residents. By supporting local businesses, these hotels have contributed to increased household incomes, thereby elevating living standards. To further amplify these positive outcomes, it is crucial for hotels to maintain continuous engagement with the community, ensuring that their Corporate Social Responsibility (CSR) endeavors effectively address the most urgent needs and promote sustainable development.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1. CONCLUSION

The study is attempting to explore the CSR initiatives of three and four star rated hotels link with local community in Mekelle city. This study's finding confirms that, the Corporate Social Responsibility (CSR) initiatives undertaken by three- and four-star hotels in Mekelle have shown contributions to the community's social, economic, and environmental well-being. The findings indicate that these hotels have made measurable contributions to the community's social, economic, and environmental well-being. However, while certain aspects of CSR initiatives have been successfully implemented, others require improvement to ensure a more holistic and sustainable impact. The CSR initiatives of three- and four-star hotels in Mekelle City exhibit both strengths and weaknesses across environmental, socio-cultural, and economic dimensions. While moderate progress has been made in energy efficiency through LED lighting, energy-saving appliances, and eco-friendly products, significant gaps remain in waste management, water conservation, and biogas utilization, necessitating better training, awareness campaigns, and consistent monitoring. Socio-culturally, the hotels have positively contributed by promoting local arts, heritage, and employee welfare, yet inconsistencies persist in supporting community development and infrastructure, highlighting the need for increased investment and stakeholder engagement. Economically, these hotels have demonstrated a commitment to local employment and sourcing, providing fair wages and benefits; however, inconsistent financial commitment and weak budgeting have limited the sustainability of these efforts. Addressing these challenges through structured planning, transparent financial strategies, and active community participation will enhance the long-term impact and sustainability of their CSR initiatives.

The study also found that CSR initiatives in these hotels are not always fully aligned with community needs. While commendable efforts have been made in offering employment and local sourcing, there is a lack of meaningful engagement with community members during the planning phase of CSR activities. Limited awareness and absence of strong partnerships with government agencies and NGOs further diminish the potential impact of these initiatives. To address this, hotels should adopt a participatory approach by conducting surveys, consultations, and establishing open communication channels with local stakeholders. Strengthening collaborations with government entities and NGOs will ensure that CSR initiatives are relevant, impactful, and sustainable.

The study also identified several challenges hindering the effective implementation of CSR initiatives, including financial constraints, poor stakeholder integration, limited awareness, and inadequate training. A lack of government support and difficulty in measuring CSR impact further exacerbate these barriers. Overcoming these challenges requires better financial planning, enhanced collaboration with stakeholders, stronger government involvement, and improved monitoring and evaluation mechanisms. Despite these challenges, the study highlights significant opportunities associated with CSR initiatives, including enhancing brand image, gaining a competitive advantage, and improving employee motivation and retention. However, uncertainty remains regarding the financial benefits of CSR efforts. To maximize these opportunities, hotels should implement structured evaluation mechanisms to measure financial outcomes, align CSR with business objectives, and enhance transparency in financial reporting.

Overall, the CSR initiatives of three- and four-star hotels in Mekelle City have made valuable contributions to social, economic, and environmental sustainability. However, to maximize their impact, hotels must adopt a more strategic and structured approach to CSR, ensuring greater alignment with community needs, increased stakeholder engagement, and consistent financial and operational support. By addressing these challenges and opportunities, these hotels can enhance their CSR performance and play a more significant role in sustainable development within Mekelle City.

5.2 RECOMMENDATIONS

5.2.1 Recommendations for Star-Rated Hotels

Star-rated Hotels can enhance their Corporate Social Responsibility (CSR) efforts through a multifaceted approach focusing on environmental, financial, socio-cultural, and stakeholder engagement strategies. Environmentally, hotels should adopt robust waste management systems, water-saving technologies, and biogas utilization, complemented by staff training and regular compliance monitoring. Financially, consistent budgets must be allocated for CSR, with these initiatives integrated in long-term strategic plans and evaluated for their economic and social impact. Socio-culturally, hotels have to increase support for community development projects by supporting infrastructure projects, social welfare programs, and cultural collaborations with local related institutions. Effective communication and stakeholder engagement are essential, achieved through participatory planning, regular feedback forums, and transparent reporting to ensure initiatives align with community needs and foster trust, so the hotels should Improve Communication and Stakeholder Engagement.

By implementing robust CSR strategies, star-rated hotels can enhance their brand reputation, attracting environmentally and socially conscious customers. These efforts foster stronger community relationships, leading to increased local support and loyalty. Financial sustainability is achieved through efficient resource management and long-term cost savings. Lastly, these star-rated hotels can gain a competitive edge, positioning themselves as responsible and forward-thinking industry leaders.

5.2.2 Recommendations for Government

To promote effective Corporate Social Responsibility (CSR) in the hospitality sector, supportive regulatory frameworks should be established, offering incentives such as tax reductions or grants for environmentally sustainable initiatives. Collaboration between hotels, NGOs, and community organizations must be encouraged by the gov.t to create holistic development programs, with a dedicated monitoring body ensuring compliance and measuring effectiveness. Additionally, training programs should be implemented for hotel managers and staff, focusing on CSR best practices, sustainability, social impact assessment, and community engagement strategies. These measures create an enabling environment for impactful and sustainable CSR initiatives within the hospitality industry. So, government should facilitate collaboration and partnerships and provide

training and resources with the Hotels to ensure the CSR sustainability and improve the positive impact on the local community.

5.2.3 Recommendations for the Community leaders

Active community participation is essential for the success of Corporate Social Responsibility (CSR) initiatives in the hospitality sector. Communities should actively engage in consultations and feedback mechanisms to communicate their needs, ensuring CSR programs address social, economic, and environmental priorities effectively. Collaboration with hotels can also leverage local expertise and resources by encouraging partnerships that promote the use of locally sourced goods and services. This approach not only fosters mutual economic benefits but also strengthens community-based entrepreneurship, creating a sustainable and inclusive growth model that benefits both hotels and the local population.

5.2.4 Recommendations for Other Stakeholders (NGOs, Academia, and Media)

Collaboration between academic institutions, NGOs, and media outlets can significantly enhance the effectiveness of Corporate Social Responsibility (CSR) initiatives in the hospitality sector. Academic institutions should partner with hotels to conduct research on local community needs, assess CSR impacts, and identify best practices, ensuring well-informed and targeted program design. Simultaneously, NGOs and media outlets play a crucial role in promoting awareness about CSR initiatives, highlighting successful efforts, and holding businesses accountable for their social and environmental responsibilities. This combined approach fosters transparency, encourages continuous improvement, and strengthens the overall impact of CSR efforts on community's wellbeing and the environment.

This study proposes that by adopting these targeted recommendations, star-rated hotels, government entities, community members, and other stakeholders can work collaboratively to enhance the impact and sustainability of CSR initiatives in Mekelle City. This approach aims to ensure that CSR activities deliver comprehensive social, economic, and environmental benefits for the region.

5.3. Directions for Future Research

This study is focused on evaluating the corporate social responsibility (CSR) initiatives of three- and four-star hotels in Mekelle City. Potential further research directions are mentioned below: These directions can provide more holistic and dynamic insights into CSR practices, contributing to sustainable the sector and community well-being.

- ❖ Future research could explore comparative studies of CSR initiatives in different categories of hotels across different towns, cities in Tigray or regions in Ethiopia. Such investigations would help identify best practices, uncover areal variations in CSR implementation, and provide insights into how local contexts influence CSR strategies. This would support the development of tailored and effective CSR approaches that address region-specific challenges and opportunities.
- ❖ Future research could extend the scope of this study by examining Corporate Social Responsibility (CSR) practices across all sectors within the hospitality industry, including guest houses, lodges, restaurants and all started non started hotels. This broader analysis would provide a more comprehensive understanding of how CSR is implemented throughout the hospitality sector. Such research could identify sector-specific challenges and opportunities, offer comparative insights, and contribute to the development of tailored strategies that enhance the overall impact of CSR initiatives in Hospitality.
- ❖ Future research could also delve deeper into understanding the perceptions of various stakeholders such as tourists, local communities, government agencies, and industry professionals regarding hotel CSR initiatives.
- ❖ Future research should focus on developing and utilizing comprehensive metrics or frameworks to effectively measure and evaluate the impacts of CSR initiatives. This would address the current challenges in quantifying CSR outcomes and provide a clearer understanding of their social, economic, and environmental benefits. Such advancements would enhance the precision and accountability of CSR activities, guiding stakeholders in improving their sustainability practices.

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Appendixes



Appendix: A

Questionnaire for Hotel employees

Dear respondent:

My name is *Gebreyesus Birhane*; I am pursuing a Master's degree in Hospitality Management at the Institute of Paleo Environment And Heritage Conservation, Department of Tourism and Hospitality Studies MEKELLE UNIVERSITY.

Therefore, as part of the requirement for the program, I am currently conducting my thesis entitled **“Assessing the social responsibility initiatives of three and four-star Hotels and their impacts on the local community, the case of Mekelle city”**.

Therefore, since you are selected as one of the respondents, you are kindly requested to fill out the questionnaire genuinely based on the given instruction in each part.

Moreover, I am kindly informing you that the purpose of this questionnaire is to collect relevant and sufficient information that will be only used to conduct this academic study.

Finally, I promise you that your answers are absolutely confidential and nameless. I respectfully request your kind cooperation and patience to respond carefully to each question considering the importance of my study.

Finally, I thank you in advance for your time and kind consideration in this matter.

General Instructions

- Please do not write your name in the questionnaires
- Put (√) marks to the alternatives that reflect your opinion.
- Please carefully understand and give your response to each question

With Hospitality regards!!

Gebreyesus Birhane

Mobile phone: +251930836728

Email: birhanegjesus1321@gmail.com

Appendix: B

Questionnaire for Hotel employees

Part one: Demographic information about the respondent

1. Sex: Male Female

2. Age: 18-25 years 26- 33 years 34-41 years 42-49 years over 50 years

3. Level of education: Elementary School High school complete TVET Certificate Diploma First Degree Masters and above

4. Year of service in the hotel: 2-3 year 3-4 years 4-5 years above 5 years

5. Star rate of the hotel you are working in: 3 star 4 stars

6. How long has the hotel been under service? 1-5 year's 6-10 year 11-15 years above 16 years

6. Your current position/ department at the Hotel_____.

Part Two: Questions aim to investigate the Economic, Social and Environmental corporate Social Responsibility initiatives of hotels and impacts on the local community. The possible degree of your agreement or disagreement is specified in five point Scales, ranging from Strongly Agree to Strongly Disagree.

5= Strongly agree	3= Neutral	2= Disagree
4= Agree		1= Strongly disagree

Statements		Level of Agreement				
		1	2	3	4	5
<i>Environmental initiatives</i>						
1	The hotel has implemented environmental strategies towards CSR.					
2	The hotel has implemented energy-saving measures to reduce its environmental footprint (e.g., LED lighting, energy-efficient appliances).					
3	The hotel has waste management practices in place, such as recycling or composting.					
4	The hotel uses in-house biogas for specific purposes					
5	Water saving mechanisms (Water reusing and recycling) are first priorities for the hotel.					
6	Strategies are implemented to encourage staff and clients to save energy.					
7	Purchase focuses on disposable and recyclable products and materials.					
8	The Hotel uses environmentally eco-friendly products (e.g. cleaning products).					
	<i>If any other specify below...</i>					

Statements		Level of Agreement				
		1	2	3	4	5
<i>Socio-cultural initiatives</i>						
1	The hotel has implemented socio-cultural strategies towards CSR to ensure the welfare and safety of its employees.					
2	The hotel promotes and it's design integrates local arts and heritages					
3	The hotel actively supports community development projects (e.g., donations, volunteering, sponsorships) and development of local attractions					
4	The hotel promotes local entrepreneurship/entrepreneurs and provide Internship trainees & hired when appropriate					
5	The hotel promotes local history, culture and traditions					
6	The hotel provides training and development opportunities to its staff to enhance their skills and career growth.					
7	The hotel engages in Corporate community projects, infrastructure and other social affairs					
<i>If any other specify below...</i>						
Statements		Level of Agreement				
		1	2	3	4	5
<i>Economic initiatives</i>						
1	The hotel has implemented economic strategies towards CSR.					
2	The hotel offers reasonable salary, fair wages and employment benefits to its employees.					
3	The hotel offers relative preference for local purchase, when appropriate					
4	The hotel offers relative preference for local employment					

5	The hotel prioritizes local sourcing of goods and services to support the local economy.					
6	The hotel has a regular budget for implementation of CSR strategies					
7	The hotel invests in improving the economic stability of the local community through its corporate activities.					
	<i>If any other specify below...</i>					

Statements		Level of Agreement				
		1	2	3	4	5
<i>Alignment of CSR Initiatives Your Hotel with Community Needs and Priorities</i>						
1	The hotel's CSR initiatives are designed to address the most pressing social and economic needs of the local community.					
2	The hotel has conducted surveys or consultations to understand the needs and priorities of the local community before launching CSR initiatives.					
3	The hotel's CSR activities align with the community's development goals, such as improving education, healthcare, or economic opportunities.					
4	The local community actively participates in or benefits from the hotel's CSR initiatives (e.g., community programs, and employment opportunities).					

5	The hotel collaborates with local government or community organizations to ensure its CSR initiatives are relevant to community needs.					
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PART THREE: interview questions for community leaders Perceived Impacts of Three- and Four-Star Hotels' CSR Initiatives on the Community in Mekelle city

1. In your opinion, how have the CSR activities of hotels contributed to improving the overall well-being of the community?
2. How effective are the CSR initiatives by hotels in addressing key social issues in your community?
3. How have CSR initiatives by hotels impacted the local economy?
4. How do hotels support local businesses and entrepreneurs through their CSR initiatives?
5. Do you think the CSR activities of hotels have contributed to community sustainability? Please provide examples.
6. How have CSR initiatives by hotels influenced the quality of life in your community?

Part FOUR: Questions are related to **OPPORTUNITIES** your Hotel pursued and **challenges/problems** your Hotel face while implementing corporate social responsibility. Tick on the most appropriate responses for you and your enterprise in the table provided.

No	Opportunities while implement corporate social responsibility	1	2	3	4	5
1	Increases brand image and reputation					
2	Robust Hotel's growth and financial benefits					
3	Increase the ability to attract, motivate and retain employees					
4	Gaining competitive advantage					
5	Cost saving advantage					

No	Challenges/ Problems while implement corporate social responsibility	1	2	3	4	5
1	Lack of financial resources					
2	Poor stakeholders integration					
3	Limited awareness or training					
4	Lack of government support or regulation					
5	Difficulty measuring the impact of initiatives					

If any other specify: _____

Part FIVE: Interview questions for Hotel managers

ALIGNMENT OF YOUR HOTEL CSR INITIATIVES WITH COMMUNITY NEEDS AND PRIORITIES

1. In your opinion, how can your hotel's CSR initiatives better align with the needs and priorities of the local community?
2. How does your hotel identify the needs and priorities of the local community?
3. What feedback have you received from stakeholders regarding your CSR initiatives?
4. In your opinion, what areas of CSR should be prioritized to better address the needs of the community?
5. How does your hotel gather feedback on its social responsibility initiatives?
 - Customer feedback
 - Community feedback
 - Employee feedback
 - No formal feedback system

If any other please specify:
