The Current Practice of Corporate Social Responsibility in Ethiopia

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Abstract

The responsibility of the organization for the impacts of its decisions and activities on the society and the environment, called Corporate Social Responsibility is evolving investment approach aimed mainly to contribute for sustainable development and welfare of the society. CSR is being integrated with economic and investment policy of different countries and practiced in different modalities. In Ethiopia, literatures indicates that only limited local as well as international or multinational organizations have been practicing CSR in a fragmented ways. Accordingly, this research was aimed to examine the practice of corporate social responsibility in Ethiopia, specifically in Hilton Hotel located at Addis Ababa. Up on the nature and purpose, the research is led by qualitative approach. Key informant and in-depth interviews were used as main data collection techniques. In addition, document review and systematic observation were also used to get supportive data. In-depth interviews were conducted with beneficiaries whereas key informant interviews were employed with managers of organizations. Totally 20 research participants: four employees, four key informant interviewees, and twelve beneficiaries were participated in this study. Purposive sampling technique was used to select the research participants based on the predetermined objectives of the research. The finding of the study shows that Hilton Hotel has several corporate social responsibility programs (CSR) in relation to employees support, community service, environmental protection, and customer handling. Provision of health insurance, freedom of associations for labor, facilitating continues skill based training, support to local NGOs, offering scholarship opportunities, and providing charity and other emergency support are some of the involvements Hilton Hotel has made through its CSR program. This research concluded that though there are several CSR made by the hotel but these have been made without regular budget as well as working procedures.

Keywords: Corporate, Social responsibility, Corporate social responsibility, Hotel
1. Introduction

There are many who have investigated the effects of globalization and global capitalism. In the commencement most people viewed the globalization as the best system with regard to contributing to wealth creation. But in the mid 1990’s, the breakdown of the system, like the huge income gaps between nations, was beginning to become obvious. The debate has been concerned with the need for a strong and moral ecology which reflects the wider social and cultural customs of society. For this ecology to be developed there is a need for support, not only from governments, but from all actors, not the least from the private business sector (Kassaye, 2016).

The development of what names a responsible global capitalism that should not be considered as an ending in itself, but as a means of social transformation of societies to create improved life for its citizens. This process has been named in different ways but later called Corporate Social responsibility (Dunning, 2014). Corporate Social Responsibility (CSR) is set of processes, customs, policies, laws and institutions affecting the way a corporation (company) is directed, administered and controlled. CSR has the potential to make positive contributions to the development of society and businesses. More and more organizations are beginning to see the benefits from setting up CSR program. The CSR progress is spreading over the world and in recent years a large number of methods and frameworks have been developed, the majority being developed in the West (Kassaye, 2016).

The last 23 years have borne witness to a radical change in the private sectors relationship with both the state and civil society. Firms have been increasingly called on to adopt strategies beyond the financial aspects of the operations and consider the social impact of their business activities. In this context, many companies have modified their policies and activities and engaged in to corporate social responsibility. According to Aamir (2008) CSR is 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 benefited from combined activities related to legal, ethical, economic and philanthropic (Aamir, 2008). From the 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 (Aamir, 2008). For the purpose of the study, this definition is going to be used. CSR is most common in developed country which has been and even integrated with the economic policy of different countries. To enhance our understanding of corporate social responsibility and its influence on community development, research must focus on the specific politics and activities through which managers try to implement a theoretical commitment to social, environmental and economic goals. Therefore, the aim of this research is to examine the current practice of Corporate Social Responsibility in Ethiopia, particularly in the hotel industry.

1.1 Statement of the Problem

The numbers of firms do own business but contributing to the nearby society can help to safeguard the business, the firm and the name too. Most of the business, organizations target the community around them as if they don’t help them. During the time of collapse or
bankrupted, firms suffer with no supporters. Therefore, all the inside and out of the organization must be safe and transparent in order to run it well (Veal, 2008). Community involvement can result enhanced public relations (Detwiler, 2005). A good reputation can draw new customers and workers help to raise staff morale (Wood, 2010). Doing business with companies that have good corporate social responsibility reputations is becoming a preference for many consumers (Tony, 2009). Many companies’ corporate social responsibility efforts, however, are less than effective because they do not take in to consideration their goals and strategies and instead are generic and fragmented activities (Porter & Kramer, 2006).

Many of the corporate social responsibility programs are simply public relations campaign that do not necessarily have anything to do with how the business is operated (Cornel & Mihaela, 2010b). Other corporate social responsibility programs involve business as usual without concern for social issues and then charitable donations made to cause deemed worthy. Companies are feeling pressure from activities, customers, employees, and governments to be socially responsible, and while they understand the need to report on their corporate social responsibility activities, many of their corporate social responsibility efforts are not integrated in to their core business activities (Lee & Park, 2011).

Enquiries conducted on corporate social responsibility of firms and organizations internationally indicate that the understandings and practices of corporate social responsibility are related to the social and cultural lives of the people. However, the researches related to CSR in African case is not investigated in well manner, even available studies are conducted in multinational company that are found in African. Cheruiyot and Maru (2012) and Hailu, and Nigatu (2015) indicate the low level of study of CSR in African context. Similarly, in Ethiopia researches concerning the concept and practice of corporate social responsibility from different business context are very limited.

Tewelde Mezgebo (2013) and Kassaye (2016) examined the general context of CSR in Ethiopian perspective; Asemamaw Tilahun (2011) studied the contribution of Corporate Social Responsibility to Sustainable Environment Management. In addition, Rajasekhara, Moulty, Potluri and Zelalem Temeseg (2008) studied the attitude of Ethiopian corporate towards CSR. Tibebe Sirak, Vida Botes and Lula Mengesha (2017) researched the role of NGOs in corporate environmental responsibility practice in Ethiopia.

Those enquiries are focused on the general situation of CSR. Others still focused issues that are related to CSR but most of them are restricted to large corporations called multinational corporations. Researches are limited in Ethiopia to see the practice of Corporate Social Responsibility in different business setting. Up on this research gap, the focus of the research is to examining the current practice of corporate social responsibility in hotel industry.

1.2 Research Objective

The general objective of this research is to explore the practice of corporate social responsibility by Hilton hotel in Addis Ababa. In order to achieve the general objective, the following specific objectives are set:

1) Explore the current practice of Corporate Social Responsibility made by Hilton Hotel
2) Investigate the contribution of Hilton Hotel in Addis Ababa to the community development

3) Examine the implementation of corporate social responsibility for community development

4) Assess corporate social responsibility policy, strategy and program of Hilton Hotel

2. Research Methodology

2.1 Research Method
Philosophically this research is relied on qualitative approach which basically presumed that reality is subjective, assuming the fact that the research subjects or participants have unique and contextual idea about the issue. Crow and Semmens (2006) forwarded that constructivist approach is focused on studying a phenomenon as it occurs in its natural state. Moreover, Mack, et al. (2005) stated that qualitative research is culturally specific and produces contextually rich data. In order to select the study area, Hilton Hotel, the researcher has tried to observe institutions that have been engaged in community development activities called corporate social responsibility. Accordingly, Hilton Hotel is found to be the focus because it has been practicing and delivering several corporate social responsibly activities with employees, management members and other stakeholders. As a result, research participants were from the employees, community dwellers, management members, and other beneficiaries.

2.2 Sampling Method and Technique
The researcher used non-probability sampling method, specifically, purposive sampling technique. Initially Hilton hotel was selected purposively associated with CSR activities. In addition, the research participants and key informant interviewees were also selected purposely to get pertinent information. Twelve beneficiaries, four employees and four key officials of the hotel total of 20 informants were interviewed. To determine the size of the sample, the researcher reviewed the experience of other national and international qualitative enquires in that most of them used between 10 and 25. In addition, known researcher like Croswell (2007) suggested that the number of research participants in qualitative research could be between 5 and 25. These participants were from management members, the employees and the beneficiaries. The researcher basically was curious about data saturation; the number of interviewees was not rigid rather.

2.3 Method of Data Collection
In-depth interview, key informant interview, secondary document review and systematic observation were the main data collection techniques. Key informant interview was made with key informants of officials whose job is directly related with CSR programs/projects. To get holistic information about the practice related with corporate social responsibility made by Hilton hotel at Addis Ababa the top management, the leaders of CSR organizations, leaders of the staff union and the stakeholders were included in the interview. On the other hand in-depth interview was employed to collect data on corporate social responsibility from employees as well as beneficiaries. In depth interview was employed to understand the engagement level of corporate social responsibility activities. In addition, observation was also used to examine how the hotel is undertaking corporate social responsibility. The life
style of the beneficiaries and how they have been benefited from the service was examined by direct observation. *Semi-structured interview check list* was developed in consistent with research objectives and issuing aiming to answer the research questions.

### 2.4 Method of Data Analysis

This research used thematic data analysis technique. Based on the research questions, transcribed data was reduced in to themes and analyzed accordingly. According to Dawson (2007) thematic analysis is used if the research is inductive; the themes emerge from the data and are not imposed upon it by the researcher. The research participants’ response is considered to develop themes, information gathered from different unit of observation was analyzed to explain and get full information of the research topic. Baxter and Jack (2008) mentioned that in case study, data from multiple sources are then converged in the analysis process. Each data source contributes to the researcher’s understanding of the whole phenomenon and promotes a greater understanding of the case.

### 3. Empirical Researches

#### 3.1 An Over View of Corporate Social Responsibility

The definitions of CSR vary and selected definitions are illustrated as follow. Mitihell and Wood (1997) define corporate social responsibility as it is concerned with treating the stakeholders of an organization or institution ethically or in a responsible manner. Ethically or responsible, 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 business 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 in to one and defines Corporate Social Responsibility as 'A concept where by 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 in their interaction with their stakeholders on a voluntary basis' (p. 6). Brotherton (2009, p. 3) also provides a broader definition to the responsibilities of organizations (not limiting the scope to the social aspect only) as: "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.

According to Cornel & Mahaele (2010a: p. 116), CSR is also described as the responsibility of organizations for the environment around them, 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 on quality, price and uniqueness but on how cumulatively, they interact with organizations 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 benefited 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. For the purpose of the study, this definition is going to be used. 

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 member 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 that the economic dimension of CSR as the way in which resources for the production of goods and services distributed within the social system. In connection to Wood's statement, social responsibility encompasses many aspects regarding the way in which organization’s economy affected by competition, customer preferences, employees handling, community at large and environment. Thus in view of Degeorge (1990, p. 269), the economy is affected by the economic power of organizations in relation to resources and the control of products 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 might deplete resources and harm society by focusing only on their own economic interest (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, philanthropic dimension offers mainly four benefits to society. First, the philanthropic dimension improves the quality of life. In addition, helps the community to become an environment suitable for doing business and raising children that attract consumers and
employees. Secondly, reduces the size of government involvement in charity, offering help to people with legitimate needs. Thirdly, increases the staff leadership ability. Fourthly, the philanthropic dimension builds the staff's moral to work with the organizations which involve in the philanthropic activities. Since employees are part of the community, they are beneficiary from such activities.

A certain degree of transparency leads to the cultivation of an education, active and loyal public. Dialogue with interested groups can generate innovation and increase competitiveness. Generally, social expectations and consumer requirements can become marketing opportunities and community needs can turn in to business opportunities (Belal & Momin, 2009, p. 134). Corporate social responsibility in view of Robertson (2009, p. 16), is a key concept of business ethics and is a moral concept which coagulates both the idea of private virtues involved in this sphere of life (fairness, reciprocity, mutual interest, utility) and the idea that there are social and moral skills and availabilities in the organization.

Ethical responsibility requires that community and firms do everything that is just, fair and equitable even if these attitudes are not covered within a legal framework. In today's rapid change of business, ethics and responsibility are also very important in the globalization process, considering the multiculturalism that exists and operates across various international markets. Heinz, (2009, p. 5) refers that corporate social responsibility (CSR) has become a buzzword in mainstream hotel profession. CSR stands for a whole range of concepts hotel organizations embrace to make Hotel business sustainable and fit for the future. However, Lee and Park (2011, p. 109), indicate that still lots - have to be done in order to fulfill the dimension and to overcome the challenges of corporate social responsibility. The actions undertaken by organizations are often incoherent and their CSR programs are frequently convoluted and nontransparent. In this regard, the hotel industry is facing the challenge and the action towards this problem is lagging behind. The existing situation in hotel industry requires deep study to find out the solution to the problems.

3.2 Social Responsibilities in the Hotel industry

Miller (2010, P.12), states that hotel is a powerful industry for economic development in least developed countries (LDCs) such as Spain, Malaysia Tunisia, Morocco, Ethiopia. Gross revenues from hotels in are increasing by 9.5 per annum (United Nations world Tourism Organization, 2013). Hotel business is the service industry that shows growth of trade, flowing from the developed countries to the poorest nations. Forty-one of the so 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 be benefited in the form of revenues. This is also evidenced from 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 hotel business. Thus, corporate social responsibility contributes to the increase of revenues for hotels since they are the main actors for the hotel economy.

According to Terungwa (2011, p. 19), giving attention and including the social and environment issues in the economy has many benefits. Giving attention and including the
social and environmental issues leverage the power of the market place, captures the rising interest in social entrepreneurialism and taps new cutting-edge sources of venture philanthropic capital. In this connection Miller (2010, p. 9), pointed out that national tourism strategic planning should be focused on preserving primary tourism attractions such as historical, natural and cultural properties and creating viable tourism development such as accommodation availability of transport, protected game parks, provision of skilled human resource and infrastructure in the country.

With regard to ethics, Constanta (2009, p. 163), explained that the World Tourism Organization which in 1999 approved the Global Code of Ethics for Tourism had an important contribution in the hotel industry. The code aims to protect the world's natural resources and cultural heritage against disruptive tourist activities and to ensure a fair and equitable sharing of benefits arising from hotel business with the residents of community destinations. Cornel and Mihaela (2010a, p. 145), suggests that the application of the principles of sustainable development in the hotel industry requires the implementation of "cleaner production" and corporate social responsibility. The concept of "cleaner production" involves organizations environmental assessment, evaluation and optimization of the material flow, the improvement of energy efficiency, the purchase of 'green' products and services, waste management and the recycling and monitoring of environmental indicators.

The achievement of a sustainable hotel Business must be subordinated to national and regional plans for economic and social development. Actions may cover economic, social, cultural and environmental purposes. Economic activities include income growth, diversification and integration of activities, controlling, stimulation and development zoning, social activities encompasses poverty and improving income distribution inequality, indigenous social and cultural heritage protection, participation and involving local communities. Cultural activities cover ensuring cultural integrity and social cohesion in the community (Brotherton, 2009, p. 27).

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 fulfill the gaps. It also in supporting what is required for and a good means for the hotel to build good image and promote partnership.

3.3 Theories of CSR

In the field of CSR there are a number of theories emerged and developed through time. Concerning theories and approaches of CSR Secci (2007) and Garriga and Mele (2004) analysis is boldly presented. Secchi (2007) has come up with a group of theories based on a criterion what role the theories confer to the corporation and society. The theories are as follows: 1) The utilitarian theory, 2) The managerial theory, and 3) The relational theory. On the other hand, Garriga and Mele’s (2004) analysis maps CSR into four types of territories. They are: 1) Instrumental theories, 2) Political theories, 3) Integrative theories, and 4) Ethical theories. Detail has been made below based on emphases and approaches.
A) Utilitarian Theories

In the utilitarian theories the corporation serves as a part of the economic system in which the function is mechanical i.e. traditionally known as in profit maximization. CSR ideas emerged after a realization that there is a need for an economics of responsibility, embedded in the business ethics of a corporation. Hence, the old idea of *laissez faire* business gives way to determinism, individualism to public control, and personal responsibility to social responsibility. Utilitarian could also be taken synonymously with instrumental theories (Garriga and Mele, 2004; Jensen, 2002) in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results.

Instrumental theories were also based on the basic idea about investment in a local community in which Friedman (1970) strongly stated earlier that the investment will be in long run provide resources and amenities for the livelihoods of the people in the community. The utilitarian theories are related to strategies for competitive advantages. The proponents of these theories are, for instance, Porter and Cramer (2002) and Litz (1996) who viewed the theories as bases for formulating strategies in the dynamic usage of natural resources of the corporation for competitive advantages. The strategies also include altruistic activities that are socially recognized as instruments for marketing (Maimunah, 2009).

Secchi (2007) further divides the utilitarian group of theories into two, namely, the social costs of the corporation and the idea of functionalism. The social cost theory has a basis for CSR in which the socio-economic system in the community is said to be influenced by the corporate non-economic forces. It is also called instrumental theory (Garriga & Mele, 2004) because it is understood that CSR as a mere means to the end, which leads to the fact that the social power of the corporation is materialized specifically in its political relationship with society. The utilitarian theory, therefore, suggests that the corporation needs to accept social duties and rights to participate in social co-operation. Within it, the functionalist theory, specifically advocates that the corporation is seen as a part of the economic system, which one of the goals is profit making. The firm is viewed as an investment, and investment should be profitable to the investors and stakeholders. Putting it from the internal point of view of the firm, CSR was coined as a defense tactic of the industrial system against external attacks because there needs a balance between profit making and social objectives for the economic system’s equilibrium.

B) Managerial Theory

Secchi’s (2007) analysis further stresses the logic of managerial theory that emphasizes corporate management in which CSR are approached by the corporation internally. This makes the difference between utilitarian and managerial perspective of CSR. This suggests that everything external to the corporation is taken into account for organizational decision making.

Managerial theories have been divided into three sub-groups: 1) Corporate social performance (CSP); 2) Social accountability, auditing and reporting (SAAR), and 3) Social responsibility for multinationals.

CSP aims to measure the contribution the social variable makes to economic performance. Thus, the problem is that of managing the firm considering social and economic factors together. It is based on the assumption that business depends on society for its growth and sustainability. CSP of a corporation is further sub-divided into five dimensions in order to keep detailed information about its existence in the corporate chains: 1) Centrality measures the way CSR is
compatible with mission of the core goals; 2) specificity gauges the advantages CSR brings to the corporation; 3) pro-activity that measures the degree of reaction to external demands; 4) voluntarism that accounts for the discretion the firm in implementing CSR; and 5) visibility refers to the way the responsible behavior is perceived by community of stakeholders. As conclusion, the managerial theory generates interests in the sense that CSR considers socio-economic variables to measure firms’ socio-economic performance, as well as to link social responsibility ideology to business strategy. Secchi (2005) further elaborates that SAAR are strictly related to social performance contributions through accounting, auditing and reporting procedures. SAAR means a firm accounts for its action. By doing so, firms are controlled and regulated in their actions towards performing their core business while responsible to the relevant community.

The three activities are separate managerial activities but they are interrelated to each other. All these contribute to the socially responsible behavior of a firm, which finally measures the corporations’ activities that have social impact. Firms are involved in SAAR activities for communication needs, to have better stakeholder involvement and for discloser concerns.

CSR for multinationals (MNCs) grows as a result of global competitions and challenges they faced. This aspect of managerial theory comes into being as a result of the responsibility the managers have to shoulder by defining useful tools about the CSR for the MNCs to survive in foreign countries. Donaldson (1989, cited in Secchi, 2007: 359) refers to the MNCs as ‘moral agents’, analyzed on the basis of the moral values when managers make decision in the firms, going beyond profit maximization. The logic of CSR for MNCs is also derived from the fact that when cultural clashes become relevant due to events such as protests, demonstrations, boycotts, strikes and other negative actions against the employers. The answer to these actions is the formulation of ‘code of conduct’ that should be adopted by MNCs. The success of this initiative, however, depends on client expectation and corporate reputation; the level of trust, acceptance, and cooperation shown by the stakeholders and community of workers.

Managerial theories are also strongly related to political theories based on the conceptualization by Garriga and Mele (2004) (see Table 2) and supported by Wood and Lodgson (2002) as well as Detomasi (2008). They stress that social responsibilities of businesses arise from the amount of social power a corporation has and the corporation is understood as being like a citizen with certain involvement in the community. The origin of the political power of CSR is based on Davis’s (1960) idea who proposed that business is a social institution and it must use power responsibly. It is also noted that causes that generate the social power are from inside and outside of the corporation. Detomasi (2008) further argued that strategies firms choose to adopt CSR initiatives are conditioned in part upon the domestic political institutional structures present in the home market. Political theories further demonstrate the links between economic globalization pressures felt by the companies, domestic political structures where the companies are in, and CSR policies.

Managerial theories are also covered under the integrative theories of Garriga and Mele (2004), namely, the entities of public responsibility and corporate social performance.
Public responsibility stresses on law and public policy process that are taken as a reference for social performance, while corporate social performance searches for social legitimacy relevant to social issues.

C) Relational Theory

Relational theory has a root from the complex firm-environment relationships. As the term implies, interrelations between the two are the focus of the analysis of CSR. Relational theory is further divided into four sub-groups of theories: 1) business and society; 2) stakeholder approach; 3) corporate citizenship; and 4) social contract. Business and society is proposed to mean ‘business in society’ in which CSR emerges as a matter of interaction between the two entities. One of the measures of CSR is the development of economic values in a society. Another is a person’s obligation to consider the effects of his decision and action on the whole social system. Stated in the form of a general relationship, social responsibilities of businessmen need to reflect the amount of social power they have.

Stakeholder approach has been developed as one of the strategies in improving the management of the firm. It is also said as a way to understand reality in order to manage the socially responsible behavior of a firm. The stakeholder approach further considers a firm as an interconnected web of different interests where self-creation and community creation happen interdependently; and individuals behave altruistically. Based on Garriga and Mele’s (2004) analysis, stakeholder approach is both within the integrative and ethical theories, where the former emphasizes the integration of social demands and the latter focuses on the right thing to achieve a good society. These are supported by the work of Mitchel, Agle and Wood (1997) where balances among the interests of the stakeholders are the emphases; and the work of Freeman and Phillips (2002) that considers fiduciary duties towards stakeholders of the firms, respectively.

Stakeholder Theory in CSR: Edward Freeman (2004), the founder of stakeholder theory, described a stakeholder of a company: “A stakeholder in an organization is … any group or individual who can affect, or is affected by, the achievement of the organization’s objectives”. Stakeholders are those groups without whose support the organization would cease to exist in group or individual or in groups. From this definition we can get a lot of individual or group considered as the stakeholder of an organization. These stakeholders include managers, employees, customers, shareholders, investors, suppliers, society at large, local community government, environment, and the future generation as well. Based on the above listed stakeholders; stakeholder theory emerged in the business sector. For much of the twentieth century, the academic community has explored the wider impacts of business it also continued in the 21st century. Stakeholder theory systematically analyses the impacts that companies (and all kinds of organization) have on those who ‘affect them or are affected by them’. For companies, the term ‘stakeholder’ therefore typically includes consumers, suppliers, shareholders, staff and others. It has also become central to almost all practical approaches to organizational responsibility.

The theory is emerged in the business sector in the mid-1980s due to the publication of Edward Freemans (1984): Strategic Management: a Stakeholder Approach in the academic literature. According to Freeman every corporation has complex involvements with stakeholders who have an interest in its actions and outputs. Thus, managing and involving
the stakeholders in the day to day business operation is very important for the success of the organization and the stakeholders as well (Hailu and Nigatu, 2015, p. 2).

Corporate citizenship of the relational theory strongly depends on the type of community to which it is referred. It is a path that a corporation may take to behave responsibly. Fundamentally, it is about the relationship that a corporation develops with its stakeholders, and therefore, the former has to continuously search for engagement and commitment with the latter. Corporate citizenship based on Garriga and Mele’s (2004) analysis is an approach used under the integrative and political theories and this is supported by Swanson (1995) and Wood and Lodgson (2002), respectively.

Finally, the social contract theory of the relational group refers to the fundamental issue of justifying the morality of economic activities in order to have a theoretical basis for analyzing social relations between corporation and society. Hence, CSR is derived from the moral legitimacy the corporation achieves in the society and understanding about CSR is contained in the justification of social actions that legitimize the behavior of the corporation. Garriga and Mele’s (2004) analysis puts the social contract theory under the group of ethical theories, the approaches of which include universal rights (UN Global Compact, 1999) and sustainable development (WCED, 1987; Korhonen, 2003). Both approaches of CSR are based on human rights, labor rights and respect for the environment.

4. Research Findings

4.1 Background of the Study Area

Hilton hotel is located at Addis Ababa, capital city of Ethiopia. Hilton Hotel is established in 1940s owned by the government which is located in a hub of international diplomacy, just 15 minutes from Bole International Airport. The hotel is also close to United Nations Economic Commission for Africa, the African Union and many of the city's most popular attractions. As mentioned by vice manager of the hotel, Hilton Addis Ababa offers range of services. Hilton Addis Ababa was designed to mirror the famous Lalibella Cross. Hilton Hotel has total of 900 employees of which 650 are permanent and 250 are temporary employees. Interims of gender, about 35% employees are female whereas the rest 65% are male.

4.2 The Practice of Corporate Social Responsibility

Despite the fact that programs and projects lack standard procedure, rule and time frame, this research has come up with evidence that Hilton Hotel has several corporate social responsibility activities implemented in different ways with different beneficiaries. The hotel has a responsible committee containing 10 members who were selected from different departments, named “Blue energy international committee,” which basically promote, supervise, implement and decide CSR related programs. Committee members are elected annually and have final authority to decide in any CSR engagement on behalf of the Hotel.

As per the information gathered from different departments of the Hotel including blue international committee which mainly is responsible to manage CSR related issue, four main themes concerning corporate social responsibility programs that have been implemented by Hilton Hotel are identified. These were: CSR related with employees, community, customer and the environment. The detail of each is made below;
4.3 CSR Related With Employees

According to the human resource manager as well as Blue energy international chief committee, protecting the health of the labor through continues checkup, provision of health insurance, protecting the safety of the labor through providing prevention methods like closing and other instruments for those who work related with chemicals and other hazardous activities including fire are among the most. The employees have freedom of associations including formation of labor union which helps to protect their right. In addition, the employees have been getting continues skill based training which is helpful not only for the current job but also important to be competent and confident with their future career.

Continues Skill based Training: according to the vice manager of the hotel, there are five categories of training that have been given to the employees progressively: new hire orientation training, on job training, refresher training, cross exposure training and leadership training.

1) New hire orientation training: type of training given for all fresh employees to introduce the general structure, rule, principles, objectives, mission and ethics of the hotel.

2) On-job training: training is mainly given separately for each department contextually. The trainers are from each respective department and the trainees get certificate.

3) Cross exposure training: training aimed to provide general knowledge of several departments to all employees. Every employee has got the chance to get cross exposure training. The trainers are mainly departmental trainers. As the name indicates, it is aimed to increase cross department knowledge of the employee. The basic assumption is that cross exposure training promote holistic knowledge of the employee so that everyone can do in every department as the need arise. Because the company assumes that in any emergency or absent case, anyone can do any activities irrespective of the department. Trainings related with service delivery system, skill, work place protocol, information security awareness, emergency procedures, problem resolution mechanism, and other are given. It reduces the impact of human resource shortage. The manager stated that at any time any labor can do any activity in any department due to cross exposure trainings.

4) Refresher training: is mainly given when something new is happen. This may be technology, or service delivery system, or any other else. In each department, the hotel has evaluation mechanism. Then based on the result, employees are given training in order to upgrade themselves and become competent to give standard services. Training facilitator mentioned that every employee get update as soon as any new information, technology or service delivery system is made. They have file sharing software in every computer.

5) Leadership training: There is a leadership training ladder in the hotel they want the employees to get. This training is mainly given for those employees who are active and potentially selected to be the leader or manager in the hotel. Training manager mentioned that Hilton Hotel gives the training up to a certain ladder of leadership by the respective managers. But finally the Hotel sends selected employees to take final leadership training in other outside international organizations. Two or three opportunities are given in very year. The training manager called this opportunity and the training “the passport of success”.

Employees also confirmed that they have been getting trainings regularly and when they
complete the training in each stage, they got certificate which they assumed support for their further career. Hilton Hotel has got its own department that facilitates all those trainings which is led by training manager together with other supportive staff members. The fact that all those trainings are designed to maintain the sustainability and profitability of the Hotel; the employees confirmed that they have been benefited from it. The training makes the employees more competent in order to deliver standard services for customer satisfaction which may result increasing the productivity of the Hotel that ensures the sustainability. Employees themselves stated that they are confident to get job anywhere else because of having several work experiences together with the certificate.

Employees’ health and safety: Hilton Hotel Addis Ababa has its own clinic and regularly serves the customers as well as the employees. Employees have health insurance and have been getting free medication. In addition, the working environment is made to be safe and conducive for the employees. Staff party which is assumed to strengthen employees’ interaction, and foster fast conflict resolution is prepared. It at large promotes and create good working environment through improved relationship among the staff members. Concerning conflict resolution mechanism, human resource manager stated that Hilton Hotel has open door policy which promotes any one to complain or report to any one he/she wants without bureaucracy. No procedure and restriction is made to claim for their right. They can access the general manager directly. There is a regular departmental meeting once in a month with the general manager so that issues or complains discussed and addressed.

Respecting the rights of employees: Human Resource Manager stated the Hilton Hotel respects employees’ freedom of association, the have labor union that bargains any labor related issues with the management. The union struggle and protects the right of the employees, argues over salary increment, service improvement, and other mistreatments that the employees encounter. The study identified that sometimes the labor union gets into conflict with the administration while it bargains or asks the right of the employees mainly when it comes to salary increment. Human resource manager also added that all labor rules and the cultural context of the employees are respected. Public holidays, weakened leave permission, permission for health related issues, pregnancy and delivery time leave, working hours, pension and other incentives are entitled for the employees. They mentioned that when any employee gets sick, he/she is visited by the staff members with some gifts such as basket fruits and/or flower to express their belongingness. Hilton Hotel also gives emphasis for some cultural holidays like Easter, and New Year: it provides special meal, and gives permission for the employees. But human resource manager reported that since the Hotel has international standard for which the management may not necessarily get attention in maintaining cultural contexts alone.

4.4 CSR Related With Community Development

Supporting local NGOs, providing hotel and tourism related training for educational institutions as well as other hotels, give scholarship opportunity for community members, promoting ethics and anti-corruption and providing different charity/emergency support are the main CSR practices implemented by the Hotel for the larger community.

Supporting local NGOs: as stated by manager, the hotel has been giving different types of support for local NGOs in different modalities, for instance, by the year 2017 Easter holiday
lunch service was given for about 300 beneficiaries at Mekedonia (organization that provide service for elders and individuals with mental health problems). In addition, CSR facilitators as well as beneficiaries from Mekedoniya also confirmed that Hilton hotel Addis Ababa annually donate used but cleaned bed sheet and scarps. In addition, lunch program has been given for about 1000 people for Cheshire Ethiopia almost every year. Besides, Muday, and other local non-government organizations have been getting support from Hilton Hotel.

Direct support for the needy: The Hotel gives support including money, stationary, food and clothes for orphan children. Providing immediate support in time of emergency, for example, for Koshe land slide happened by the year march 2017, cloth and food was donated timely. With the initiation of Blue Energy Committee member, by the year 2016 a visit was made to a public secondary school located around Megenagna area and support money to maintain the hall. The chief of the Blue Energy Committee stated that currently the hall is generating income from renting beyond the direct services of the school.

Soap for hope project: This project is mainly focusing on re-using soaps and providing for the needy community members. They collect soaps from each bed room early in the morning, add chemical to improve the sanitation and make clean, process using modern machine, and soap is reproduced in different design and size. Finally, it is distributed to the needy community members such as school and institutional care service givers. The following diagram shows the process of soap reproduction.

Promoting blood donation: Chief of Blue energy international committee stated that in collaboration with Red Cross, Hilton Hotel prepare annual blood donation scenario. Voluntarily, employees and regular customers are encouraged to donate blood. Interviewee from national blood bank, Blood Donors and Recruitment head officer confirmed that the hotel has been doing this assignment since 2015. There is a regular annual session with the help of the employees, customers and other nearby community dwellers and on average 65 unit of blood has been collected per year.

Training and other internship programs: Vice manager noted that students from different government Universities as well as colleges for field work practice has been placed. The hotel gives training concerning hotel and tourism for free; Especially ECT-Ethiopia College of tourism is the main beneficiary. Hilton hotel has been working together with universities, it receives monthly minimum of 20 students for practice form different Ethiopian universities. In addition, the Hotel invites students from preparatory school annually and gives information about hotel and tourism. This is just to give information about hotel and tourism industry which at the end may insist the student to join the sector when they join university. In the long run, it will help the sector to be improved.

Promoting youth leadership through training: Chief of blue energy international committee stated that there is a program called career day/youth day celebrated in every month of May each year. Annually in May, minimum of 100 youth are invited to visit the Hotel and get orientation from different departments. These students are from preparatory schools, colleges or universities. For example, last year students from Minilek II Preparatory School visited the Hotel which result encouraging student for their future career plus improve their view of the sector.
Scholarship opportunity: Vice Manager of the Hotel noted that internationally, Hilton Hotel has its own online university; accordingly, it gives free scholarship to all individuals in the community to which the employees as well as all community members can apply. Two or three scholarship is given every year. For example, by the year 2016/17 three potential interviewees were able to pass the international written entrance exam but couldn’t pass the final interview which was held in Kenya. Not only the vice manager but the employees also confirmed that they are invited to participate in the competition every year.

Inclusiveness and promoting positive values: equality and honesty: According to the human resource manager as well as vice manager of the Hotel, institutionally discrimination is highly discouraged not to be practiced in any form. Workers in Hilton Hotel are employed based on merit, relying on their qualification. Criteria are made that state minimum qualification required for each particular position. Hilton Hotel discourages any discrimination against disability. For example, human resource manager practically raised that one physically disabled individual who has just got the qualification was employed as like that of other. Right after the employment process, the Hotel has brought him special technology to support him in order to undertake his assignment effectively and efficiently. Concerning dishonesty, vice manager boldly mentioned the practice of anti-corruption as follows;

The Hotel always respects the principle of free market and always value competition based on the demand and supply market system. We don’t want to influence the normal balance of the market through brokers, corruption or any other mischief. We just announce advertisement to buy raw material or just collect Performa and by materials in a formal way.

Action grant program: This program promotes employee/s to engage in problem solving process of their community. Employees are granted to identify any major problem of the community and come up with feasible proposal that can possibly address the problem. If the proposal is feasible, they granted 5000$ to apply their proposal. It is open for all to submit their proposal throughout the year. Chief executive of Blue Energy international Committee mentioned that this program has promoted and increase the awareness level of the employees how to identify project idea concerning existing community problems. The chief executive of Blue Energy international Committee mentioned her experience as follows;

I personally have been preparing a project proposal on the area of environmental protection right after the initiative had announced. My general focus is on methods how to prevent environmental pollution due to poor waste management system. I have identified that in my community solid waste such as plastics have been affecting the environment more seriously. As a result, my plan is to recycle all plastic waste materials which will result in keeping the environment clean.

Respect for cultural events: Despite the fact that Hilton is an international hotel, it considers and provides special service concerning the local culture. For example, very unique and special food is prepared always for Easter holiday for all employees. Similarly, Ethiopia New Year is celebrated warmly. Human resource manager stated, as much as possible they respect the holidays of both Muslim and Christian communities.
4.5 CSR in Terms of Environmental Protection

Promoting and supporting greening program through planting trees, taking initiative of cleaning their environment in the community, promoting energy conservation, and reducing the impact of liquid and solid waste disposal by using technology are some of the CSR related tasks run by Hilton Hotel.

**Planting trees:** Chief of Blue International committee elaborated that planting trees was made at *Salite Mihiret* church. All the costs of plants as well as other labor cost were covered by the Hotel. In addition, in that day employees were mobilized to plant trees in the aforementioned area. They also become role models for all hotels through greening the area inside the Hotel. Beyond their surroundings, they annually take the responsibility and make clean nearby environments to the hotel in all directions.

**Earth week program:** this program is made to promote energy conservation. Internationally there is a program named earth hour which is made to sense the role of energy, water, and other environmental wastages. In these days, the Hotel uses candle for light, and all dinner programs are celebrated without light. The main aim is to show how to understand the purpose of energy in order to conserve water and reduce waste. This is not only made for the company rather this program is made to promote environmental protection for all people.

**Clean your plate program:** employees as well as managers added that clean your plate program is prepared to promote reduction of wastage especially in food. In fact, clean your plate program is considered throughout the year but there is one typical day that everybody, the staff members use his/her food wisely and appropriately without any wastage. All baskets reserved for solid waste disposal is not available in that day because everyone has to use it optimally without any wastage. According to the information obtained from the hotel, previously about 260 kg waste foods were disposed unwisely every day but through this program it has been reduced in to 60kg waste food per day. It is generally aimed to promote to the whole community than only for the staff members and customers.

4.5 CSR in Terms of Customer Protection

**Providing quality services:** In fact for the purpose of their marketing, the hotel hast give services as the client want and sometimes beyond their expectations. However, the hotel goes extra steps to keep the customer safe and feel protected. Hilton hotel has the motto of “we are here to help you make the most of your stay by offering the services you need, the amenities you expect, and the extras you deserve.” Keeping the interest of the customer, care for the dignity, providing as much as possible all types of service (including restaurant, parking and recreational service), providing medical and other emergency treatment, respecting and responding for their feedback, and providing standard service are the main principles of the Hotel up on which evaluation of the commitment of the employee has been measured.

Keep the interest as well as dignity of the customer: In Hilton hotel, customers are highly respected and their interest is always recognized. Whatever the type of fault happens intentionally or unintentionally, they care for the dignity of the customer. Immediate solution is made when a comment or feedback is given that may affect the interest of our customer. They keep the security safer, has welcoming hospitality as well as service, giving transport service to and from the airport, delivering cultural and standard service in every bed room,
and fulfilling their interest as much as possible.

Health service: Hilton hotel has its own clinic containing two nurses and other supportive staffs who give medical treatment in time of emergency and other first aid service. Another best example is, in the last year when Ebola was serious threat for all, Hilton hotel had played his role in supporting the government through preparing manual how to prevent and take action if identified. It was also made to protect the health of the labor as well as the customer. From the above explanations, Human resources manager argued that all those service have been given from not only expecting profit return but also from the assumption of any customer should get deserving services as they pay, even beyond that. However, employees and even vice manager showed that Hilton Hotel is seldom in providing appropriate service to satisfy the customer to the standard.

4.6 The Effect of CSR

Though the type of service is intermittent, Hilton Hotel’s contribution on CSR has made gap filling role for the community. Even though it has cost, chief of Blue Energy International committee mentioned that by doing those CSR activities, the Hotel has been getting better reputation by the customers as well as the community. There is low turnover of employees/labor, get suitable, safe, and green environment. The general manager also added that, “we are good in the eye of the service users/customer because CSR has the role of image building. We always assume that we get profit from the community and we should get back to the community in terms of CSR. This is our principle.” He again mentioned that their engagement in CSR make the relationship between the government and the company smoother. CSR programs increase the reliability, sustainability, competitiveness, and acceptability of the company. No complain or conflict of interest has been occurred in the community. As a result, these all increase the profitability.

4.7 Limitations of the CSR Services

Hilton Hotel has no any fixed and regular budget for CSR. This research identified that they engage in any community service randomly based on the assessment of Blue Energy International Committee. They just decide on the spot whether to budget or not. Blue Energy Committee members are sometimes depending on the principles and decisions of Blue Energy International. For example, Vice manager of the Hotel was asked about how they are going to make the CSR programs more sustainable and constant? He responded that the future program will be determined by the blue energy international, we can’t do anything by ourselves.

5. Discussion

The researcher has tried to see the relationship between the result of this research with existing evidences or literature. The discussion mainly focuses on examining the finding of the research regarding the current practice of corporate social responsibility of Hilton Hotel in comparison with previous experiences documented in the literature. To begin with the aim of CSR, Detwiler (2005), Wood (2010), and Tony (2009) noted that community involvement can result with enhanced public relations. A good reputation can draw new customers and workers help to raise staff morale. Doing business with companies that have good corporate social responsibility reputations is becoming a preference for many consumers. Similarly, this
research also found that the company, Hilton hotel has clearly pointed that their CSR activities have created more reputation and increase profitability as the result of CSR.

The current study noted that only few of the CSR activities practiced by the company are consistent in their performance and achievement, otherwise most projects are less strategic, more fragmented and intermittent without having regular budget. Aamir (2008) argued 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 benefited from combined activities related to legal, ethical, economic and philanthropic. Unlike, most corporate social responsibility programs of Hilton Hotel focus on charitable donations than strategic aspect.

Similarly, Porter and Kramer (2006), Redtord (2005), Cornel and Michaclaa (2010b) and Lee and Park (2010) stated that many companies’ corporate social responsibility efforts are less than effective because they do not take into consideration their goals and strategies and instead are generic and fragmented activities Many of the corporate social responsibility programs are simply public relations campaign that do not necessarily have anything to do with how the business is operated.

The finding of this research indicates that there are four main categories at which the Hotel has been implementing CSR: CSR interims of employee, customer, environment, and the local community. Garriga and Meles (2004) and Edward Freeman (2004) concerning Stakeholder theory or approach of CSR articulated that the stakeholder approach considers a firm as an interconnected web of different interests where self-creation and community creation happen interdependently; and individuals behave altruistically. Edward Freeman (2004), the founder of stakeholder theory, described a stakeholder of a company: any group or individual who can affect, or is affected by, the achievement of the organization’s objectives. Stakeholders are those groups without whose support the organization would cease to exist. Individuals or groups considered as the stakeholders of an organization include: managers, employees, customers, shareholders, investors, suppliers, society at large, local community government, environment, and the future generation as well. Similar with the assumption of stockholder theory, the Hotel has systematically analyzed and is practicing CSR due to the fact that the impact of those stockholders mainly regarding the profitability and reputation is significant. According to Freeman every corporation has complex involvements with stakeholders who have an interest in its actions and outputs. Thus, he assumed that managing and involving the stakeholders in the day to day business operation is very important for the success of the organization and the stakeholders as well.

6. Conclusion and Recommendation

6.1 Conclusion

This research concluded that the hotel has been implementing various corporate social responsibilities with different stockholders: community, employee, customer, and the environment. However, those methods of service delivery is not well organized which result less sustainability of the effect. CSR program and projects are not planned; no regular rules or standards as well as budget has been allocated to CSR projects rather decisions were made immediately. In addition, most CSR services were related with direct service provisions like
food and clothes. From the response of the interviewees, it seems that the company’s main objective of CSR service is to increase their reputation which they assume result to boost profitable. This is because of lack of supportive policies as well as rules and procedures that encourage the practice of CSR in the country.

6.2 Recommendation

In Hilton hotel, CSR programs have been implemented irregularly especially concerning community service. Preparing standard rule and procedure how and when to provide CSR Service, for whom the service should be given, and by whom the service is given by, and allocated regular annual budget could make the intervention effective and sustainable.

Though the Hotel has been implementing different CSR programs, the government has done nothing to recognize their effort. In order to increase the participation of other companies as well, recognizing and motivate the activity of the organization like Hilton hotel by the government could be more supportive.

As far as this researcher has tried to identify, so far, no any government office/institution has taken the responsibility to check up the practice of CSR. Lack of standard rules and procedures in particular and lack of policy framework in general results in the provision of intermittent practice of CSR. Institutionalizing of CSR practices by the government may encourage business organization to engage as well as promote the sustainability of the impact of CSR practice. As a result, provision of legal framework, preparing rules and procedures how to practice CSR including provision of privileges or incentives for those who practice CSR will be encouraging for the organization as well as for the community development.

The practice of corporate social responsibility in Hilton Hotel is intermittent, which affect the sustainability of the impact. Therefore, emphasize would be necessary to make the CSR projects more successful and sustainably providing long lasting effect on the life of the community and other stockholders.

Hilton Hotel generally provides different services and donations to the community when the company thinks intervention is needed without consulting the beneficiaries. However, to make the CSR practice more sustainable and to create visible results, it could be good if beneficiaries are consulted concerning what the service, how and which types of service or support should be given.

Information gathered from the interviewees showed that Hilton Hotel mainly engage in provision of basic necessities like food and cloth rather than empowerment programs. So to make the beneficiaries independent for their life, it would be good if the Company can focus more on empowerment services in order to sustain the life of the beneficiaries.

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