

Corporate Social Responsibility Dimensions in Building Corporate Image of Foreign Companies in Oromia Regional State, Ethiopia

Girma Negussie Hurrisa, Research Scholar, Department of Business Management, Osmania University, Hyderabad, India, girmehurre@gmail.com

ORCID ID: <https://orcid.org/0000-0002-3499-6585>

Professor Y.Jahangir (PhD), Research Guide, Department of Business Management, Osmania University, Hyderabad, India, jahangir.yjms3@gmail.com

Abstract - In the era of globalization, corporate social responsibility has become one of the critical issues that a business should incorporate into its operations as the consciousness of stakeholders increases from time to time. The study aimed at examining the role of corporate social responsibility dimensions in building the corporate image of foreign firms, focusing on the Oromia region of Ethiopia. In the meantime, the research used a 745-people as sample size, selected from local communities, employees of foreign firms, customers, and government officials using stratified random sampling through the use of questionnaires. Moreover, using structural equation modeling (SEM), the effect of ethical, philanthropic, economic, and legal responsibilities on corporate image was significant with a p-value < 0.001 ($\beta = -0.267$ and C.R = 4.34; $\beta = 1.626$ and C.R = 13.685; $\beta = -0.661$ and C.R = 6.194; $\beta = 0.528$ and C.R = 9.065), respectively. The effect of economic and ethical responsibilities on corporate image were negative. On the contrary, the effects of philanthropic and legal responsibilities on corporate image were positive.

Key words: *Structural Equation Modeling, Philanthropic responsibility, Local community and Foreign firms*

I. INTRODUCTION

Corporate social responsibility (CSR) has gained significant importance in corporate management in recent years on a global scale. Both in the commercial world and the realm of research, this interest has grown Kolk A. [19]. Companies are becoming more aware of the strategic advantages that result from incorporating environmental issues into their corporate social responsibility (CSR) initiatives. It entails the examination of the legal, ethical, moral, and social repercussions of their judgments by the present corporate managers and leaders Montazeri et al.[23].

According to Vertigans et al. [27], sustainable performance is the act of an organization carrying out its operations without having a negative impact on society or the environment. According to Phillips et al. [25], a sustainable business conducts its operations with consideration for the community's and the environment's welfare on a national and international scale. A company performs sustainably when it is socially and environmentally sensitive, prioritizes more than just its financial success, and keeps a close eye on how its operations affect both society and the environment. Such a firm can be seen as sustainable since it

helps to ensure the social and environmental security of the neighborhood where it operates, helping to create a climate in which the business can flourish. The idea of business sustainability has received a lot of attention from renowned academics and practitioners. The importance of sustainable business performance in a highly competitive economy, where environmental and social safety are also needed by suppliers or sellers along with the necessary goods or services, has been researched by researchers like Kim M. et-al [17].

Ecological sustainability, human capital development, community welfare, and ethical behavior are all examples of CSR activities Kim M. et-al [17] and Vertigans et al.[27]. In a similar vein, a company's reputation refers to how the general public views the company's performance as a result of CSR implementation from all four perspectives: the environment, society, employees, and consumers. Consumer perception of a company, which influences how they engage with it and the extent of its marketing, is known as a company's reputation. As a result, the company's enhanced reputation improves long-term business performance Kim J. [18]. The philanthropic and associated actions of a few large local firms and

multinationals are what led to the small practices Vertigans et al.[27]. A structured and properly coordinated approach frequently does not exist between the private sector and public agencies. A national corporate social responsibility policy and coordinating department are absent in the majority of nations. Even though laws and regulations exist, institutions lack the capacity and resources to oversee how well businesses are following them Vertigans et al.[27].

CSR is still in its infancy in sub-Saharan Africa Idemudia [13]. The philanthropic and allied actions of a few large local firms and multinationals are what led to the small practices Bock [5]. A structured and properly coordinated approach frequently does not exist between the private sector and public agencies. A national corporate social responsibility policy and coordinating department are absent in the majority of nations. Even though laws and regulations exist, institutions lack the capacity and resources to oversee how well businesses are following them Vertigans et al [27]. For promoting and ensuring CSR, there are no national-level codes or accountable organizations. Employee rights and HR-related issues are the main topics of CSR initiatives in the Kenyan floriculture sector Cheruiyot & Maru[6], Opondo [24].

This research focuses on the role of corporate social responsibility dimensions in building corporate image when choosing alternative CSR actions that are neither conceptually examined nor fully described by existing literature. Furthermore, while there is much research on CSR in developed nations, there isn't much data from a developing nation's perspective (Jamali D., Karam C. [14], Wahba H., Elsayed K., [28]. Studies on CSR are particularly lacking in low-income regions. The commercial agriculture sector's CSR guidance document and the Ethiopian floriculture industry's CSR code of practice adopted considerably broader criteria that addressed employee rights and human resources, corruption, sustainability, and environmental requirements MOA [22]. For growing CSR, there are no national-level codes or accountable organizations. Employee rights and HR-related issues are the main topics of CSR initiatives in the Kenyan floriculture sector Cheruiyot & Maru [6]. The commercial agriculture sector's CSR guidance document and the Ethiopian floriculture industry's CSR code of practice adopted far broader requirements addressing employee rights and human resources, corruption, sustainability, and environmental standards Abdurahman[1], MOA[22].

II. LITERATURE REVIEW

The influence of integrated variables on MNE decisions to select CSR methods with complex characteristics, however, is still largely unknown. There have been studies that integrate both internal and external variables that affect the ecosystem, such as Bansal Pratima's [4], Yin J's [31], institutional drivers for CSR by taking company culture and top management commitment into account, Dupire Marion

and M'Zali Bouchra's [9], study on CSR strategies in response to competitive pressures. They concentrate on the internal and/or external influences on a particular CSR component.

According to Kabir et al. [15], large corporations have linked their CSR efforts to the sustainable development of their local communities and funded projects relating to education, skill development, environmental preservation, and social and economic progress. The local government actively encourages commercial organizations to invest in the development of their community through corporate social responsibility. The broad-based Black Economic Empowerment Score Card, which includes ownership, management, employment equity, skill development, preferential procurement, enterprise development, and socioeconomic development, is used to evaluate how well each company is implementing CSR. This score card allows businesses to gauge their level of implementation and ensure that they are in compliance with the Black Empowerment Transformation Initiative.

Afsar, Al-Ghazali, Rehman, & Umrani[2], Bock, Zmud, Kim, & Lee[5], Han et al.[11], Wang & Han, [29], state companies and their ecologically friendly climate can encourage internal and external customers' favorable views toward sustainable behaviors and promote action of such behaviors. Employees are more likely to engage in eco-friendly practices that fulfill the organization's green expectations when a company makes a variety of responsible efforts for environmental preservation Lee et al.[20].

According to Wahba H.[28], the firm's ability to develop a competitive edge in the green market depends on the strength and quality of its corporate image. They further stated that in order to achieve sustainability, businesses must put in enough effort to build a green corporate image. CCI was defined as a corporate social initiative arrangement by Yekini, Adelopo, and Adegbite [30]. Businesses must modify their operations in response to the ethical pressures of the markets in which they compete and pursue green competitiveness through green image building. In the same way, customers are more likely to engage in pro-environmental consumption behavior when a company undertakes various environmental CSR initiatives Han, Yu, & Kim [12]. There is little doubt that a company's CSR efforts for the environment increase its reputation and customers' favorable attitudes toward the company's goods and services Wang & Han[29]. According to Kim B., Lee, and Kang's [16] hypothesis, corporate social responsibility activities significantly affect a company's reputation within the context of tourism. According to Lee, Kim, and Ham [21], CSR has an impact on brand image and trust. Therefore, it is clear from both an empirical and theoretical standpoint that CSR programs may be more effective in improving the corporate image if stakeholders evaluate

them positively. Therefore, based on the preceding studies, four corporate social responsibility components that we suggest for the following hypothesis: Therefore, we put forth the following hypotheses:

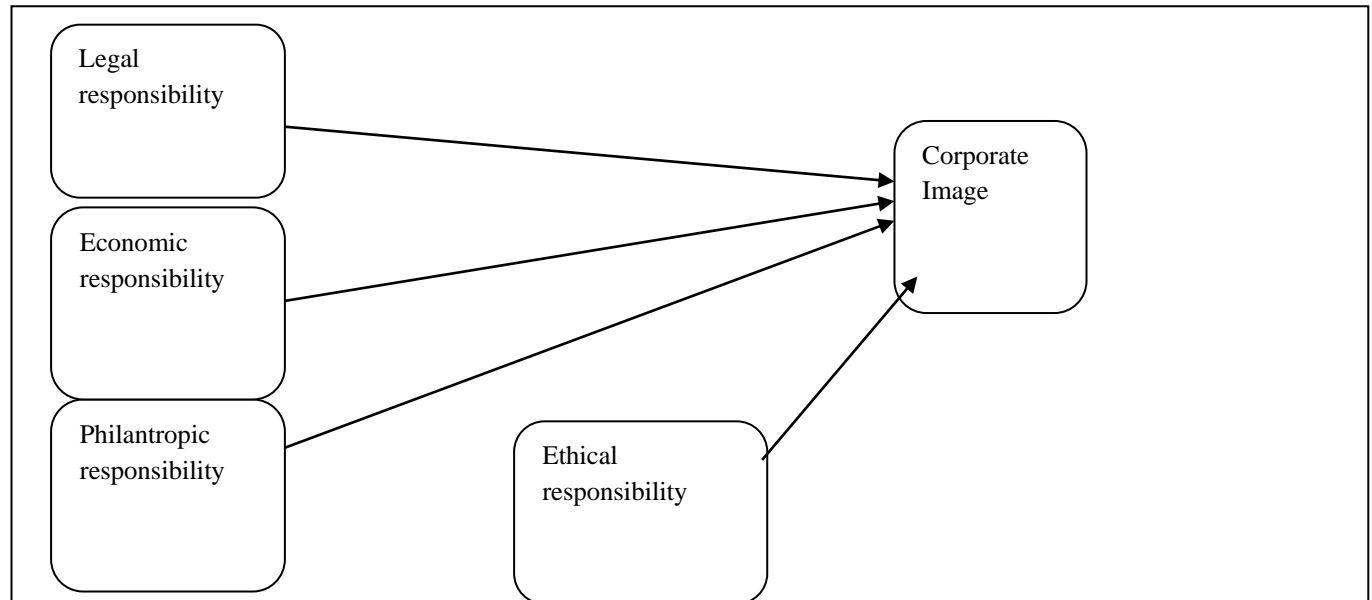
Ho1: Ethical responsibility has no effect on corporate image

Ho2: Philanthropic responsibility has no impact on Corporate Image

Ho3: Economic responsibility has no effect on Corporate image

Ho4: Legal responsibility doesnot affects corporate image

2.1 Conceptual framework



III. METHODOLOGY

In the study, descriptive and exploratory research methods were used. Surveys with a five-point Likert scale had been completed by 800 respondents. Using a stratified random sampling technique, 100 concerned government officials, 200 foreign company employees, 250 customers, and 250 local community members were all contacted. 745 of those were returned and deemed valuable, including 225 from customers, 238 from the local community, 192 from employees, and 90 from concerned government authorities. Out of the 22 zones in the Oromia region, the researcher has given special consideration to 3 of them because they constitute 80% of the concentration of foreign enterprises (operational and 100% owned by foreigners) there. Additionally, 33 foreign firm employees were chosen as respondents using simple random selection.

Descriptive data analysis and structural equation modeling (SEM) were used for data analysis and hypothesis tests using SPSS version 23 software.

IV. RESULTS

4.1 Demographic Analysis

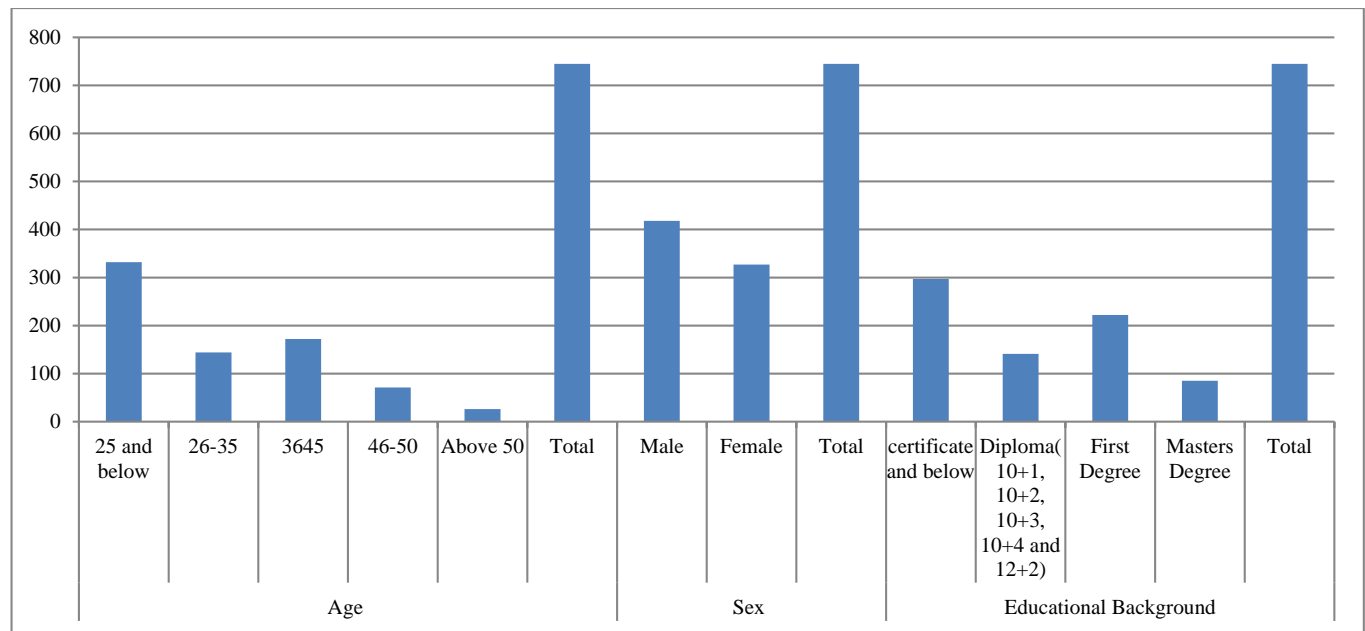


Fig-1 Demographic data

Majority of the respondents (44.6%) ages were 25 and below, total 35 and below constitutes 63.9%. Moreover, 56.1% of the respondents were males while the rest females. The respondents educational background, majority 58.8% were diploma and below.

Table-1, Reliability Statistics

Cronbach's Alpha	N of Items
.916	21

Source: own computation

Reliability of the items alpha coefficient was 0.916 which is above 0.7. Hence, it met the threshold and indicates consistency within the items.

Table-2, KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.875
Bartlett's Test of Sphericity	7214.958
Approx. Chi-Square	136
df	.000
Sig.	

Source: own computation

The test result for the Bartlett's test for hypothesis testing is 7214.958. The test value for the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is 0.875. The correlation matrix's significant alpha value of $0.000 < 0.05$ indicates that it is not an identity matrix. As a result, there are relationships between the variables, and the items' validity is taken for granted.

4.2 Descriptive Data Analysis

This data have been analyzed using percentage, frequency and mean as the central tendency. Besides SD=STRONGLY(1), D=DISAGREE(2), N=NEUTRAL(3), A=AGREE(4) and SA=STRONGLY AGREE(5).

1.2.1 ETHICAL RESPONSIBILITY

Table-3, Ethical responsibility

Items		Frequency	Percent	Mean
Have environmental policy and long term environmental plans	SD	28	3.8	3.43221
	D	58	7.8	
	N	272	36.5	

	A	338	45.4	
	SA	49	6.6	
	Total	745	100.0	
Plant trees and conserve the environment	SD	26	3.5	3.63758
	D	72	9.7	
	N	177	23.8	
	A	341	45.8	
	SA	129	17.3	
	Total	745	100.0	
Appropriate systems for recovery, recycling, and waste disposal	SD	46	6.2	3.28188
	D	79	10.6	
	N	293	39.3	
	A	273	36.6	
	SA	54	7.2	
	Total	745	100.0	
The policy encourages employees to advance their careers and skill sets.	SD	60	8.1	3.08322
	D	97	13.0	
	N	363	48.7	
	A	171	23.0	
	SA	54	7.2	
	Total	745	100.0	

Source: Own computation

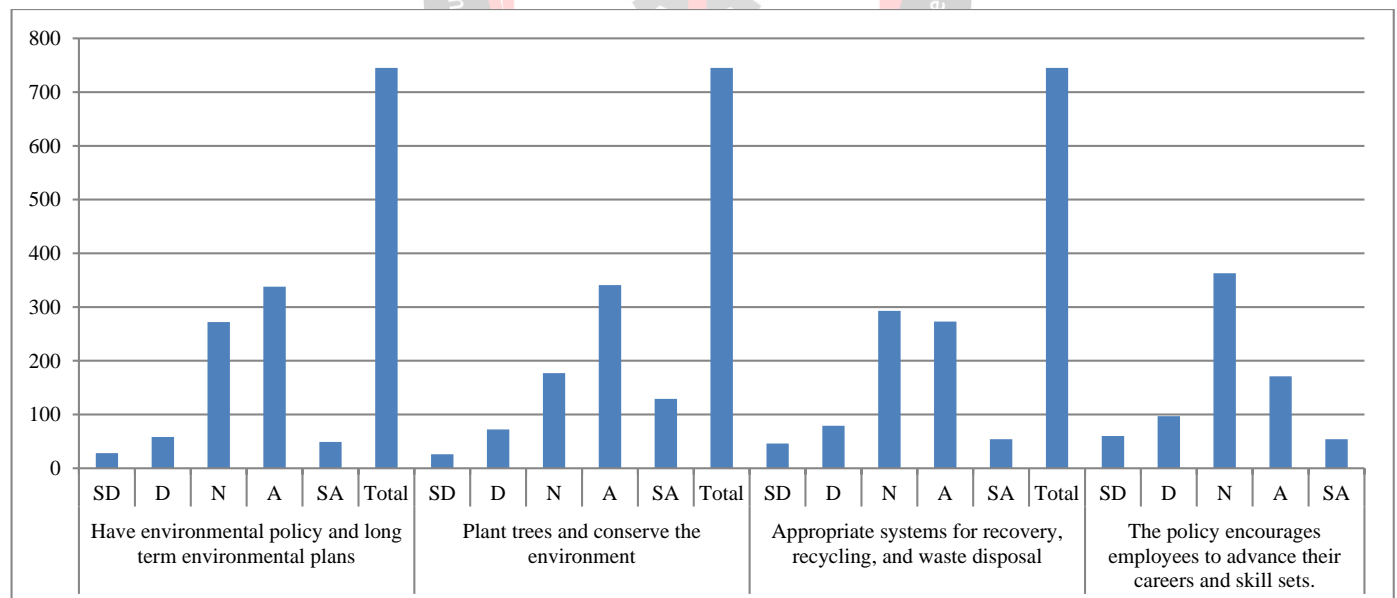


Fig-2, Ethical responsibility

About 52% of the respondents either strongly agreed or agreed with the opinion that foreign firms have environmental policies and long-term environmental plans, with a mean of 3.43221. Besides, 63.1% again responds both strongly agree and strongly agree with foreign firms planting trees and conserving the environment with a mean of (3.63758). Similarly, 44.2% of respondents agree or strongly agree that foreign firms have appropriate systems for recovery, recycling, and waste disposal; however, 39.3% became neutral with this opinion, with a mean of 3.28188. In addition, 30.2% of the respondents replied

between agree and strongly agree, although close to half(48.7%) of the respondents remained neutral with In addition, 30.2% of the respondents replied between agree and strongly agree, although close to half (48.7%) of the respondents remained neutral with foreign firms' policies encouraging employees to advance their careers and skill sets with a mean of 3.08322. In the meantime, although the aggregate mean remains positive(above neutral), foreign firms in the region have a loophole in practicing ethical responsibility.

1.2.2 PHILANTHROPIC RESPONSIBILITY

Table-4, Philanthropic responsibility

Items		Frequency	Percent	Mean
Support initiatives to build schools, roads, health centers, and other corporate responsibility initiatives.	SD	143	19.2	2.28322
	D	307	41.2	
	N	251	33.7	
	A	29	3.9	
	SA	15	2.0	
	Total	745	100.0	
policy for social accountability or sustainability	SD	115	15.4	2.67651
	D	181	24.3	
	N	318	42.7	
	A	92	12.3	
	SA	39	5.2	
	Total	745	100.0	
Perform research and development efforts to enhance future societal well-being.	SD	90	12.1	2.81879
	D	196	26.3	
	N	242	32.5	
	A	193	25.9	
	SA	24	3.2	
	Total	745	100.0	
Donating for under privileged groups of the society	SD	108	14.5	2.80000
	D	166	22.3	
	N	269	36.1	
	A	171	23.0	
	SA	31	4.2	
	Total	745	100.0	

Source: Own computation

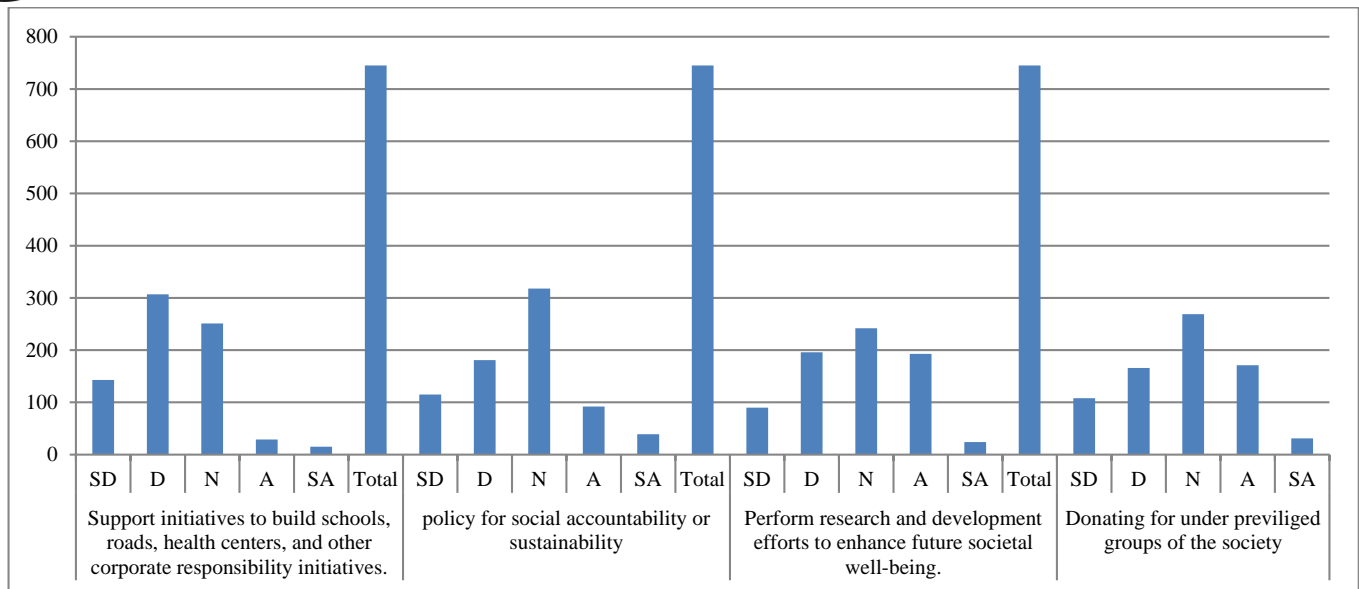


Fig-3, Philanthropic responsibility

The majority (60.4%) of the respondents were between strongly disagreeing and disagreeing on the notion that foreign firms support initiatives to build schools, roads, health centers, and other corporate responsibility initiatives, with a mean of 2.28322. About 42.7% of respondents replied neutral, and 37.7% were between strongly disagreeing and disagreeing on the issue of foreign firms policies for social accountability or sustainability, with a mean of 2.67651. Similarly, about 32.5% of the respondents answered neutrally to the idea that foreign enterprises should perform research and development efforts to enhance future societal well-being, with a mean of (2.81879). Meanwhile, 36.1% of respondents also replied neutrally to donating to underprivileged groups of society, with a mean of 2.8. To sum up, the aggregate mean of the philanthropic activities of foreign enterprises is less than 3.00, which is a negative view among all stakeholders. Particularly for the local community, the mean response is very low, which implies that most beneficiaries of the philanthropic activities are the local community, and hence they are getting less support than their expectations.

1.2.3 ECONOMIC RESPONSIBILITY

Table-5, Philanthropic responsibility

Items		Frequency	Percent	Mean
The companies strive to activate sustainable growth	SD	62	8.3	3.35839
	D	25	3.4	
	N	308	41.3	
	A	284	38.1	
	SA	66	8.9	
	Total	745	100.0	
Successful customer relationship management(marketing, brand management,market share management, opportunity, risk and pricing management)	SD	40	5.4	3.41074
	D	44	5.9	
	N	300	40.3	
	A	292	39.2	
	SA	69	9.3	
	Total	745	100.0	
Good innovation management (research and development, consumption patterns, production, productivity and flexibility)	SD	38	5.1	3.40940
	D	58	7.8	
	N	277	37.2	

	A	305	40.9	
	SA	67	9.0	
	Total	745	100.0	
Effective economic performance(profit sharing and GDP)	SD	65	8.7	3.27919
	D	52	7.0	
	N	300	40.3	
	A	266	35.7	
	SA	62	8.3	
	Total	745	100.0	

Source: own computation

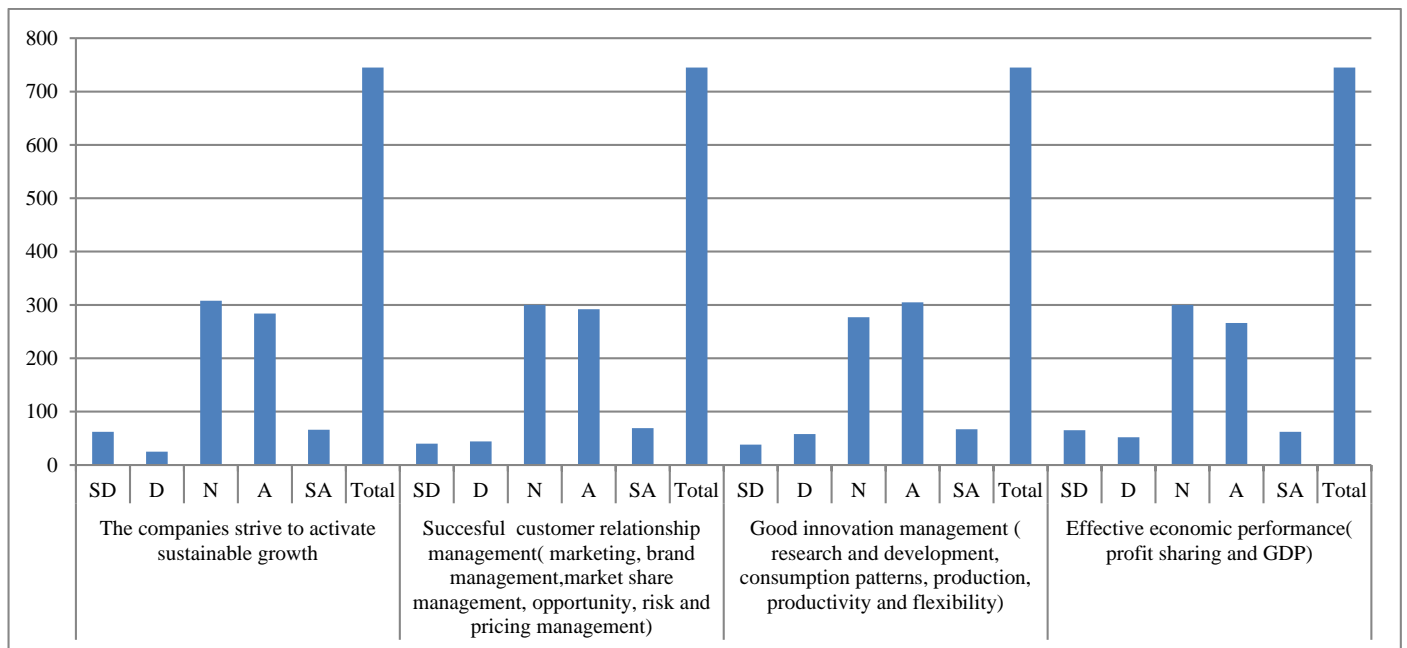


Fig-4, Economic responsibility

About 47% of the respondents responses ranged between agree and strongly agree, and 41.3% remained neutral, with foreign firms striving to activate sustainable growth with a mean of 3.35839. In addition to this, 49.9% of the stakeholders strongly agreed and agreed, while 37.2% of them responded neutrally to foreign firms practices of innovation management (research and development, consumption patterns, production, productivity, and flexibility) with a mean of 3.40940. Moreover, 44% of the respondents strongly agreed or agreed, while 40.3% remained neutral on foreign enterprises effective economic performance(profit sharing and GDP) with a mean of 3.27919. Generally, the aggregate mean of the economic responsibility of foreign firms rises above 3.0, which is positive, showing that there is a practice of economic responsibility but it is not satisfactory.

1.2.4 LEGAL RESPONSIBILITY

Table-6. Legal responsibility

Items		Frequency	Percent	Mean
Complies with legal regulations completely and promptly	SD	33	4.4	3.67517
	D	43	5.8	
	N	178	23.9	
	A	370	49.7	
	SA	121	16.2	
	Total	745	100.0	

Always pay tax on a regular basis	SD	5	.7	3.79866
	D	28	3.8	
	N	221	29.7	
	A	349	46.8	
	SA	142	19.1	
	Total	745	100.0	
Respect consumer rights in addition to the legal requirement	SD	53	7.1	3.48993
	D	28	3.8	
	N	274	36.8	
	A	281	37.7	
	SA	109	14.6	
	Total	745	100.0	

Source: own computation

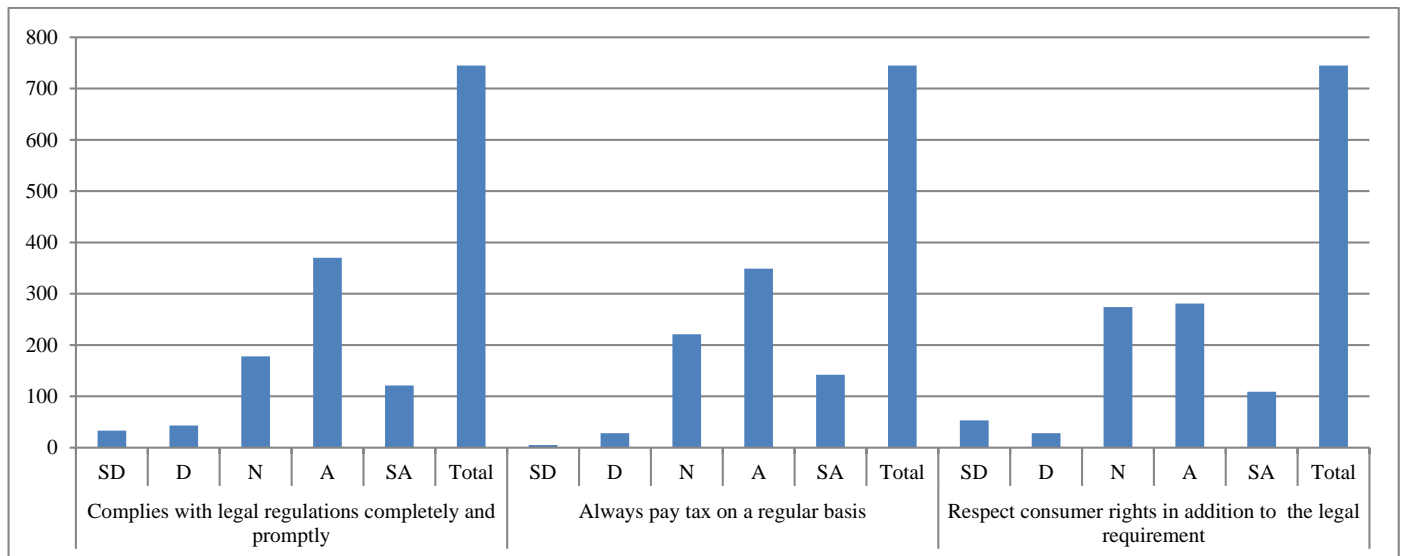


Fig-5, Legal responsibility

The majority (65.9%) of the respondents' responses vary between strongly agreeing and agreeing with the opinion that foreign firms comply with legal regulations completely and promptly, with a mean of 3.67517. Likewise, about 65.9% of the respondents either strongly agreed or agreed with the notion that foreign industries always pay tax on a regular basis, with a mean of 3.79866. Moreover, 52.3% of respondents also answered between strongly agreeing and agreeing with idea that foreign firms respect consumer rights in addition to the legal requirements, with a mean of 3.48993. To conclude, the overall average mean of legal responsibility of foreign companies in the region shows a value above 3.00, which indicates a positive view by stakeholders regarding those firms practice of legal responsibility.

1.2.5 CORPORATE IMAGE

Table-7, Corporate image

Items		Frequency	Percent	Cumulative Percent	Mean
I have good image about the company	SD	293	39.3	39.3	2.212
	D	215	28.9	68.2	
	N	97	13.0	81.2	
	A	66	8.9	90.1	
	SA	74	9.9	100.0	

	Total	745	100.0		
In my opinion the companies have a good impression in the minds of all stakeholders	SD	235	31.5	31.5	2.4577
	D	194	26.0	57.5	
	N	158	21.2	78.7	
	A	56	7.5	86.3	
	SA	102	13.7	100.0	
	Total	745	100.0		
The appearance of the companies are attractive	SD	204	27.4	27.4	2.6469
	D	145	19.5	46.9	
	N	189	25.4	72.3	
	A	124	16.6	88.9	
	SA	83	11.1	100.0	
	Total	745	100.0		

Source: own computation

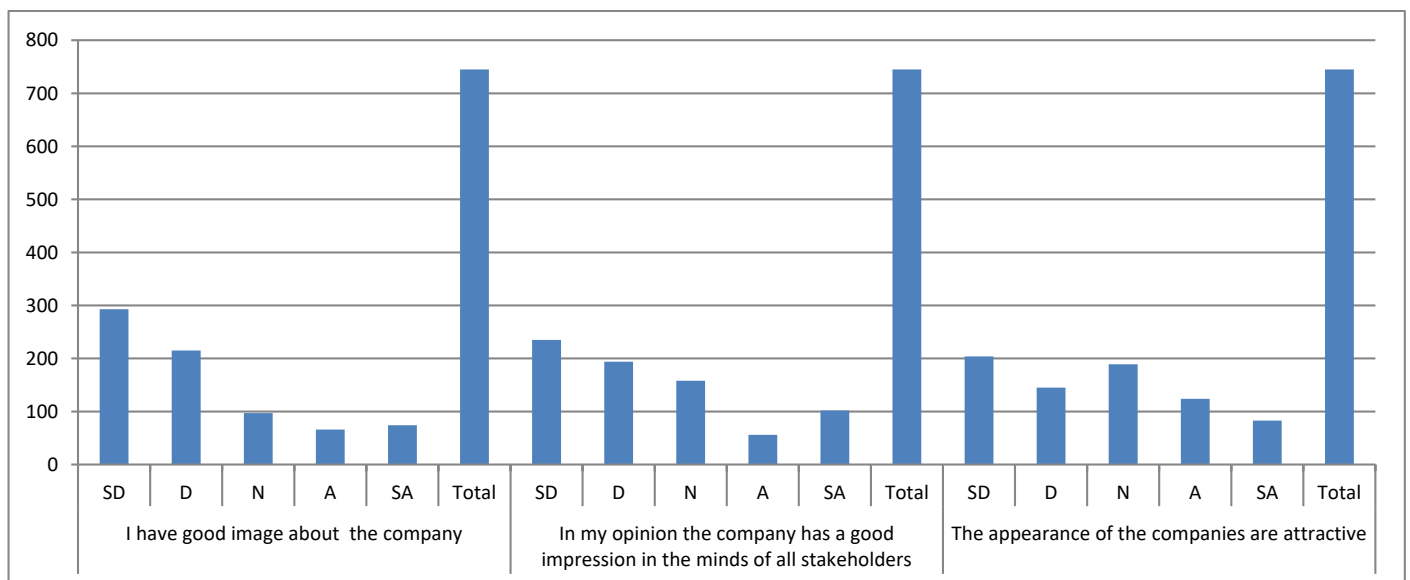


Fig-6, Corporate Image

About 68.2% of the respondents answered between strongly disagreeing and disagreeing with the opinion "I have a good image of the foreign company," with a mean of 2.212. Similarly, 57.5% of the stakeholders responses vary between strongly agreeing and disagreeing with the idea that foreign companies have a good impression in the minds of all stakeholders, with a mean of 2.4577. Similarly, 46.9% of the respondents either strongly disagreed or disagreed, while 25.4% of them replied neutrally to the idea that the appearance of the companies is attractive, with a mean of 2.6469. In short, the aggregate mean of the items responded to by stakeholders remains below 3.0, indicating negative. This implies that stakeholders' (local communities, customers, employees, and government officials) had a negative view of the corporate image of foreign firms.

V. STRUCTURAL EQUATION MODELING

5.1 EXPLORATORY FACTOR ANALYSIS

Table-8, Exploratory factor analysis

Variables	Eth.res.	Phila. Res.	Eco.res.	Leg.res.	Cor.I.
Eth1.1	.820**	.425**	.572**	.474**	.361**
Eth1.3	.820**	.322**	.442**	.365**	.294**
Eth1.5	.465**	.095**	.264**	.175**	.198**
Eth1.12	.659**	.476**	.531**	.433**	.545**

Phil2.4		-.036	.474**	.086*	.202**	.095**
Phil2.5		.454**	.840**	.559**	.499**	.599**
Phil2.7		.578**	.814**	.585**	.680**	.635**
Phil2.9		.363**	.812**	.561**	.512**	.576**
csr5		.408**	.491**	.717**	.424**	.490**
csr6		.587**	.602**	.805**	.608**	.576**
csr8		.504**	.455**	.833**	.446**	.426**
csr9		.609**	.460**	.870**	.539**	.517**
csr15		.429**	.622**	.659**	.829**	.593**
csr16		.447**	.465**	.368**	.801**	.442**
csr17		.442**	.538**	.523**	.882**	.582**
CoI5.1		.490**	.605**	.608**	.637**	.906**
CoI5.2		.392**	.664**	.545**	.583**	.903**
CoI5.5		.494**	.525**	.537**	.542**	.902**
**. significant at the 0.01 level (2-tailed).						
*. significant at the 0.05 level (2-tailed).						
Source: own computation						

Table 2 indicates that items Eth1.1, Eth1.3, Eth1.5, and Eth1.12 had factor loadings of 0.82, 0.82, 0.465, and 0.659, respectively, which made them eligible to be categorized under the ethical responsibility factor. Items Phil2.4, Phil2.5, Phil2.5, Phil2.7, and Phil2.9 have a factor loading of 0.474, 0.84, 0.814, and 0.812, respectively, which indicates the highest value for each item and hence clusters them under philanthropic responsibility. Besides items csr5, csr6, csr8, and csr9, they have the highest loading values (0.717, 0.805, 0.833, and 0.87), respectively, which indicates their category would be under variable economic responsibility. Items csr15, csr16, and csr17 have the highest values (0.829, 0.801, and 0.882), making them eligible to be categorized under legal responsibility. Moreover, items CoI5.1, CoI5.2, and CoI5.5 with the highest values (0.906, 0.903, and 0.902) showing their category would be corporate image.

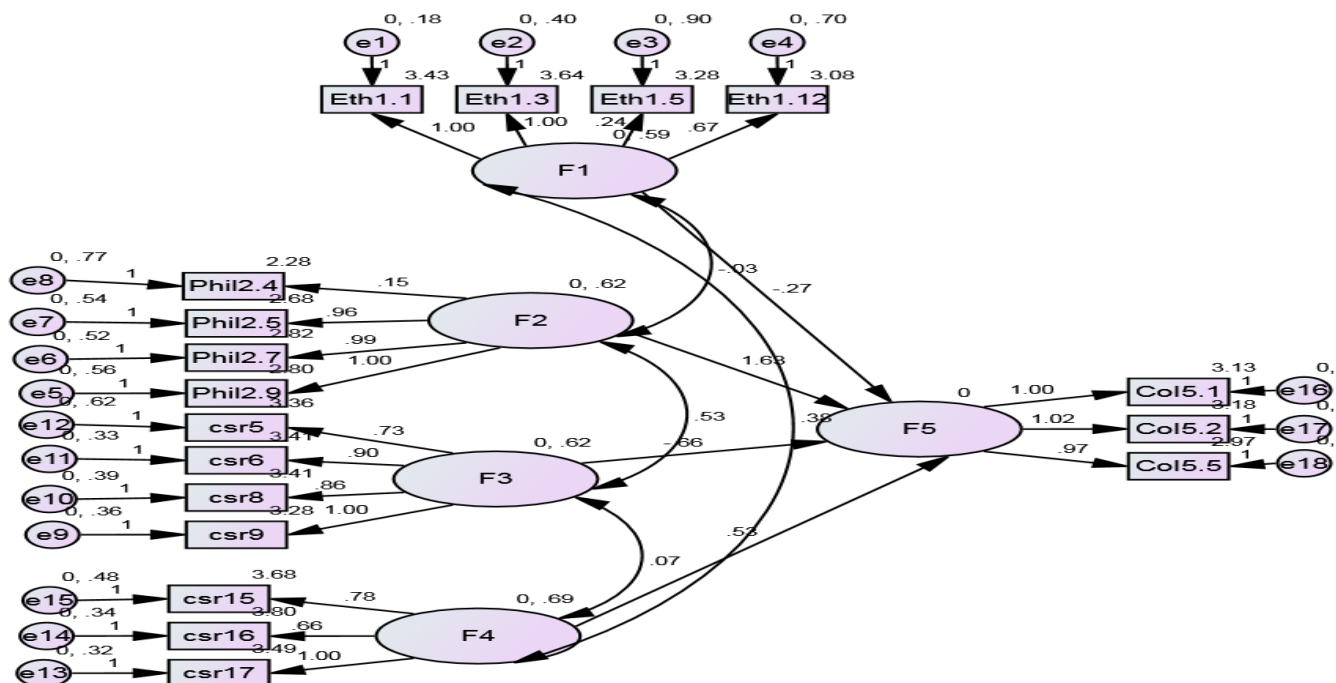


Fig-7, Stractural equation modeling CFA, source: own computation

Note: Given “F1-ethical responsibility, F2-Philanthropic responsibility, F3-economic responsibility, F4-legal responsibility and F5-corporate image”.

The figure indicates structural equation modeling of dimensions of corporate social responsibility and their impact on corporate image. Some empirical studies the results of F. González Santa Cruz et al.[10], D'Aprile and Tal [8], Kim et al.[18], also confirms the confirmatory factor analysis on the model and dimensions of corporate social responsibility. Besides, this study has added the corporate image to analyze the role of CSR in it.

5.2 STRUCTURAL MODEL

Table-9 Model fit result

Chi-square	df	P	GFI	CFI	NFI	TLI	RMSEA
2570.935	128	0.000	0.911	0.984	0.975	0.959	0.056

Source: Own computation

Based on Anderson & Gerbing (1988), the researchers used SPSS version 23 and AMOS as tools for the data analysis. Before running the proposed structural model, a confirmatory factor analysis (CFA) was first operationalized to assess the measurement status. The maximum likelihood estimation method was utilized. Confirmatory factor analysis confirms an evaluation of the fit of the measurement model and approval of the construct fit indices, convergent validity, discriminant validity, and reliability.

The data (n = 745) was used in a CFA to confirm the factor structure found by the EFA. Overall, the CFA results indicated that the fit was satisfactory. The model result indicates that the structural equation model: Chi-square (X²) = 2570.935, P = 0.000, df = 128, CMIN/df = 20.085, RMSEA = 0.056, CFI = 0.984, GFI = 0.911, NFI = 0.975, and TLI = 0.939. It was found that all the fit indices satisfactorily met threshold criteria. The data analysis validates all the hypotheses devised to examine the research topic. It has been revealed in the Table above that all the fit indices are safely within the cut-off values .

5.3 HYPOTHESIS TESTING USING STRUCTURAL PATH

Table-10, Standardized regression weight

			Estimate(β)	S.E.	C.R.	P	Label
F5	<---	F1	-0.267	0.062	-4.34	***	
F5	<---	F2	1.626	0.119	13.685	***	
F5	<---	F3	-0.661	0.107	-6.194	***	
F5	<---	F4	0.528	0.058	9.065	***	

Source: own computation

Note: F1= ethical responsibility, F2=Philanthropic responsibility, F3= Economic responsibility, F4=Legal responsibility and F5= Corporate image.

Given Hypothesis 1, the P-value is less than 0.001 (= -0.267 and C.R = -4.34) and hence shows significance. It means to reject the null hypothesis and accept the alternate one, which means ethical responsibility has an effect on corporate image. Statistically, the probability of getting a critical ratio as large as 4.34 in absolute value is less than 0.001. In other words, the regression weight for F1 in the prediction of F5 is significantly different from zero at the 0.001 level (two-tailed). Hypothesis - 2 result shows again significance as p-value is less than significance level (= 1.626 and C.R = 13.685). Thus, reject the null hypothesis and accept an alternate one. Philanthropic responsibility affects the corporate image. The probability of getting a critical ratio as large as 13.685 in absolute value is less than 0.001. In other words, the regression weight for F2 in the prediction of F5 is significantly different from zero at the 0.001 level (two-tailed).

Hypothesis-3's result indicates significance as the p-value is less than the significance level (= -0.661 and C.R = -6.194), hence rejecting the null hypothesis and accepting the alternate hypothesis. Economic responsibility affects the corporate image of foreign firms in the region. The probability of getting a critical ratio as large as 6.194 in absolute value is less than 0.001. In other words, the regression weight for F3 in the prediction of F5 is significantly different from zero at the 0.001 level (two-tailed). The Hypothesis-4 result similarly shows significance as the p-value is less than 0.001 significance level (= 0.528 and C.R = 9.065), thus rejecting the null hypothesis and accepting the alternate hypothesis. The legal responsibility has an impact on the corporate image of those firms. The probability of getting a critical ratio as large as 9.065 in absolute value is less than 0.001. In other words, the regression weight for F4 in the prediction of F5 is significantly different from zero at the 0.001 level

(two-tailed).

Table-11, Total Effects

Variable	F3	F2	F1	F4	F5
F5	-0.661	1.626	-0.267	0.528	0

Source: Own computation

From the table above, the effect of F3 on F5 is -0.661. In other words, the total (direct and indirect) effect of F3 on F5 is -0.661. That is, due to both the direct (unmediated) and indirect (mediated) effects of F3 on F5, when F3 goes up by 1, F5 goes down by 0.661. Besides the effect of F2 on F5, the total (direct and indirect) effect of F2 on F5 is 1.626. That is, due to both the direct (unmediated) and indirect (mediated) effects of F2 on F5, when F2 goes up by 1, F5 goes up by 1.626. Moreover, the effect of F1 on F5 is -0.267. The total (direct and indirect) effect of F1 on F5 is -0.267. That is, due to both the direct (unmediated) and indirect (mediated) effects of F2 on F5, when F2 goes up by 1, F5 goes down by 0.267. In addition, the effect of F4 on F5 indicates the total (direct and indirect) effect of F4 on F5 is 0.528. That is, due to both the direct (unmediated) and indirect (mediated) effects of F2 on F5, when F2 goes up by 1, F5 goes up by 0.528. To summarize the impact of economic responsibility on corporate image, ethical responsibility had a negative impact. On the contrary, the effects of philanthropic and legal responsibility on corporate image were positive

VI. DISCUSSIONS

Most of the respondents ages (44.6%) were 25 and below; the total of 35 and below constitutes 63.9%. Moreover, 56.1% of the respondents were male, while the rest were female. The respondents educational background was varied; the majority (58.8%) were diploma and below.

Besides, 63.1% of respondents replied either strongly agree or agree with foreign firms planting trees and conserving the environment, with a mean of (3.63758). Similarly, 44.2% of respondents agree or strongly agree that foreign firms have appropriate systems for recovery, recycling, and waste disposal; however, 39.3% became neutral with this opinion, with a mean of 3.28188. In addition, 30.2% of the respondents replied between agree and strongly agree, although close to half(48.7%) of the respondents remained neutral with In addition, 30.2% of the respondents replied between agree and strongly agree, although close to half (48.7%) of the respondents remained neutral with foreign firms' policies encouraging employees to advance their careers and skill sets with a mean of 3.08322. In the meantime, although the aggregate mean remains positive(above neutral), foreign firms in the region have a loophole in practicing ethical responsibility.

About 42.7% of respondents replied neutral, and 37.7% were between strongly disagreeing and disagreeing on the issue of foreign firms policies for social accountability or

sustainability, with a mean of 2.67651. Similarly, about 32.5% of the respondents answered neutrally to the idea that foreign enterprises should perform research and development efforts to enhance future societal well-being, with a mean of (2.81879). Meanwhile, 36.1% of respondents also replied neutrally to donating to underprivileged groups of society, with a mean of 2.8. To sum up, the aggregate mean of the philanthropic activities of foreign enterprises is less than 3.00, which is a negative view among all stakeholders. Particularly for the local community, the mean response is very low, which implies that most beneficiaries of the philanthropic activities are the local community, and hence they are getting less support than their expectations.

In addition to this, 49.9% of the stakeholders strongly agreed and agreed, while 37.2% of them responded neutrally to foreign firms practices of innovation management (research and development, consumption patterns, production, productivity, and flexibility) with a mean of 3.40940. Moreover, 44% of the respondents strongly agreed or agreed, while 40.3% remained neutral on foreign enterprises effective economic performance(profit sharing and GDP) with a mean of 3.27919. Generally, the aggregate mean of the economic responsibility of foreign firms rises above 3.0, which is positive, showing that there is a practice of economic responsibility but it is not satisfactory.

About 65.9% of the respondents either strongly agreed or agreed with the notion that foreign industries always pay tax on a regular basis, with a mean of 3.79866. Moreover, 52.3% of respondents also answered between incorrectly agreeing and agreeing with idea that foreign firms respect consumer rights in addition to the legal requirements, with a mean of 3.48993. To conclude, the overall average mean of legal responsibility of foreign companies in the region shows a value above 3.00, which indicates a positive view by stakeholders regarding those firms practice of legal responsibility.

Besides, 68.2% of the respondents answered between strongly disagree and disagree with the opinion that "I have a good image of the foreign company," with a mean of 2.212. Similarly, 57.5% of the stakeholders responses vary between strongly agreeing and disagreeing with the idea that foreign companies have a good impression in the minds of all stakeholders, with a mean of 2.4577. Similarly, 46.9% of the respondents either strongly disagreed or disagreed, while 25.4% of them replied neutrally to the idea that the appearance of the companies is attractive, with a

mean of 2.6469. In short, the aggregate mean of the items responded to by stakeholders remains below 3.0, indicating negative. This implies that stakeholders' (local communities, customers, employees, and government officials) had a negative view of the corporate image of foreign firms.

Structural equation modeling of dimensions of corporate social responsibility and their impact on corporate image. Some empirical studies result such as, Francisco.González Santa Cruz et al.[10], D'Aprile and Tal [8], Kim et al., [18], also confirms the confirmatory factor analysis on the model and dimensions of corporate social responsibility and their impact on corporate image. The dataset ($n = 745$) was used in a CFA to confirm the factor structure found by the EFA. Overall, the CFA results indicated that the fit was satisfactory. The model result indicates that the structural equation model: Chi-square (X^2) = 2570.935, $P = 0.000$, $df = 128$, $CMIN/df = 20.085$, $RMSEA = 0.056$, $CFI = 0.984$, $GFI = 0.911$, $NFI = 0.975$, and $TLI = 0.939$. It was found that all the fit indices satisfactorily met threshold criteria.

Hypothesis 1, P-value is less than 0.001 ($= -0.267$ and C.R = -4.34) and hence shows significance. It means to reject the null hypothesis and accept the alternate one, which means ethical responsibility has an effect on corporate image. Hypothesis -2 result shows again significance as p-value is less than significance level ($= 1.626$ and C.R = 13.685). Thus, reject the null hypothesis and accept an alternate one. Philanthropic responsibility affects the corporate image. Hypothesis-3's result indicates significance as the p-value is less than the significance level ($= -0.661$ and C.R = -6.194), hence rejecting the null hypothesis and accepting the alternate hypothesis. Economic responsibility affects the corporate image of foreign firms in the region. The probability of getting a critical ratio as large as 6.194 in absolute value is less than 0.001. In other words, the regression weight for F3 in the prediction of F5 is significantly different from zero at the 0.001 level (two-tailed). The Hypothesis-4 result similarly shows significance as the p-value is less than 0.001 significance level ($= 0.528$ and C.R = 9.065), thus rejecting the null hypothesis and accepting the alternate hypothesis. The legal responsibility has an impact on the corporate image of those firms. The probability of getting a critical ratio as large as 9.065 in absolute value is less than 0.001. These results were similar to those of Kim et al. [17], who state that all the dimensions of CSR (ethical, philanthropic, economic, and legal responsibilities) have a significant effect on corporate image. However, Chih-Cheng Chen et al.'s [7], results revealed that ethical, economic, and legal responsibilities were significant but philanthropic one was not.

Moreover, the effect of ethical, philanthropic, economic, and legal responsibilities on corporate image is given by the structural model (-0.267 , 1.626 , -0.661 , and 0.528 ,

respectively). This implies that corporate image is mostly affected by philanthropic activities. In short, the effects of economic responsibility on corporate image and ethical responsibility on corporate image were negative. On the contrary, the effects of philanthropic and legal responsibility on corporate image were positive. Based on Chih-Cheng Chen et al. [7], ethical, economic, and legal responsibilities have a positive effect on corporate image, which has similarities with these results.

VII. CONCLUSIONS

Areas of the businesses operations increase from time to time, and public expectations from the businesses increase. Hence, companies should work hard towards realizing their vision, considering the multi-dimensional perspectives and interests of their stakeholders. Public needs, environmental concerns, and profit motives need to be contextualized in their operations so that business sustainability can materialize. Sustainable performance should be the act of the organization to carry on its activities without causing adverse effects on the environment or society.

This study sought to examine the role of dimensions of CSR in the development of corporate image, with a focus on stakeholders such as the local community, employees, customers, and concerned government authorities. These dimensions constitute ethical, philanthropic, economic, and legal responsibilities as components of corporate social responsibilities. This might easily lead to multidimensional judgments on CSR practices as well as the image of international enterprises from the perspective of these stakeholders.

As a result, the study produced several consequences, indicating that there were gaps in philanthropic efforts and image-building in the eyes of stakeholders. As we can see from the study's findings, there were gaps in how foreign companies handle their personnel by ensuring their benefits and safety. The effects of economic responsibility on corporate image and ethical responsibility on corporate image were negative. On the other side, the effects of philanthropic and legal responsibility on corporate image were positive. As a result, the 2018 riots against the government and investors could be an accumulation of these underlying issues. Similarly, there were limitations for those companies in doing charitable endeavors. Therefore, international businesses should put a lot of effort into creating an atmosphere that is favorable for their employees as well as assisting the local community through financial and non-financial voluntary aid in order to maintain a positive corporate image.

Eventually, this study investigated corporate image from the four dimensions (ethical, philanthropic, economic, and legal responsibilities) of CSR's point of view, whereby other factors that affect corporate image will also be present. Hence, other researchers can dig deep into other

factors further affecting the corporate image of foreign firms in the region.

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