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**THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON FI-
NANCIAL PERFORMANCE**

A case study of Hotel Scandic Park Helsinki

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ABSTRACT

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Name of thesis THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON FINANCIAL PERFORMANCE. A case study of Scandic Park Helsinki		
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<p>The term corporate social responsibility is a term that does not have a universal definition. The term has been defined by various researchers, but they define the term in different ways depending on the context in which it is used. Global megatrends can be considered as the drivers for opportunities and challenges that every companies need to consider in order to have their existence in long run. Nowadays, more than individuals, companies are taken as the moral citizens of the world and hence having a higher moral obligation to address than individuals. The obligations cover the entire operations of a business organization. The service company Scandic Park Hotel, Helsinki has a further reaching impact due to global scope and operational field of operations.</p> <p>The aim of the thesis was to describe and analyze the impact of corporate social responsibility on financial performance and it also aimed at looking at the challenges and the opportunities in practicing corporate social responsibility as a strategy.</p> <p>The theoretical part covers corporate social responsibility and financial performance and explains what they stand for. More precisely, the corporate responsibilities in relation to service industry are focused. The economic, environmental and social aspects of business process were looked upon. How corporate social responsibility and sustainability affect the profitability of a company is described. The online versions of academic books and sources were preferred due to their easier accessibility and the relevant printed books were taken as references to writing. Quantitative research method is used in the empirical part of the thesis. The case company Scandic Park Hotel was studied by presenting structured questionnaires to the personnel working within the management to find out how corporate responsibility is taken into consideration in service business and how financial performance is affected by it.</p> <p>The result of the research suggests the positive relationship between corporate social responsibility and the financial performance of a firm.</p>		

<p>Key words Corporate social responsibility, Global megatrends, profitability, quantitative research, sustainability.</p>

CONCEPT DEFINITIONS

CSR: Corporate Social responsibility

CDP: Carbon Disclosure Project

CFP: Corporate Financial Performance

EU: European Union

GDP: Gross Domestic Product

GRI: Global Reporting Initiative

ILO: International Labor Organization

OECD: The Organization for Economic Co-operation and Development.

ROI: Return on Investment

TCO: Total Cost of Operation

UNSG: United Nations Sustainability Goals

WBCSD: World Business Council for Sustainable Development

ABSTRACT
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1 INTRODUCTION

Why do businesses exist? The answer that comes first might be to earn profit. However, if we go deeper and think about the real reasons, we will surely conclude that within a company a group of individuals work to accomplish something collectively that they couldn't get by working separately and they contribute to the society. Although profitability is an important aspect for businesses to survive, they can only obtain those profits because of the society in which they are operated. Corporate social responsibility can be understood as the continuing commitment made by business firms to behave according to the business ethics and contribute to the economic development as well as improving the quality of life of the individuals involved, local communities where they operate and other societies at a larger scale. Expert's opinions towards the nature and extent of CSR often differ from one another because some perceive CSR in narrow sense while other understand it on top of any business operations.

CSR is a responsibility among firms to meet the needs of their stakeholders and a responsibility among stakeholders to hold firms to account for their actions (Chandler 2017, 5). According to Chandler and Werther (2011) CSR is derived from the three title words: corporate, social and responsibility, and hence in very general sense CSR stands for the social role or responsibility that a firm has towards the society it operates within. CSR is also understood by some other terms like corporate responsibility or business responsibility or business citizenship or social responsibility and so on (Dhanda & Young 2013, 193.)

Few decades Ago, CSR was considered as a self-regulatory mechanism with the belief that corporations will voluntarily conduct their business operations in a socially and ethically responsible way. However, CSR has for some instances become a mandatory corporate activity over the last decade.

The aim of the thesis is to understand the impact of CSR on financial performance Likewise, this thesis aims at finding how CSR affects profitability ratio of a business firm. Moreover, it is very important for the author to understand whether CSR works and how does it. Furthermore, study is done to understand the challenges and opportunities in implementing best CSR strategies.

The objective of the thesis is to study the CSR practices carried out by the hospitality industry to care for the hotels themselves, their stakeholders, societies and environment where they operate. The care for the environment is a subject of major concern and the writer has focused slightly more of his study upon environmental and social issues. Similarly, the objective of the research was to understand the changes

of CSR practices in hospitality industry over time. The objective was to prepare a set of questions as a part of quantitative research method and distribute them to personnel working at the case company.

The theoretical part of the thesis covers the meaning and aspects of CSR as well as the information on Finnish hospitality sector. The four aspects: economic, social, legal and philanthropic responsibility are explained to understand CSR more clearly. Moreover, theory part explains the relationship between corporate social responsibility and financial performance.

The objective of the empirical study is to describe and analyze the impact of CSR on financial performance. Due to research difficulties in the area of CSR and the characteristics of bachelor's thesis, the study has several limitations because CSR is a delicate topic which covers almost all aspects of economy ranging from moral, societal, environmental and legal. Companies will be reluctant to provide some basics and more importantly useful information that will help to achieve the thesis's objective. Moreover, the case company is a chain hotel of Scandic Group trademark, they have the common sustainability report for all hotels so that analyzing only one hotel is very difficult.

2 CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

There is a considerable debate as to whether society requires more of the corporation than the obvious that is enhancing the society by creating and delivering services and goods consumers want, providing employment and opportunities for employees, paying taxes to the country where it operates, giving returns to the shareholders and other party or claimant on the profit generated by the corporation (Chandler 2014). Inside EU, CSR is viewed as a process to integrate social, environmental, ethical and human rights concerns into their business. And core strategy should be implemented in collaboration with their stakeholders. According to United Nations, CSR is viewed as a management concept and process that connects social and environmental concerns in business processes and company's interactions with the full range of its stakeholders. However, in UK CSR is cited as organizations going beyond the legal obligations to manage the impact their operations have on the environment and society. Such activities include how organizations interact with their employees, suppliers, customers and communities as well as their attempt to protect the environment. CSR is a fluid ideology in such a way that it means different to different people. CSR both process and outcome because it describes the process by which the firm interacts with its stakeholders and environment and ultimately these set of actions will change the norms, values and social expectations of all involved (Chandler 2017, 6-7).

Over the last few decades, CSR has grown from a very narrow and marginalized subject of study into a complex and multifaceted concept which is increasingly central to present day's corporate decision making. Afrin in her journal takes the words of Carroll from 1979 to understand the difference between the four types of responsibilities that a business firm has which are economic, legal, ethical, and discretionary. The first one which is economic in nature, second one is obligative in nature, third is ethical; going above and beyond the legal obligations, and the last one is philanthropic in nature simultaneously (Afrin 2013, 153). According to Carroll, the 1970s was a decade during which the importance of a managerial approach to CSR was introduced. In a managerial approach to CSR, business managers applied the traditional management functions to deal CSR issues. Many suggestions started to appear to recommend companies forecast and plan for CSR, organize for CSR, assess social performance, and institutionalize corporate social policy and strategy. There were no such legal obligations for companies to bound upon before, however during 1970s legislative initiatives mandated companies to create organizational mechanisms for complying with federal laws dealing with the environment, product safety, employment discrimination, and worker safety. The definition of CSR got redefined along with the pace of time. For the previous two decades, but especially in the 2000s, CSR movement was a global phenomenon. In the EU

communities, the interest and growth of CSR had been the most evident. According to the report of OECD in 2001, voluntary initiatives in CSR had been a major trend in international business. The findings of the OECD report were worth noting. CSR becoming a global phenomenon with important intra-regional variations in practice. Companies had been under legal and regulatory pressure to adopt those practices. Later there appeared to be divergencies of commitment and management in the areas like labor standards, environment, health and human rights and fighting for bribery and so on. Considerable management expertise in the field of legal and ethical compliance had been achieved (Carroll 2008, 34-41.)

2.1 Defination of CSR

The entirety of CSR can be discerned from the words this phrase contains. The relationship between corporations (or other for-profit organizations) and the societies with which they interact. The phrase also includes the responsibilities that are inherent on both sides of these ties. CSR defines societies in its broadest sense on many levels including all stakeholders and engaged groups that maintain an ongoing interest in the firm's operations. The social responsibility of a business encompasses the four expectations that society has of organizations at a given point of time. Those expectations are economic, legal, ethical and philanthropic (Chandler 2017, 4-5)

Asongu (2007, 04) referred the statement of World Business Council for Sustainable Development to define CSR. CSR is the continuing commitment by businesses to behave ethically and contribute to the economic development while improving the quality of life of the workforce and their families as well as of the locals and societies at large. In the sense of the WBCSD, CSR is the business contribution to sustainable economic development building on a base of compliance with legislation and regulations. CSR typically includes beyond law commitments and activities (Khan 2011.)

The European Commission defines CSR as a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with the stakeholders on a voluntary basis. CSR concerns actions by businesses over and above their legal obligations towards the environment and the society where they operate. A strategic approach to CSR is very important for enterprises to gain competitive advantages. It can benefit the enterprises in the area of risk management, cost savings, access to capital, customer relationship management, HRM and innovation capacity. Since CSR importantly requires the engagement with the internal and external stakeholders, it enables firms to anticipate and take advantages of rapidly changing societal expectations and operating conditions. It helps

create trust among employees, customers and citizens and that high level of trust in turn help to create an environment in which enterprises can innovate and grow (A renewed EU strategy 2011-14 for corporate social responsibility 2011.)

The broadest definition of CSR is concerned with what should be the relationship between the corporations, government of countries and individual citizens. More precisely the definition is concerned with the bonding between a firm and society where it has its operations. Another definition describes the relation between stakeholders and corporation. The definition depends on the dimension of the issue. The term CSR as a concept is vague and means different things to different people. Some seems to be more concerned towards the environmental responsibility, some towards economic responsibility whereas some towards ethical and philanthropic responsibilities (Rayman-Bacchus & Crowther 2004.)

2.2 Aspects of CSR

Business across the world are operating under highly complex and competitive environments due to which they can no longer afford to insulate themselves from the rapid changes happening across the societies. Monitoring and evaluation of businesses have been done like never before on new dimensions. Governance frameworks focusing on social, environmental and ethical responsibilities of businesses help in ensuring long term success, competitiveness and sustainability which further helps to endorse the view that business is an integral part of the society. These frameworks are essential for the development and sustenance of the society at large. CSR is a huge responsibility and the compliance of the set of rules are of paramount importance for any business today. CSR refers to a set of certain set policies and practices of a company which in a way interlinks multiple stakeholders, which includes the environment and the communities involved (India's CSR reporting survey 2017.)

CSR is broad subject that can be categorized into different types depending on the activities, objectives, responsibilities or any other factors involved in business operations. As discussed earlier in the introduction, Carroll's four-part definition of CSR was originally cited in the year 1979 and 1991 which stated as follows: "Corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations that society has of organizations at a given point in time". This set of four responsibilities creates a foundation that helps to portray precisely in some detail and to frame or characterize the nature of businesses' responsibilities to the society of which it is a part (Carroll 2016.)

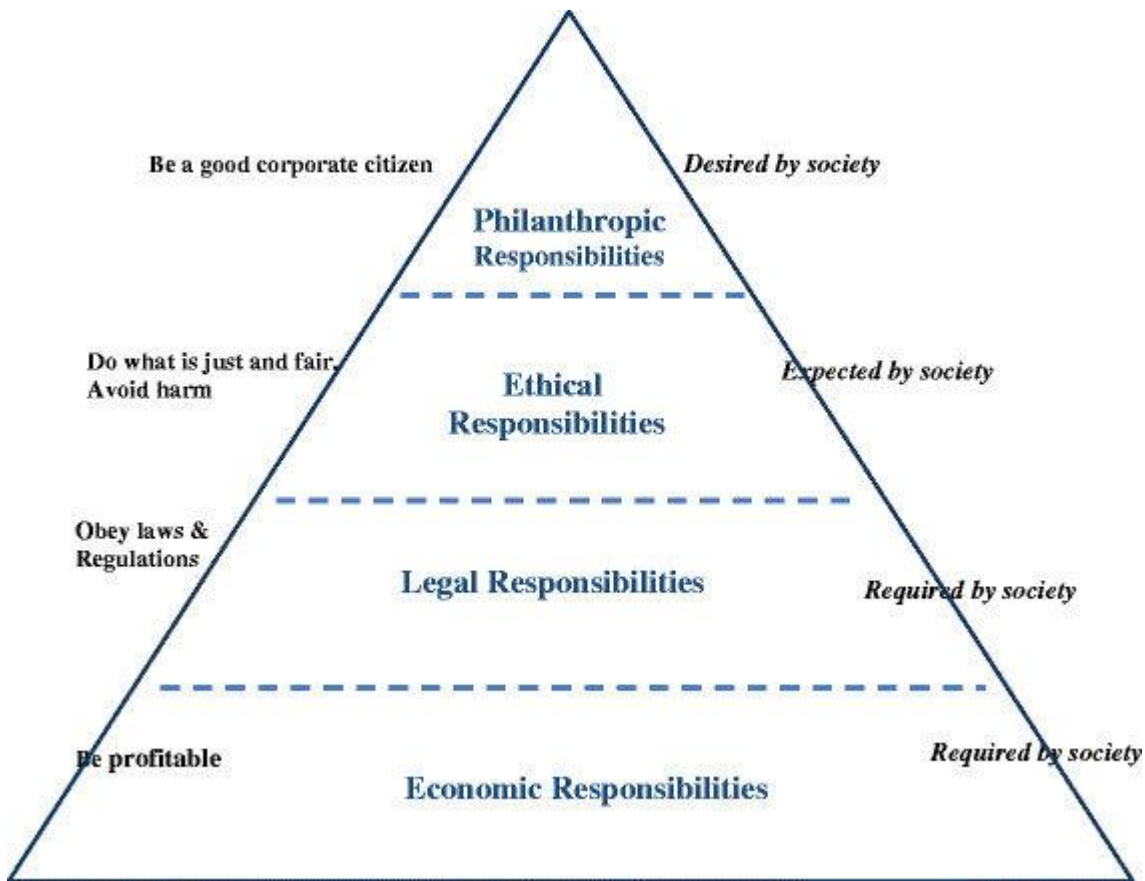


FIGURE 1. Pyramid of CSR (Adapted from Carroll 2016, 05)

2.2.1 Economic responsibility

The fundamental condition or requirement for any business firms to exist in the competitive business arena is profitability. Businesses had an economic responsibility to the society that permitted them to be created and sustained. It may seem unusual to consent about an economic expectation as a social responsibility, but it is what it is because society expects or requires organizations to be able to sustain themselves. And the only way that is possible is by being profitable and able to incentivize shareholders to invest and have enough resources to continue in operation. When a business organization is established, society views them as institutions that will produce and sell the goods and services it needs and desires. As an incentive, society allows business to take profits. Business creates profits when they add value which benefits all the stakeholders of the business. Profits are essential both to reward investors and for business growth when profits are continuously reinvested back into business. Profitability and ROI are the vital motivators for business success. Businesses employ various business concepts which are directed towards financial effectiveness such as attention to revenues, cost-effectiveness, investments,

marketing, strategies, operations, and long-term financial success of the organization. The firms that are not successful in their economic or financial agendas will go out of business. Hence, the economic responsibility is a baseline requirement that must be met in this hyper-competitive business world (Carroll 2016.)

However, it is not all business corporations that are established for making profit but the purpose of providing services makes it economic entity and must be economically responsible. The main responsibilities enshrined by Carroll under economic component can be understood as:

- A firm is to perform business in a way to maximize EPS.
- A firm must be as profitable as possible unless otherwise profit is not the purpose.
- A firm should maintain competitive position.
- A firm must remember the importance of maintaining and achieving operating efficiency.
- A successful corporation is the one which is consistently profitable.

2.2.2 Legal responsibility

Although business organizations are to operate for making and maximizing profit, they are also expected to operate in accordance with the laws of the land. The codified laws or ethics for businesses to operate come under legal responsibility of businesses. Some common examples of codified ethics are tax laws, code of conducts, certificate of operations, labor standard acts, advertising laws and so on.

Societies have not only approved corporations as economic entities, but they have also established the minimal ground rules under which corporations are expected to operate and function. Such ground rules include laws and regulations and they reflect society's view of codified ethics that articulate fundamental notions of fair business practices as established by lawmakers at different geographical levels. Corporations are bound to perform in a manner consistent with expectations of government and law. They should comply with various federal, state and local regulations. They should expect to conduct themselves as law-abiding corporate citizens. Companies are legally bound to provide goods and services that at least meet minimal legal requirements, most importantly fulfilling all their legal obligations to societal stakeholders (Carroll 2016.)

2.2.3 Ethical responsibility

Ethical responsibility is the act of doing right in the eyes of the society and the doer as well. In simple words, it is the act of doing right or wrong in the eyes of society however it is neither legal nor economical. Ethical responsibilities are not codified, they are ethical values, norms, expectations or standards of being fair to stakeholders.

The intersection of a profit motive and moral imperative can help establish an ethically responsible business. Ethical responsibility means maintaining or even improving the bottom line of a business while setting high bar to contribute positively to the society. Organizations have created guidelines for ethical behavior for business entities, regardless of the size of the business. Some most prominent organizations providing guidelines to business firms are for example UNSG, GRI and Business for Social Responsibility. A key part of ethically responsible business is finding ways to minimize or naught any negative impact along the entire supply chain of business operation. Ethically responsibility entails protecting the environment locally and globally. It motivates corporations to set goals for reducing greenhouse gas effects, avoid using toxic chemicals whenever possible and learn where the resources come from and how they are produced. If you serve a coffee (business type), be it known whether it comes from clear-cut farms that destroyed the precious rain forest or is grown sustainably in a manner that protects other vegetations and habitats. Consider the whole lifecycle of the product and services you sell (Sarokin 2019.)

In any organizations, from top management to employees at every level, ethics is everybody's business. Ethics in business is nothing but the do's and don'ts set on the moral and ethical values. Ethical responsibilities embrace those activities and practices which are expected or prohibited by societal members even though they are not codified into law. The civil rights, environmental, and consumer movements reflect basic alterations in societal values and norms and hence they may be taken as ethical forerunner foreshadowing and leading to later legislation. In other ways, ethical responsibilities reflect new or newly emerged values and norms that society expects business to meet (Singh, Kh & Singh, M 2013, 16-21.)

2.2.4 Philanthropic responsibility

Corporate philanthropic includes all form of business giving and embraces business's voluntary or discretionary activities. Business giving may not be a responsibility in a literal sense, however, it is normally expected by business today and is a part of the everyday expectations of the public. The quantity and nature of these activities are voluntary or discretionary which are guided by business's desire to participate in social activities that are not mandated or not required by law. Most companies engage in philanthropy as a practical way to show and explain their good citizenship. This is done to enhance the company's goodwill and not importantly for noble or self-sacrificing causes. The difference between ethical and discretionary categories is that business giving is not necessarily expected in a moral or ethical sense. Philanthropy has been one of the most important elements of CSR in history and it continues today (Carroll 2016.)

Nowadays, we have seen organizations being socially responsible to the community where they operate, by meeting certain needs of interests that strategically relates to what they do as an organization. What differentiates a genuine philanthropist from the rest is the positive impact their financial resources have created. They are consistent in their approach, no matter what their current portfolio is, as long as it is to uplift the quality of life (Tofowomo 2013.)



FIGURE 2. Philanthropy (Adapted from Tofowomo 2013)

2.3 Challenges and Opportunities

The major purpose of including CSR in business is to make the corporate business activities as well as the corporate culture both sustainable in three ways: economic, social and environmental. This is all about paying equal amount of attention to all the three dimensions. However, many corporations believe that CSR is a much exterior part of their business whereas other think that it is an irrelevant issue for their business as satisfying their customers is more important for them. It is often perceived by the companies that customer satisfaction is only about price and service, but this makes them blind folded towards other important changes taking place worldwide that could blow their business out of water. The change is viewed as CSR which is an opportunity in itself for business entities (Singh & Ahmed 2012, 15.)

According to Singh and Ahmed (2012, 15-16), the positives of CSR initiative are that it can grant a corporation both in terms of finance as well as managerial talent. It helps attract right people at work to work on those initiatives. The opportunities than can arise when business firms adopt CSR policies can be divided according to the benefits, they have on corporations themselves, communities and general public and the environment. Companies can have the opportunities to: improve their financial performance, lower their operating cost, enhance brand image and reputation, increase sales and customer loyalty, increase productivity and quality, attract and retain motivated employees, reduce regulatory oversight, have workforce diversity, have product safety and decreased liability and so on.

On the other hand, running a business in a socially responsible way is a challenging task. Nowadays, business should consider more than just profitability if they want to retain their customers, employees, shareholders and to make communities happy (Williams). Williams further depicts some easy to understand types of challenges of Social Responsibility in business. The first is employees' satisfaction. Employees' salaries take up a large portion of a business' budget due to this companies attempt to keep wages low to maximize profits. However, socially responsible companies understand that paying a fair wage may cost more but have significant advantages in future. Secondly, it is very challenging task for businesses that work with multiple suppliers to address socially irresponsible business practices. Their supply chain is big, they do business with many suppliers and hence makes it very difficult to address whenever its stakeholders demand. Similarly, there can be devastating blow if the product a firm sells results in harm to customers. The meaning to the statement is that if a product is wrongly linked to the case of customer's harm but a quality control could not recognize the faulty product; business will still face challenges. Moreover, recycling bottle and cans, minimizing paper and energy consumption are all

ways firms can adopt sustainable practices in their operations, but old habits are hard to change; companies have to stay committed to train employees to incorporate those practices in day to day activities (Williams.)

The survey conducted by Berad (2011) at MET Institute of Management, Nasik, India has categorized very important challenges that business organizations face alongside their operations. Lack of community participation in CSR activities either because of little or no knowledge about CSR makes it difficult for businesses to adopt best CSR practices. There is lack of communication between the companies and the communities at the grassroots. There is also a need to build local capacities that can effectively contribute to the ongoing CSR activities initiated by companies. Likewise, lack of transparency is one of the key issues as local implementing agencies do not make adequate efforts to disclose information on their programs, audit issues, impact assessment and utilization of funds. Lack of transparency negatively impacts the process of trust building among companies, customers, and local communities. Furthermore, due to the non-availability of clear CSR guidelines, companies fail to give a definitive direction to CSR initiatives. To pick a few more, narrow perception towards CSR initiatives, lack of consensus on implementing CSR issues, non-availability of well-organized non-governmental organizations makes it more challenging for corporations to apply CSR initiatives in business operations.

2.4 CSR and Financial Performance

In the previous paragraphs, CSR has been well discussed from various perspectives. Now, the critical question that arises is how and whether or not corporate social responsibilities are having any impact on corporate financial performance. Do the impacts influence corporations to put more money in business or invest in good performance? Does it influence company's decision making at any level? How does the impact of CSR and CFP affect investors after realizing that the profit generated is channeled into social activities?

There is no doubt business performance is measured in terms of profitability. Profit is the prime goal of every businesses except some opened for non-profit motive. Shareholders' wealth cannot be increased without profit maximization and in order to do so, there is the need to be responsible in economic, social and environmental situations. A corporation earns reputation if all areas are taken care of and hence could be profitable.

Gössling (2011, 1-6) argues that business organizations, scientists, international organizations and professional service firms like consultancies and agencies have developed means and mechanisms, protocols, tools, standard procedures and functions for those who are responsible for responsibilities within organizations. These groups help corporations understand what CSR is and how they could be benefitted. He further states that for businesses to be responsible, they need to spend money on various areas. Organizations can hire a specialist, get a consultant in, provide clear guidelines with a clear code of conduct, provide trainings for managers and workers, set incentives for responsible behavior and disincentives for the irresponsible, give money to charity, build up new charity and so on. These types of activities show business responsibility. However, it is the most important of all that their core business activities do not harm third parties. All these activities cost money; you pay a consultant to produce a report. However, a comparison with the corporate financial performance of respective companies showed that there seems to be a positive relation between CSR and CFP. To be more precise, responsible corporations make more money than irresponsible peers. This is quite surprising for many given the fact that extremely irresponsible firms and companies who do not seem to take care about the well-being for societies at all are extremely profitable. However, everyone doubts on the sustainability of those corporations in long run (Gössling 2011.)

According to Gerard and Thierry (2015, 20-22), there are seven hypothesis that gives the relationship between CSR and CFP. The hypothesis theories are Social Impact hypothesis (Freeman,1984), Slack Impact Hypothesis (Waddock & Graves,1997), Positive Synergy (Waddock & Graves,1997), Moderating and Intermediary Variables Hypothesis (Ullman,1985; Waddock & Graves, 1997), Trade-off Hypothesis (Friedman, 1962,1970; Vance, 1975), Managerial Opportunism Hypothesis (Preston & O'Bannon, 1997) and Negative Synergy (Preston & O'Bannon, 1997).

The Social Impact Hypothesis is based on the theory of stakeholders who thinks that CSR has a positive impact on financial performance. Meeting the demands and expectations of diverse stakeholders like shareholders, customers, employees, suppliers, environment, societies and so on contributes to improving the performance of the company. It tends to improve the reputation of the company and hence there can be positive impact on its financial performance.

The Trade-off Hypothesis which was derived from the neoclassical theory of the firm, makes reference to the thesis of Friedman which hypothesize that CSR has a negative impact on CFP. This is because CSR creates additional cost that reduce profitability and competitiveness. It assumes that investment in CSR decrease funding allocated to other economic activities that are more profitable.

The Slack Resources Hypothesis assumes that low-risk corporations are more committed to socially responsible activities than other high-risk bearing corporations. The assumed reason behind it is that low-risk firms have a stable profitability model and can therefore invest in social activities.

The Managerial Opportunism Hypothesis assumes that the top-level management pursues their own interest at the expense of shareholders and stakeholders. If the financial performance is good, managers reduce social spending to maximize their own short-term personal gains. However, when the financial performance starts to decline, managers may try to compensate for disappointing results by involving in pretentious or conspicuous social programs.

The Positive Synergy Hypothesis assumes that the high level of CSR may lead to an improvement in CFP similar to Social Impact Hypothesis which might make it possible to reinvest in socially responsible actions like the Slack Resources Hypothesis. This can create a simultaneous and interactive relationship between CSR and financial performance forming a virtuous circle.

The Negative Synergy Hypothesis argues that the high levels of CSR lead to the poorer corporate financial performance, which therefore limits socially responsible investment. There is a concurrent and interactive relationship between corporate social responsibility and financial performance, forming a vicious cycle.

The Neutrality Hypothesis assumes that there exists a random link between corporate social responsibility and its financial performance. The living correlations are the consequences of intermediate variables acting in an unforeseeable manner, but which make it possible to link the two constants. This theory simplifies that there is a neutral effect of corporate social responsibility on financial performance.

3 CSR IN HOSPITALITY SECTOR

The hospitality sector is frequently viewed as the source of economic, environmental, social and cultural advantages through its support of employment creation, improvements to infrastructures and cultural understanding. But the hospitality industry also imposes a huge number of negative impacts on the economic, natural and social environments, including air and noise pollution, bio diversity loss or waste generation. Similarly, hospitality industries consume huge amount of water, energy, food, paper, linen, laundry, consumables, stationery, cleaning chemicals and other various resources, and hence generates air, water, soil and noise pollution. These factor impacts the local communities through their occupation of space, use of infrastructures, and their relationships with local businesses, communities and government. As a result, stakeholders not only show attention towards the higher quality of hotel services and infrastructures but also about further initiatives that the companies take to protect the personality and cultural identity of destinations, along with their natural, human and patrimonial resources. Since hospitality industry offers activities which have constant interactions with these systems, the industry has a great capacity to initiate significant changes in the economic, natural, social and cultural environment. International tourism associations have been more and more active in responsible and sustainable issues. The World Travel and Tourism Council, the World Tourism Organization and the Earth Council had collectively set international guidelines relative to sustainable and responsible tourism. In the EU sphere, the initiative for improving corporate responsibility in the hospitality sector has been established. The European Federation of Food and Agriculture, Tourism Trade Unions, hotels, restaurants and cafes in Europe have collectively agreed on the parameters concerning equal opportunity, non-discrimination, working conditions, fair pay, vocational training and life-long learning, health and safety, and most importantly maintaining relationship between employers and employees at all levels. Likewise, Green Hotels initiative focus on the policies designed to save water and energy and to reduce solid waste (Martinez & Bosque 2013, 05.)

3.1 Finnish Hospitality Sector

The Finnish hospitality sector is a growing and international industry with substantial growth potential in such a way that it is an increasingly important industry in terms of job creation and the number of people it employs. Hospitality industry accounts for more than 2.5 % of the GDP in Finland which is almost 14 billion euros per year. Finnish hospitality sector employs more than 140,000 professionals

from all over the world out of which 30 % are below 26 years of age. Every year around 8.3 million foreigners come to visit Finland. Asian tourists represent the biggest potential for growth these days (MARA 2019.)

3.2 CSR Perspectives in Finland

Finnish customers increasingly value products which are of good quality and produced sustainably which seems to be a consequence of the well-being in Finnish societies. Nowadays, Finnish consumers are rich, educated and hence more conscious about companies' responsibility matters, which is affecting their buying behavior. All consumer goods companies in Finland have already started to realize the potential of CSR as a source of differentiation. The views and management of CSR in Finnish companies are seen to be influenced by some cultural aspects like the typical Finnish thinking that one must behave ethically in business. It has been understood that these high moral understanding of business responsibilities are stereotypical for northern European companies (Kuusela 2015.)

Corporate Responsibility Network FIBS, started in 2000, is a leading non-profit network in Finland, which conducts various programs like responsibility reporting competitions for companies wanting to achieve visibility for their CSR efforts. Most of the FIBS members, currently more than 300, are large companies that benefit of the FIBS cooperation with different international networks such as GRI, CDP, CSR Europe and CSR 360 Global Partner Network. FIBS help companies to understand the opportunities of sustainable and responsible business better and adds many new responsibility-related themes to the company's agenda, such as diversity management, natural capital and human rights. FIBS generate CR training and events in collaborations with various consultants and other expert organizations in Finland (FIBS 2019.)

A key driver for Finnish CSR is the legislation and government representatives, which hold an opinion that the primary role of the state is to provide a legal framework within which business operates. Finnish government emphasizes the voluntary aspects of CSR in its public policy. Examples of such legislation are related to employment, accounting, social security and environmental protection which form the baseline for CSR. Key international initiatives such as the OECD guidelines, UN Global Compact, and ILO principles are also promoted by the Finnish government. Finland is an interesting case of comparatively high adoption of CSR with good practices of CSR initiatives implemented by companies such as

Nokia and Kesko. Compared to other European countries, Finland scores up on CSR views, such as sustainability reporting, codes of conducts, explicit value statements, and so on (Kourula 2010.)

4 CASE COMPANY: SCANDIC PARK HELSINKI

Scandic Park Helsinki is a four-star hotel located near the center of Helsinki, Capital of Finland. The exact address of the hotel is Mannerheimintie 46, Helsinki. It is one of the biggest hotels in Finland having more than 500 rooms. The hotel is located just opposite to the beautiful Töölönlahti Bay which is just a short walk from the center of Helsinki. It offers direct access to Töölönlahti's diverse outdoor and sport facilities. In the periphery of the hotel one can find Finnish National Opera House, Finlandia Hall, Music House, Linnanmäki and the Olympic Stadium and so on. Local buses, trams, buses to airport stop right in front of the hotel. It is very easy to navigate the hotel around the city (Scandic Park Helsinki 2019.)

4.1 Hotel Chain

Founded in 1963, Scandic is the largest Nordic hotel association and a company having a network of more than 283 hotels with approximately 57,000 hotel rooms in operation and under development in six countries (Finland, Sweden, Norway, Denmark, Russia and Germany). Scandic chain employs 18,000 team members. The largest loyalty program in the Nordic hotel industry is the Scandic Friends. The rooms, restaurants and conference facilities in Scandic are built on an attractive concept with a local touch. Scandic has now been a pioneer, driving development within the hotel industry. Scandic Hotel chain is an explorer within corporate social responsibility. Almost all of its chain hotels are certified according to the Nordic Eco level's new requirements (Scandic 2019.)

4.2 CSR Focus of Scandic Hotels

Being a leading hotel company in the Nordic countries, Scandic has a strong commitment to the environment protection and the welfare of the communities where it operates. Scandic is a member of UN Global Compact and Nordic Eco level. Scandic quantifies sustainability goals, in terms of social and environmental aspects. Sustainability is something that scandic's corporate customers and guests demanding more and more and at the same time scandic's sustainability initiatives foster pride and increase motivation among team members. Scandic has chosen to join International Tourism Partnership (ITP) which is an organization that includes various world's leading hotel chains and ensures that the entire industry operates sustainably (Scandic Annual Report 2018.)

Scandic aims at growing profitably by taking the advantage of the rising demand for hotel experiences in its markets with the help of leading hotel portfolio and customer-oriented approach. At Scandic, strategic focus is about constantly developing its customer offering, optimizing distribution and increasing profitability. All areas of operations are characterized by a sustainable approach. Sustainability is integrated into every operation of Scandic. Sustainability is a natural part of agenda in all decision-making processes. Scandic believes that a sustainable working methodology reduces negative environmental impacts, contributes to the society where it operates and strengthens business. The main sustainability goals are measured using selected key performance indicators while other long-term goals, stakeholders' dialogues and materiality analyses are reviewed and updated regularly (Scandic Annual Report 2018.)

Scandic has an updated loyalty program called Scandic Friends which is intended to establish closer relationship with customers. It has been there for around 10 years. In this program, every time customer visits the scandic hotels, they are awarded points that allows them to get various benefits. What it means is that if you stay or go for a meal more than once at Scandic hotels anywhere, you are awarded points which you can use in your next visits to get a discount or additional facilities for free (Scandic Annual Report 2018.)

Scandic has been a big employer which offers young people the opportunity to gain valuable professional experience. It is continuously creating more and more employment opportunities in the societies where they operate. 60 percent of the new employees hired in 2018 were below the age of 30. This shows how they are attracting young generations at work in Scandic. Scandic ranks at first place as an employer in Denmark, Finland and in Sweden being the most attractive employer (Scandic Annual Report 2018.)

5 RESEARCH METHODOLOGY

The empirical part of the thesis was written through quantitative research method in which I had described the purpose and let respondents know that their data are completely confidential and anonymous. I decided to use this form of research because I thought more honest answers can be received if the respondents are completely anonymous. The research was carried out as a questionnaire survey with 15 questions altogether. The survey questions were designed for the employees working in Scandic Park Helsinki hotel which were related to corporate social responsibility, its challenges and opportunities, and its impact on hotel's financial performance. In the study, managers and employees working in different departments of the hotel were submitted survey questionnaire.

5.1 Quantitative Research Method

Quantitative research method can be described as the holistic steps that a researcher employs in finding conclusions. This form of research method deals with quantifying and analysis variables to achieve results. The numerical data can be utilized and analyzed using specific statistical techniques for the question's types such as who, how much, what, where, when, how many, and how. Quantitative research method can be used to explain the issue or phenomenon through gathering data in numerical form and analyzing them with the help of mathematical methods most commonly statistics. The first thing a research tackles with is explaining the issue, be it qualitative or quantitative. In such case, quantitative method is particularistic, objective and conclusive (Apuke 2017.)

Basically, quantitative research method is conducted by a questionnaire survey or by interviews. Both of them have a set of pre-fixed questions. Questionnaire can be made in a paper or prepared available on an electronic device. There is no any effect on the answers done that printed on a paper or electronic however in electronic respondents can have a chance to answer honestly.

Quantitative research method is used to generate numerical data and hard facts by employing logical and statistical technique. By features, quantitative research method is particularistic, objective, conclusive, deductive, measurable, and result-oriented. It is aimed at finding the cause and effect relationship between two variables by using computational and statistical technique. The collected data can be split into

categories or can be measured in terms of units of measurement. Graphs and tables with numbers and percentages are used commonly.

5.2 Validity and Reliability

Reliability and validity are the concepts used in the evaluation of the quality of the research process. Both indicate how accurately a technique, method or a test is used to measure some particular issues. In this sense, reliability is about the consistency whereas validity is about accuracy of a measure. When creating a research design, planning methods, and writing up the results especially in quantitative research, it is very important to consider these two concepts. These two concepts are very closely related however, they mean different things. A research or measurement can be reliable without being valid however, if a measurement is valid it is usually also reliable (Middleton 2019.)

Reliability shows the consistency of a method used which means the same results can be consistently achieved by using same methods under the same circumstances. On the other hand, validity tells how accurately a method measures what it has intended to measure. Validity is seemed as more important and hence very harder to assess than reliability. In order to measure the validity of research, the researcher did pre-testing of the questionnaires to generalize whether the answers will yield the expected results and at the same time respondents will understand the questions very clearly. Researcher had designed the questionnaire that fully addresses the research objectives that the researcher wanted to answer. In terms of reliability, the definition of the research problem was clear and easy to understand. The questions were also set well to extract the exact answers. The respondents were the individuals working in the same company and others who know that company very well and had dept understanding of the issue which made the study more reliable and valid.

6 RESULT AND ANALYSIS

In order to answer the research problem ‘the impact of corporate social responsibility on financial performance’ from stakeholders’ viewpoint, a total of twenty-five (25) individuals were provided the questionnaires which comprises the employees, customers and shareholders of Scandic Park Helsinki hotel. A total of 21 out of 25 individuals responded to the questionnaire distributed. The questionnaire consisted 15 questions in which four questions were free writing types. Except the first question which was about the gender of the respondents, all other were started from the knowledge of corporate social responsibility and financial performance. The ultimate aim of the researcher was to know whether CSR opportunities exceeds challenges or vice versa and those affects the financial performance. Questions were set very logically because researcher wanted to link each answer received to the financial performance if possible. The researcher had believed that the answer received from the respondents who are very close to that organization will be honest and true as they had seen and analyzed the scenario of corporate social responsibility and its effects on their company’s financial performance.

6.1 Survey Data Analysis

In this section, the author had presented and analyzed the answers received from those 21 respondents with the help of different figures. The author had explained the result of each important questions asked with the help of bar graph, pie char and so on. The researcher had also tried to analyze the result in brief to every important question however the actual findings and understanding of the issue will be discussed later paragraphs as well. The researcher had combined the answers of different questions to find out the impact on financial performance.

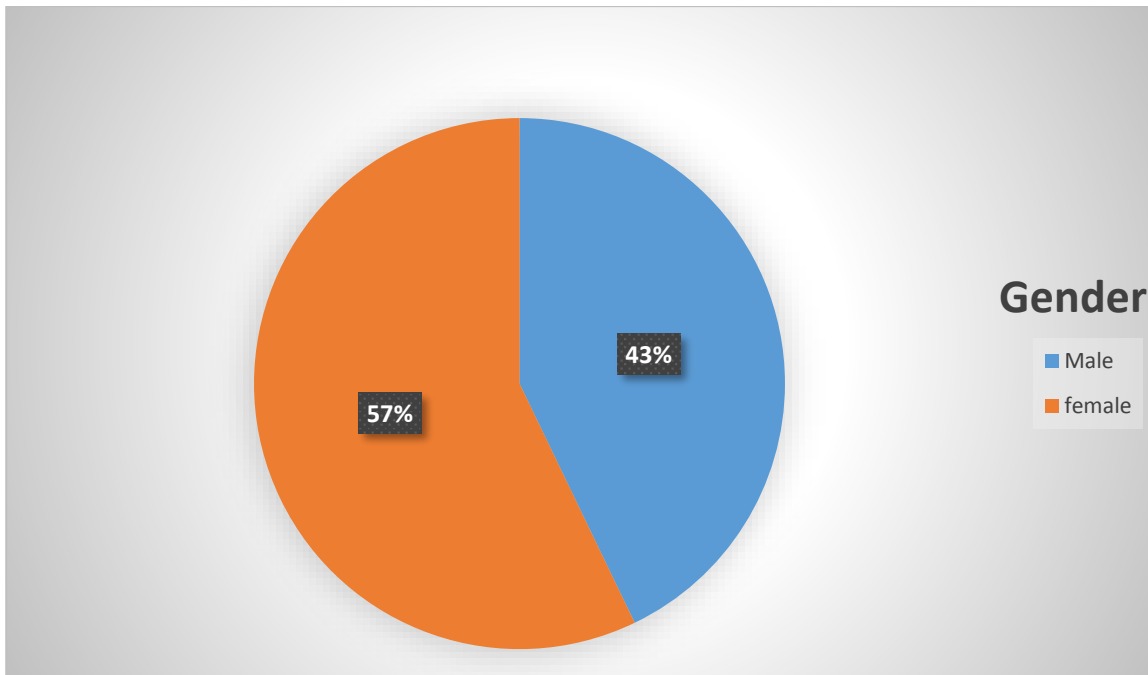


FIGURE 3. Respondents by gender

Among the 21 respondents, 12 were female which represent around 57% whereas 9 were male representing the rest 43 %. It is shown in FIGURE 3.

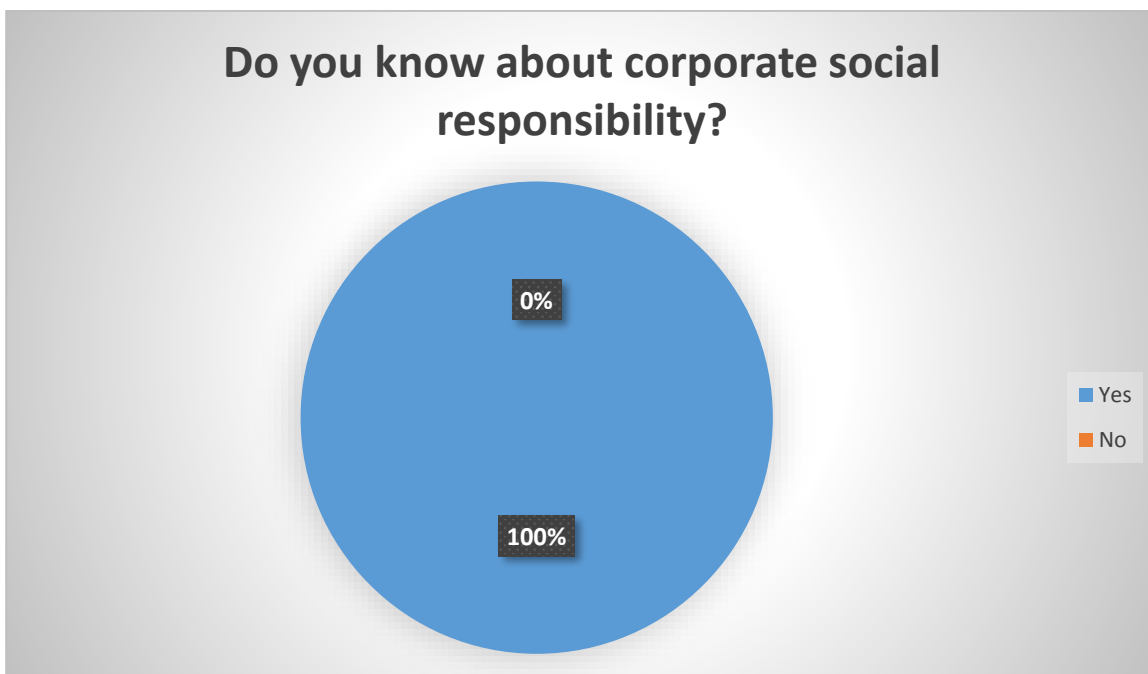


FIGURE 4. Knowledge of CSR

It is very interesting to observe that all of the respondents are aware of the term corporate social responsibility. This might be because most of the respondents were the employees of the hotel and some others

were the conscious customers. It becomes very easy to get the expected answers if all the respondents know and understand the topic very well and answers could be more reliable. This is shown in FIGURE 4.

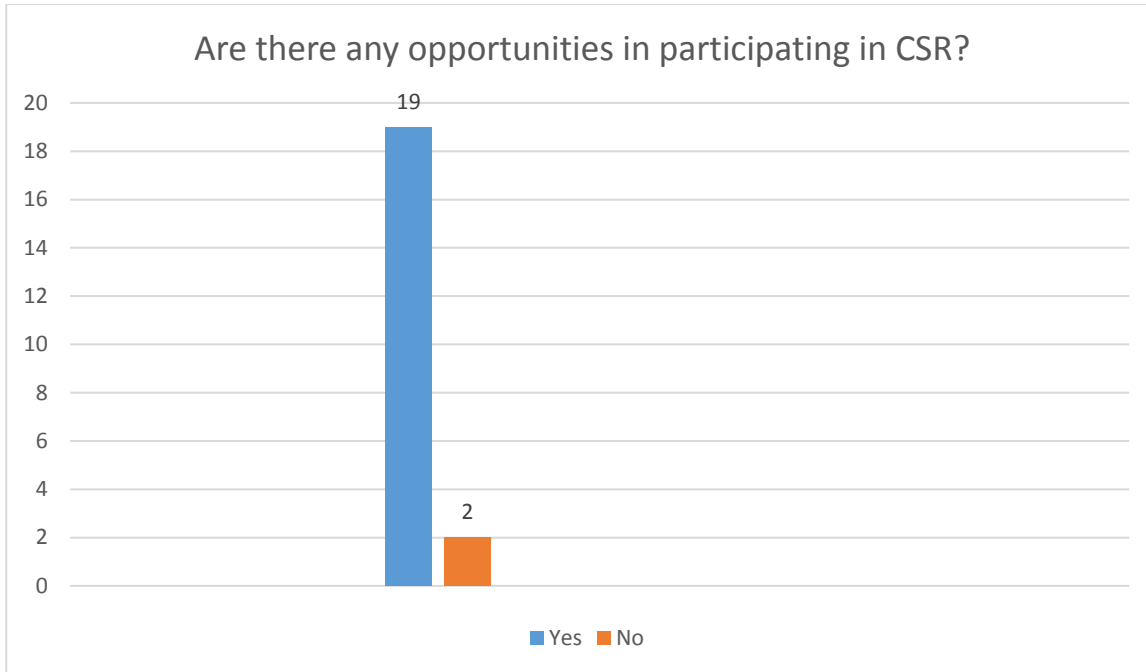


FIGURE 5. Opportunities in practicing CSR

Researchers and scholars often say that there are both opportunities and challenges of participating in corporate social responsibility. In reference to that, respondents were asked whether there are opportunities in participating in CSR activities. Nineteen (19) which is 90% of the total respondents agreed that there are opportunities in participating in CSR whereas 10 per cent of the respondents thought otherwise. This is illustrated in FIGURE 5.

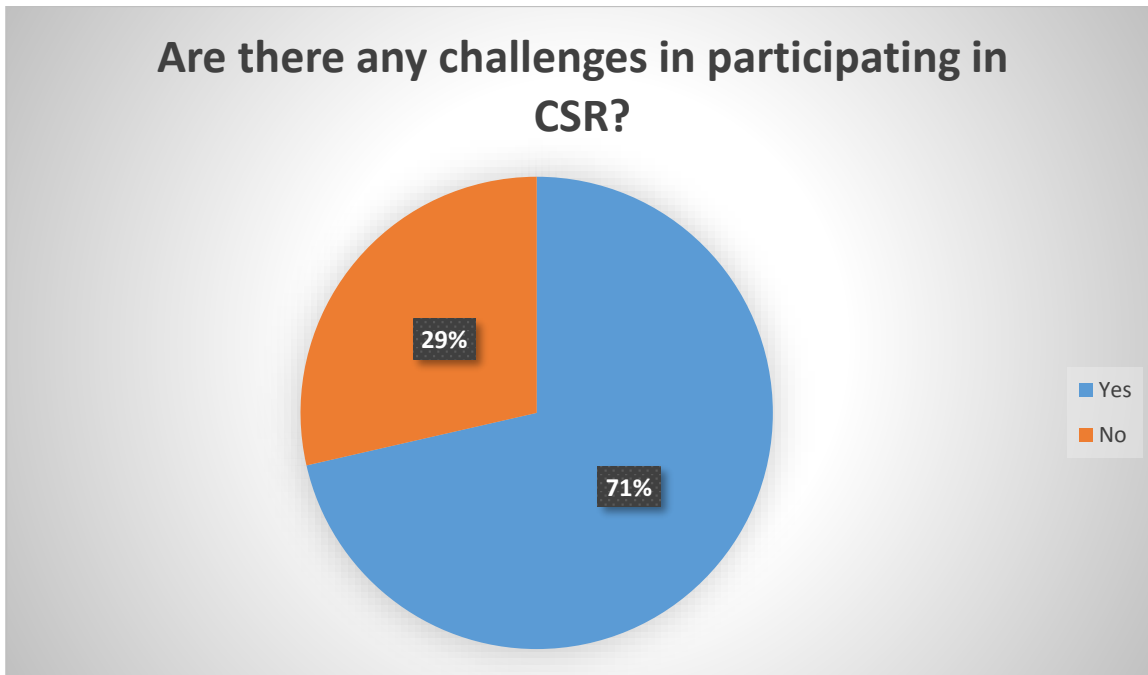


FIGURE 6. Challenges in CSR

According to FIGURE 6, out of total respondents 71% agreed to the fact that there are various challenges that the company face when implementing and practicing the corporate social responsibilities strategies. The rest 29 per cent opinioned that there are no challenges involved. The participants who agreed that there are challenges involved in practicing CSR also listed some of the challenges they think the company might encounter. Their views will be discussed in later paragraphs.

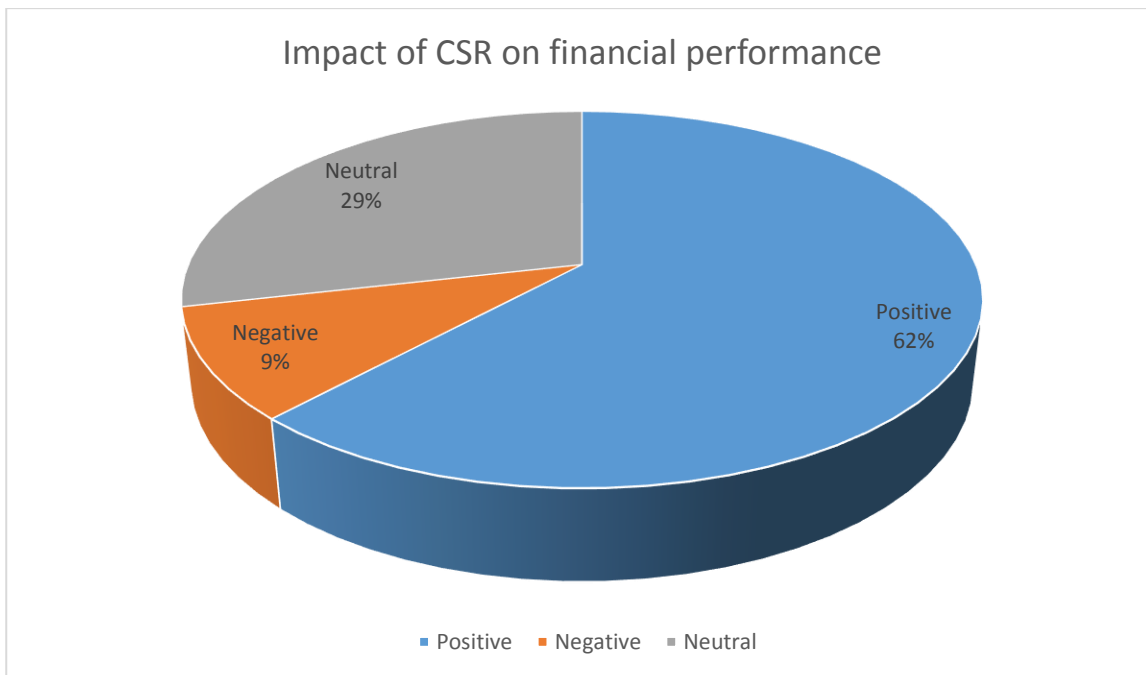


FIGURE 7. Impact of CSR on CFP

Most of the valid respondents which is around 67% of the total agreed that there is a positive impact of corporate social responsibility in company's financial performance followed by 24% who believe that there is neutral effect of CSR on financial performance. The rest nine per cent (9%) believe that there is a negative impact related to the given topic. The exact figures of respondents who replied positive, negative and neutral are simultaneously 13, 2, and 6. The one who said there is a neutral effect meant that CSR do not add any value nor reduces the financial performance ratios. FIGURE 6 shows how respondents answered to the question.

The respondent gave their opinion on the relationship between CSR and financial performance based on their understanding of the challenges and benefits/opportunities of CSR to organizations. The author had analyzed the impact of CSR on company's financial performance based on the three variables received; challenges, opportunities and impact of CSR on CFP. The figure (FIGURE 8) below is the cross tabulation of the response received from two different questions: opportunities in participating in CSR and its impact on CFP.

TABLE 1. Cross tabulation of Opportunities of CSR and its Impact on CFP (answers chosen by respondents)

		Impact of CSR on Financial Performance			Total
		Positive	Negative	Neutral	
Opportunities in participating in CSR	Yes 19	13	0	6	19
	No 2	0	2	0	2
Total Respondents		13	2	6	21

Among the total number of respondents, two answered that there are no opportunities in practicing CSR and these two mentioned that there is a negative impact between CSR and financial performance. On the other hand, 19 respondents said there are opportunities in involving in CSR practices and among those 19, 13 responded that there is a positive impact of CSR on financial performance whereas 6 insisted there is neutral effect. Those who believed that there are opportunities in engaging in CSR activities also believed that there is any negative effect on corporate financial performance.

In relation to this question, respondents were asked to give some opportunities that Scandic Park Helsinki is likely to benefit from CSR practices. The common answers given by the survey participants are better corporate image, unites staff, establish good team spirit, feeling of doing something good during working hours. Moreover, they agree that participating in CSR activities increases company's profitability, helps attract potential employees at the same time attracting customers, improves customer loyalty, shapes the business growth in long run, and finally promotes the brand of Scandic.

TABLE 2. Cross tabulation of Challenges in practicing CSR and its Impact on CFP (answers chosen by respondents)

		Impact of CSR on Financial Performance			Total
		Positive	Negative	Neutral	
Challenges in practicing CSR	Yes 15	11	1	3	15
	No 6	2	1	2	6
Total Respondents		13	2	6	21

Of the total 21 valid respondents, 15 agreed that there are challenges in practicing CSR whereas 6 disagree on that. Out of 15 who believed that there are challenges associated with CSR practices, 3 said there

is neutral effect of CSR on financial performance whereas only one stated that the effect is negative. Six of the total respondents said there comes no challenges associated with practicing CSR. The two of them believed that there is neutral effect on CFP and only one states negative effect can be found.

The respondents also mentioned some of the challenges that Scandic Park Helsinki is likely to encounter while participating in CSR. Some of the common answers received from the respondents were about choosing a CSR issue, planning, implementing and mobilizing the human resource. They believe that the challenges could be associated with the management while choosing the social issues, hiring CSR professionals or experts, recruiting new staffs as more staffs will be required, following the guidelines as there are no clear guidelines for CSR, allocating funds and so on.

The rest of the questions asked to the respondents were to know whether they know about their company's participation in CSR activities, whether they are aware of the benefits and problems associated with CSR. Some questions were about their personal attitude towards saving the environment, caring the societies and their workers. The answers to these types of questions were very clear. Almost above 75% of the respondents agree that the CSR has great importance in today's business world to succeed. Their buying behavior has also been influenced by the brand and recognition of the producer or seller. Author got to know that respondents would love to buy goods from a socially and environmentally responsible seller even though the price is slightly cheaper than the others.

Based on the results achieved, it can be concluded that the stakeholders of Scandic Park Helsinki know corporate social responsibility very well along with its challenges and opportunities it brings. No matter what the challenges and opportunities CSR bring, majority of the participants still believe that the effect of corporate social responsibility on corporate's financial performance is positive. This means business which are socially, environmentally and morally responsible are near to make higher profits in this century.

There was also one question to find out how much percentage of the respondents exactly agree to whether it has been good or bad or both results for Scandic Park Helsinki to be involved in CSR activities aside from maximizing profit and creating shareholders value. The response showed quite impressive answer with 86 percent saying it has been good for the company and rest said both good and bad results. It is also mentioned in the FIGURE 8 as bellows.

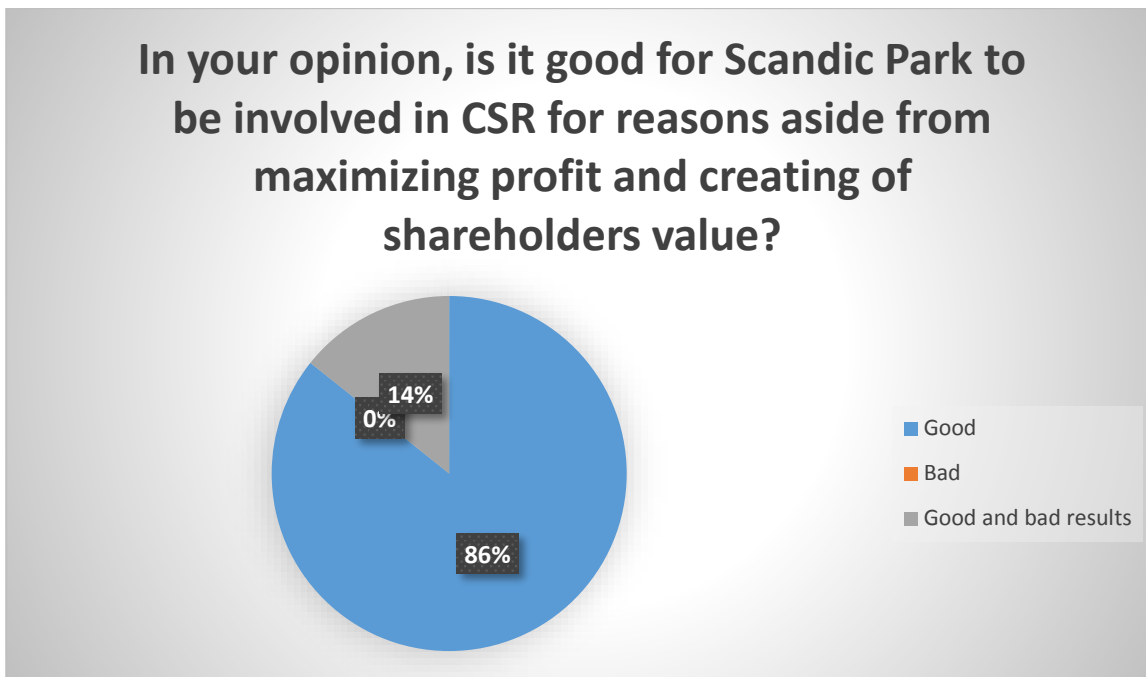


FIGURE 8. Scandic Park Hotel's Participation in CSR

6.2 Findings

In overall, the result that the author has received after conducting a quantitative research survey on the topic 'the impact of corporate social responsibility on financial performance' tends to be quite an interesting and knowledgeable one. Majority of stakeholders believed that business companies should not limit their operation within the company and its periphery rather their activities should support the life of people, societies and environment where they operate. The study revealed that Scandic Park Helsinki Hotel which is also a chain of Scandic brand has adopted the practice of CSR. Majority of the respondents from the case company are very clear about the importance of practicing CSR in their operations. Almost all of them know about the term, its challenges and opportunities and are also very loyal to the environment where they operate.

The cross tabulation of the variables like opportunities in practicing CSR, challenges associated with it along with the positive, negative or neutral effect that CSR have on CFP gave the approximate idea regarding the research problem. Irrespective of the opportunities aroused and challenges faced, maximum number of respondents agree that CSR have positive impact on financial performance keeping in mind that majority of them are professionals in service sectors.

7 CONCLUSION AND RECOMMENDATION

This is the final chapter of the whole thesis. In this chapter, author has made the conclusions based on the data analyzed in the above chapters and the recommendation will be made for the case company. From the very beginning, the purpose of the study was to describe and analyze the impact of corporate social responsibility on corporate financial performance. In other words, does CSR affects the company's profitability ratio. This thesis in the former part looked into the aspects of CSR and explained very well along with the benefits/opportunities and challenges of participating in this practice. In this thesis, author also explained the perspectives of CSR in Finland because Finland is known for its social and environmentally friendly operations in every sector. Scandic Park Helsinki which is a chain hotel of the Scandic brand and is operating in the heart of Helsinki, was used to understand and test the feasibility of the problem and possible solutions.

7.1 Conclusion of Empirical findings

The term corporate social responsibility has grown from a very narrow and marginalized subject into a very complex and multifaceted concept. The term CSR is one of the oldest concepts from the 20th century, however there has not been a universal definition for it. It means different to different people. The context is important to be cited before defining the term CSR. Organizations are now understanding the fact that they should address the social and environmental issues in order to secure their place in this competitive business world. The demand by societies for organizations to be responsible led businesses to shape their legitimacy by embracing CSR strategies into their operations.

The study found out that hotel Scandic Park Helsinki has adopted the practices of CSR in their operations. Since the hotel is the chain of Scandic brand, it has to follow the rules and guidelines set by the Scandic. It is obvious that being a responsible service industry Scandic will monitor the operations of its chain hotels. Scandic brand guidelines has supported Scandic Park Helsinki hotel to implement best CSR practices in daily operations. Every hotel in the Scandic chain should disclose their impacts on environment and societies. CSR is very important to the company and it is found out that their stakeholders especially employees and shareholders are aware of it.

After gathering the views of the respondents, the following conclusions can be made in accordance with the purpose of the study. The important discussion is based on the challenges and opportunities that CSR brings to the company. Various researchers have agreed that CSR comes with both the challenges and opportunities. From the respondents' answers, it can be concluded that almost every stakeholders of the case company understand that involving in environmental and social initiatives brings both the challenges and benefits to the company. The examples of challenges and benefits given by the respondents were similar to the ones which are often outlined by the researchers of this field.

Moreover, the discussion is made on the impact of corporate social responsibility on financial performance. To analyze the impact of CSR on CFP, three variables which are opportunities, challenges and impact being positive, negative or neutral were studied using the cross-tabulation method. The logic behind doing so is that the respondents choose the impact to be either positive, negative or neutral based on their understanding of challenges and opportunities CSR brings. If the impact is said to be positive, participating in corporate social activities increases the financial performance. Likewise, if the impact is said to be negative, CSR practices do not bring profits to the company. And when the impact is said to be neutral, there will not be any effect in the financial performance of the company.

From the viewpoint of the respondents as well, the impact of CSR on financial performance is likely to be positive or neutral. The ones who believe the impact is negative can be outnumbered since most of all agree on positive or neutral effect.

To crack in a nutshell, the study gives a clear information that it is beneficial for companies to actively involved in CSR agendas since it boosts financial performance. Especially, the business which are in service industry sectors need to see CSR as an important tool to increase their performance and establish their brand.

7.2 Discussion and Assessment of the Research

The aim of the thesis as mentioned earlier at the beginning was to understand the impact of CSR on financial performance. This thesis aimed at finding how CSR affects profitability ratio of a business firm. Moreover, it was very important for the author to understand whether CSR works and how does it. The author's purpose of the research was to analyze the impact of corporate social responsibility on financial performance and it would not have been possible without the help of hotel manager and the

staffs. From the very beginning, the author's and commissioner's anxiety was 'Are the employees and other stakeholders of the company aware of what their company does to become financially stable and environmentally and socially responsible? If they are, what do they think about company's actions and strategies. What are their personal motives and opinions? Are they happy with what company do to protect the environment, societies and people? Are well all heading together towards a common goal? and most importantly are these actions adding more profit to our organization? and so on. The author believes that these anxieties of the commissioner were cleared and was successful to give some clear directions to go further. It is really a good thing that almost everyone knows CSR and whether they agree or disagree to the point it adds profit to the organization, they are aware of the opportunities and challenges that might encounter with it. The author believes that from this research Hotel Scandic Park have got a clear hint that what they are doing in the area of corporate social responsibility is worth something in terms of financial, social and environmental perspectives. With a group of people who are very proud of company's CSR strategies, who personally believe CSR is very important for profit, Scandic Park Helsinki is heading towards a common goal to save the planet, spread love and charity to people.

The author does believe that in this field of study qualitative rather than quantitative method should be prioritized. This is because every simple question could be linked to another according to respondent's opinion towards the subject. However, arranging an interview with lots of people in a limited time would not have been that easier and it was expected by the author that reliability come when the respondents are kept anonymous. The author thinks that doing such research by involving two or more companies and comparing the result could give a clear roadmap.

7.3 Recommendation for the Company

The case company is known to be familiar about corporate social responsibility, but an argument can be established on to what extent the associates are aware of the organization's participation in social or environmental activities. Based on the findings from the research, some suggestions can be made for the case company.

It was found out that not all the associates are aware of the CSR practices their company is involved upon. During the survey, some respondents answered that they are not aware of any CSR activities that their company is doing. The company should communicate to all the stakeholders about the matters regarding CSR. CSR is a collective approach towards caring people, societies and the planet. Company

should involve all the stakeholders while it reports to corporate social responsibility. If they company do not report corporate social responsibility to all, they should start doing so. Although there were challenges associated with CSR, majority of respondents agree that the company has benefitted from involving in this area. Company's members also feel proud to work in an organization which cares for the people, societies and environment. They feel like doing something good to others while working. Employees and other stakeholders are motivated from the company's reputation.

In conclusion, it is very important for companies within the service sector to include CSR strategies in their decision making. CSR should be an objective to go.

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Letter to Scandic Park Helsinki Hotel

Dear Respondent,

I am a Nepalese student studying my bachelor's in business administration (Business Management) in Centria University of Applied Sciences, Finland.

I am carrying out a quantitative research on the topic '**The impact of corporate social responsibility on financial performance**'.

I am sending these questionnaires to you to help me with your answers to write my thesis as a partial fulfilment of obtaining my bachelor's degree in the above-mentioned school.

The questionnaire is designed for the stakeholders' response preferably the employees, shareholders and customers. It will take an average of 10-15 minutes of your time.

Rest assured that all views expressed with the utmost confidentiality.

I am counting on your co-operation to help me do my empirical study in my thesis.

Please find the attached questionnaire.

Best Regards,

Kandel Kedar

Student Number: 1601246

Questionnaires to Officials of Scandic Park Helsinki Hotel

Quantitative Research Questions

This questionnaire is designed to solicit opinions on the impact of corporate social responsibility (CSR) on financial performance as well as challenges and opportunities faced by the corporation. You are kindly requested to provide answers to enable the researcher to contribute some knowledge in the field of study. Kindly assure that your responses will be treated with the utmost confidentiality.

1. Sex

Male Female Others

2. Do you know about corporate social responsibility of business (CSR)?

Yes No

3. Are you aware of Scandic Hotels' participation in CSR activities?

Yes No

4. Are you aware of Hotel Scandic Park Helsinki's participation in CSR activities?

Yes No

5. To your knowledge, What CSR activities has Hotel Scandic Park Helsinki participated/ been involved in?

6. In your opinion, is it good for Scandic Park to be involved in CSR for reasons aside from maximizing profit and creating of shareholders value?

Yes

No

7. Do you think there are benefits in participating in CSR activities?

Yes

No

8. If you answered yes, what are the benefits from participating in corporate social responsibility? If your answer is no, why?

9. Are there any challenges in participating in CSR?

Yes

No

10. If you answered yes, what are the challenges from participating in corporate social responsibility? If your answer is no, why?

11. Do you think corporate social responsibility has any effect on financial performance?

Yes

No

12. What impact/effect do you think CSR has on financial performance?

- a. Positive effect
- b. Negative effect
- c. Neutral effect

13. Do you feel proud to work in an organization which cares for the environment, people and societies besides you?

- Yes No I don't Bother

14. Does company's reputation influence your purchasing decision?

- Yes No

15. If your answer is yes, could you please give some examples of which aspect of reputation affects your decision? (aspects like caring the planet, societies, and economy)
