Corporate Social Responsibility and Non-Financial Organizational Performance in Etisalat Telecommunication Company United Arab Emirates

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Abstract

The paper examined corporate social responsibility (CSR) and non-financial organizational performance in Etisalat telecommunication company United Arab Emirates. It views CSR as corporate activities that contribute to stakeholders' wellbeing. It assumes that stakeholder-oriented CSR would improve non-financial organizational performance. The research question explores the relationship between stakeholder-oriented CSR and improved corporate image/reputation and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates. The place of study consists of all the Etisalat offices in the seven emirates of U.A.E while the duration of study is between January and December 2017. A descriptive research design was used in executing the study, using 385 randomly selected employees of Etisalat in U.A.E, for questionnaire administration. The sample size of 385 was determined from a population of 10,000 employees consisting of 3,600 locals and 6,400 foreign nationals, using Yamane 1964 sample size determination formula at 5% level of significance for sampling error. Results from the data analysis indicated that significant relationship exists between stakeholder-oriented CSR and improved corporate image/reputation and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates and recommends among others: sustenance of the current CSR practices in Etisalat, continuous monitoring of changing expectations of key stakeholders to identify areas of support, continuous consultation with key stakeholders in decision making, continuous review of organizational CSR practices to align with industrial best practices and continuous provision of resources to sustain existing stakeholder-oriented CSR practices.

Keywords: CSR, organizational performance, Etisalat, stakeholders, corporate reputation.

1. Introduction

1.1 Background of the Study

Despite the existence of many research studies on the relationship between CSR and firm performance in many countries of the world, the paucity of similar research studies on corporate organizations in the United Arab Emirates prompts the need for this research. CSR is broadly understood as "actions that appear to further some social good, beyond the interest of the firm and that which is required by law" (McWilliams and Siegel, 2001). The firm's interests have been a great driver of CSR research, visible in the exploration of the link between CSR and firm's performance (Waddock and Graves, 1997). Evidence points to the

increasing use of CSR programs as a way of achieving competitive advantage (Matten and Moon, 2008).

Thus CSR refers to voluntary corporate activities that are beneficial to stakeholders and the environment. Stakeholder-oriented CSR activities have been found to influence corporate reputation resulting in increased business performance (Ackerman, 1975). Firms adopt stakeholder-oriented CSR so as to be perceived as “socially responsible” to gain customer and other stakeholders support (Golob and Bartlett, 2007). Stakeholder-oriented CSR enable organizations to tailor their voluntary activities to the changing expectations of its stakeholders and the environment.

Stakeholders refer to any group or individual who would affect or be affected by the achievement of the organization’s objectives (Freeman, 1984). They include: shareholders/investors, employees, customers, suppliers, governments or other public organizations that set laws and govern economic commerce (Clarkson, 1995), trade associations and environmental groups (Donaldson and Preston, 1995). They may be primary or secondary depending on whether they are directly or indirectly engaged in the economic activities of the organization. Managing and satisfying the interests of stakeholders may lead to significant improvements in corporate performance and sustainability (Freeman, 1984).

Since its inception in the UAE about four decades ago, Etisalat has adopted a stakeholder-oriented CSR approach by consistently striving to foster innovation in the delivery of its telecommunication services. To this end, Etisalat continuously monitors and reviews its operational activities to identify and address specific CSR expectations of different stakeholders. For instance, it’s recently launched enhanced mobile service packages offers its customers value for money, flexibility and price transparency. For example, its flagship business postpaid mobile package – addresses the specific needs of SMBs and large enterprises, Family Pack – addresses consumer data sharing, Global Data Plan –addresses data roaming/unlimited Wi-Fi worldwide while Data Boosters- addresses extension of mobile data allowance(Etisalat, 2016).

To address the needs of SMBs, who form the foundation of UAE’s economic growth, Etisalat launched Business Quick Start – the first in a series of integrated Business in Box solutions that offer SMBs high-speed fixed broadband Internet, free voice minutes and a free smart device on a single, converged bill. A dedicated, state-of-the-art call centre for SMB customers has been launched that serves more than 72,000 SMBs and offers convenient and comprehensive ICT services and support, allowing SMBs to focus on their core competencies(Etisalat, 2016).

While there exist different organizational motivations for CSR activities, more researchers are beginning to understand and analyze CSR in the context of strategic performance and value creation shifting the focus of research from better financial performance to better overall performance in the long term. CSR can therefore be redefined as not going beyond the firm's interest but aligning it with stakeholders’ interest, to create shared value (Kramer, 2011). It is against this background that it becomes pertinent to examine corporate social responsibility (CSR) and non-financial organizational performance in Etisalat telecommunication company United Arab Emirates.

1.2 Statement of the Problem

The satisfaction of stakeholders’ interests is the mainstay of every business organization since no organization can exist without its stakeholder’s support. Hence; the major challenge of every business organization is to create/sustain a good corporate image that will enhance organizational attractiveness in the minds of its stakeholders. The stakeholders are the source of

supplies of raw materials, capital, labor, legal existence and patronage for the firm's products. Any business organization without its stakeholders support will experience a decline in productivity, sales, profitability, competitiveness and corporate image. Such an organization will sooner than later go into extinction or oblivion. When stakeholders lose confidence in a firm's performance, the firm loses its critical support structure and customer base (Lee, 2008). Customers stop buying products or go for legal suits, shareholders sell their stocks, employees do not perform, and environmental advocates sue (Wood, 1991), all of which directly affect firm performance. Hence business organizations like Etisalat should continuously carry out stakeholder-oriented CSR activities as a way of sustaining its business through creation of good corporate image/reputation that may result in gaining competitive advantage, increased patronage/sales and profitability.

1.3 Research Objectives

The objectives of the research are as stated:

To ascertain the extent of the relationship between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates.

To determine the extent of the relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates.

1.4 Research Questions

The increasing focus of recent CSR research activities on the alignment of corporate and stakeholders' interests has prompted the following research questions:

Does any significant relationship exist between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates?

Does any significant relationship exist between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates?

1.5 Research Hypotheses

With regards to the above research questions, the following null hypotheses were formulated:

H₀: There is no significant relationship between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates.

H₀: There is no significant relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates.

1.6 Literature Review

Several researches has focused on the relationship between CSR and firm performance while some studies reveal a positive relationship (Griffin and Mahon, 1997; McGuire et al., 1988; Waddock and Graves, 1997) others indicate a negative relationship (Bromiley and Marcus, 1989; Wright and Ferris, 1997) while some others have established no relationship between the two constructs (Aupperle et al., 1985; Teoh et al., 1999). Though a positive relationship has prevailed in many studies (Margolis and Walsh, 2003; Orlitzky et al., 2003), results still remain inconclusive which creates room for further research.

The influence of stakeholder-oriented CSR on firm performance can be understood with the help of three theories: (a) consumer inference making, (b) signaling theory, and (c) social

identity theory. 'Consumer inference making' theory suggests that if a consumer knows that the manufacturer of the product is a responsible firm, s/he can infer positively about the product (Brown and Dacin, 1997). Such inferences induce consumer goodwill (Brown and Dacin, 1997; Handelman and Arnold, 1999) that influences purchase intention (Gildea, 1994; Owen and Scherer, 1993). 'Signaling' theory (Boulding and Kirmani, 1993; Kirmani, 1997) suggests that in situations where there is information asymmetry between buyers and sellers, consumers look for information/signals that distinguish companies performing well on attributes of interest compared to those performing poorly.

Signals such as warranties (Boulding and Kirmani, 1993) indicating reliability and higher quality of products enable consumers to decide between companies. Consumers associate higher product quality with proactive corporate citizenship (Maignan and Ferrell, 2001) and potential job-seekers value CSR record of companies as a signal for organizational attractiveness (Greening and Turban, 2000). 'Social identity' theory emphasizes that one's self-concept is influenced by membership in different social organizations, including the company for which an individual works (Dutton et al., 1994). Employees' self-image is influenced by the image and reputation of their employers, consumers identify themselves with organizations or brands involved in discretionary citizenship and institutional investors like to be associated with socially responsible firms (Graves and Waddock, 1994). Such bonds of identification encourage positive evaluations of a firm's products, and reap value addition through customer loyalty, advocacy, positive words-of-mouth, and resilience to negative brand information (Hoeffler and Keller, 2002; Sen et al., 2006).

Alternatively, irresponsible behavior by firms agitates stakeholders. They often react by boycotting the company (Hayes and Pereira, 1990), reducing consumption of the company's products (Sen and Bhattacharya, 2001), initiating legal action against the company (Greeno and Robinson, 1992), and/or spreading bad words-of-mouth about irresponsible business practices (Clair et al., 1995). While improved stakeholder relations have the potential to improve a firm's reputation and performance, strained relations have the risk of adversely affecting a firm's performance.

Stakeholder (employee)-oriented CSR focuses on improving employees working conditions to enhance their job performance. Working conditions that respect human dignity, equality, and social protection result in a productive workplace (Somavia, 2000). Social responsibility of a company is a reputation factor and is an attractive force for potential and current employees (Turban and Greening, 1997). Ethical reputation contributes to job satisfaction and lower employee turnover by evoking positive reactions from employees' families and friends (Riordan et al., 1997). Because satisfied employees have higher morale and job motivation, they will work more effectively and efficiently (Berman et al., 1999) and contribute to higher levels of organizational effectiveness (Koys, 2001). Past studies established that better human resource management practices such as training and development of employees, their participation in problem solving, progressive remuneration policies and grievance procedures could reduce employee turnover and increase their productivity (Youndt et al., 1996).

Stakeholder (customer)-oriented CSR focuses on creating positive customer perception about product quality and safety, to increase sales or decrease costs associated with customer relationships (Waddock and Graves, 1997). In product retailing, market reactions are found to be negative for socially responsible companies. When customers are dissatisfied with a product or its associated services, investors apprehend that negative customer reactions in the form of decreased patronage, lawsuits, or both, will directly affect the bottom line (Davidson and Worell, 1988). Yoon et al (1993) observed that if a company's CSR activities are perceived as

positive by consumers; its products are assumed to be of superior quality. On the other hand, if perceived as negative, consumers will automatically assume their products are of poor quality.

Stakeholder (investor)-oriented CSR focuses on sound corporate governance standards. Investors show a willingness to pay a premium for the stocks of well-governed companies in contrast to poorly governed companies (Coombes and Watson, 2000). Positive relations had been found between corporate governance and stock price performance/financial ratios in emerging markets. Companies ranked in the top quarter of corporate governance yield a better average return on capital employed than companies ranked at the bottom half (CLSA, 2000).

Stakeholder (community)-oriented CSR focuses on community relationships and participation in social and economic development issues. When firms focus their social actions on communities in and around their area of operation, they reap the benefits of a socially responsible image among their employees and the local community (Husted, 2003). Though past evidence suggests a negative relation between CSR towards the community and firm performance (Berman et al., 1999), it has been observed that investment in community development activities help a firm to obtain competitive advantages through tax savings, decreased regulatory burden, and improvements in the quality of local labor (Waddock and Graves, 1997).

Stakeholder (environment)-oriented CSR focuses on environmental protection. Research on environmental proactivity has not been conclusive (Christman, 2000). But recent research studies have linked environmental commitment with enhanced profitability, particularly in high growth industries (Russo and Fouts, 1997). Evidence suggests that proactive environmental management enhances a firm's market value, reputation and firm performance (Alvarez et al., 2001). The impact of firms' proactive environmental practices on market share, profitability, and return on investment is better in environment conscious companies than not-so-conscious ones (Ahmed et al., 1998).

Stakeholder (suppliers)-oriented CSR focuses on companies concentrating on their core competencies and outsourcing other functions to suppliers. Recent years have seen growing importance of suppliers' issues such as health and safety, environmental impact, community involvement, and the payment of living wages to employees at both outsourced plant locations and home locations of suppliers. By ensuring suppliers adherence to good CSR standards, a firm sends a strong signal of zero tolerance for irresponsible CSR activities. While the influence of CSR on financial performance is a widely researched area, its influence on non-financial performance is sparsely investigated. Hence, this study is focused on non-financial organizational performance in Etisalat telecommunication company United Arab Emirates.

1.7 Conceptual Framework

Though CSR may be perceived as corporate obligations to its stakeholders, it is generally described as a firm's commitment to improving the well-being of a community through discretionary business practices (Kotler, 2005). According to Carroll (1979) corporate CSR obligations can be classified into four main groups: economic, legal, ethical, and philanthropic. Economic responsibilities include duties to make profit, provide safe goods and services, pay employees and increase value of shareholders investments. Legal responsibilities include duties to obey societal rules and regulations. Ethical responsibilities include duties to obey societal ethical norms and behave in a socially responsible manner. Philanthropic responsibilities include duties to promote human welfare and enhance societal quality of life.

Bhattacharya and Sen (2004) explored the relationship between CSR activities and customer outcomes and categorized them into six domains: employee support (e.g., concern for safety, job security, profit-sharing, and union relations); diversity (e.g., gender, race, family, sexual orientation, and disability); environment (e.g., environment friendly products, hazardous waste management, animal testing, pollution control, and recycling); community support (e.g., support of arts and health programs, educational and housing initiatives, and generous giving); non-domestic operations (e.g., overseas labor practices); and product (e.g., product safety, marketing controversies, and antitrust disputes).

From the above discourse, it is obvious that CSR is concerned with voluntary corporate societal obligations, hence, the more CSR activities a company executes, the more economic benefits it enjoys since people tends to be more sensitive to companies that act responsibly than those that act irresponsibly (Porter and Kramer, 2006).

The conceptual framework of this research is based on Carroll's (1979/1991) Bhattacharya and Sen's (2004), and Oskamp's (1997) research studies, which states that stakeholders will almost always favor a company that acts responsibly through setting up operational stakeholder-oriented CSR policies beneficial to the local community and society at large. These stakeholders will reciprocate by feeling strongly and positively about the company, which they will then voluntarily support in a number of ways such as eagerly buying its products, promoting it to others and favorably evaluating it. The Carroll (1979) and Bhattacharya and Sen (2004) conceptual model is as stated below:

Figure 1 – The Conceptual Framework of stakeholder-oriented CSR Policies

Source: Adapted from Carroll (1979) and Bhattacharya and Sen (2004)

Figure 1 shows that Stakeholders-oriented CSR policies arises from company management decision while its implementation creates favorable stakeholders psychology for company which in turn leads to good image & reputation for company that results in market competitive advantage for company products that finally yields increased patronage & promotion for company Products.

1.8 Theoretical Framework

This research is based on Freeman (1984) stakeholders' theory which states that consideration of key stakeholders values, sentiments and expectations in a firm's CSR activities will lead to significant improvements in corporate performance and sustainability. Hence, the effectiveness of organizational CSR activities depends on how well managers understand key stakeholders' interests and appropriately responds to them (Miles et al., 2006; Wing-Hung Lo et al., 2010). Prior to designing and implementing organizational CSR policies, managers should undertake a variety of marketing research and environmental scanning activities to identify and understand stakeholders' interests/expectations which are subsequently incorporated into organizational CSR programs.

Stakeholder orientation requires that firms actively monitor and engage with their stakeholder environment, which has been likened to expanding on the traditional marketing orientation

approach (Ferrell et al., 2010). In fact, many companies have conducted CSR programs as a way of promoting socially responsible actions and effectively responding to stakeholders' demands (Maignan and Ferrell, 2004). Therefore CSR is most effective at improving consumers' attitude towards the company, enhancing consumers loyalty as well as downsizing the level of consumers skepticism, i.e., reducing consumers' concerns and doubts regarding the company's products and services (Pirsch et al., 2007).

Corporate reputation is an organization's identity in the minds of its stakeholders; hence a firm's CSR activities play a critical role in assessing its reputation (Lii and Lee, 2012). Research has shown that there is an association between corporate reputation and business performance, in other words, the more positive the reputation, the higher the performance, with positive perceptions motivating consumer purchase and developing positive brand associations (Neville et al., 2005).

Fombrun and Shanley (1990) determined that a firm's good reputation attracts investors and better qualified personnel, lowers the cost of capital and enhances its competitive ability. Herremans et al. (1993) found that companies with better CSR reputations outperform those with poorer reputations and provide investors with higher stock market returns. Firms with good reputation also command higher prices, generate more employee loyalty and greater productivity, have bargaining power with their suppliers, more stable revenues, and are less exposed to crises (Fombrun, 1996).

The impact of CSR activities on corporate reputation is measured by managers' perceptions of how an organization is being perceived across a set of stakeholders in general, rather than by each specific stakeholder, which is often done when assessing CSR-related activities (Maignan et al., 2011). This managerial perspective identifies the dimensions and attributes of corporate self-perception, reflecting on what management believes key stakeholders may consider as realistic, meaningful and long-lasting.

2. Research Methods

The scope of this research is limited to the three categories of administrative staff (management staff, operations staff and support staff) working in all the Etisalat offices across the seven emirates of U.A.E. It is assumed that responses obtained from the sample respondents would be representative of the opinions of all the three categories of administrative staff on their perception of corporate social responsibility (CSR) and non-financial organizational performance in their company. The duration of the study is between January and December 2017. The key aspect of the study is the use of cross sectional survey research design in generating the required primary data.

A sample of 385 randomly selected respondents from a population of 10,000 Etisalat employees consisting of 1,610 management staff, 6,340 operations staff and 2,050 support staff across the seven emirates of U.A.E. was used for questionnaire administration. The sample size of 385 was determined from the population size using Yamane 1964 sample size determination formula at 5% level of significance for sampling error. The sample respondents were selected using shuffling of cards method (without replacement) in which all the names of the three categories of employees' were each separately written on small cards and the name at the topmost of each of the three group of cards was selected each time, the cards were shuffled until all the sample respondents were selected.

Data collected were analyzed using descriptive and inferential statistics. The questionnaire was designed to obtain a fair representation of the opinions of 385 sample respondents (62 management staff, 244 operations staff and 78 support staff) using a four-point Likert type

scale. The questionnaire responses of the sample respondents were presented using tables while formulated hypotheses were tested using analysis of variance (ANOVA). A total of 385 copies of the questionnaire were administered, collected and used for the analysis.

2.1 Calculation of Sample Size

The sample size of 385 was determined from the population of 10,000 Etisalat employees across the seven emirates of U.A.E. using Yamane (1964) formula for sample size determination thus:

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

Where: n= sample size, N= population size, e= level of significance/sample error factor.

$$n = \frac{10,000}{1 + 10,000(0.05)^2} = \frac{10,000}{26} = 384.62 = \mathbf{385}$$

3. Results and Discussions

3.1 Distribution of Responses on Research Questions

3.1.1 Question number 1

Does any significant relationship exist between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates?

Table 1 shows that questions: 1, 2, 3, 4, and 5 with varying mean scores of 2.99, 2.86, 2.78, 2.77 and 3.05 were above the weighted average of 2.5. The table further revealed a grand mean score of 2.89 indicating a strong evidence of the existence of a significant relationship between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates. This conclusion is buttressed by the Bhattacharya and Sen's (2004), and Oskamp's (1997) research studies, which states that stakeholders will almost always favor a company that acts responsibly through setting up operational stakeholder-oriented CSR policies beneficial to the local community and society at large. These stakeholders will reciprocate by feeling strongly and positively about the company, which they will then voluntarily support in a number of ways such as eagerly buying its products, promoting it to others and favorably evaluating it. This conclusion is also supported by the observation of Herremans et al. (1993) that companies with better CSR reputations outperform those with poorer reputations and provide investors with higher stock market returns.

$$\text{Mean Score} = \frac{4n_4 + 3n_3 + 2n_2 + 1n_1}{(n_4 + n_3 + n_2 + n_1)} \dots \dots \dots \text{Equation (1)}$$

Where n1, n2, n3 and n4 are the respective number of responses obtained from each of the four options provided while 1, 2, 3 and 4 respectively represent the weights (SA (4), A (3), D (2) & SD (1) attached to each of the four options.

Table1. Mean responses on the relationship between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab

Emirates (n=385)							
S/No.	Research Questions	SA(4)	A(3)	D(2)	SD(1)	Total Responses	Mean Score
1.	Has the adoption of stakeholder-oriented CSR attracted favorable reactions from its stakeholders?	155 620	105 315	90 180	35 35	1150	2.99
2.	Has the adoption of stakeholder-oriented CSR increased the firm's approval rating among its stakeholders?	135 540	110 330	90 180	50 50	1100	2.86
3.	Has the adoption of stakeholder-oriented CSR increased stakeholders trust for the firm's activities?	125 500	105 315	100 200	55 55	1070	2.78
4.	Has the adoption of stakeholder-oriented CSR reduced the level of skepticism for the firm's products?	140 560	85 255	90 180	70 70	1065	2.77
5.	Has the adoption of stakeholder-oriented CSR reduced the level of complaints for the firm's activities?	170 680	105 315	70 140	40 40	1175	3.05
Grand Mean							2.89

Source: Field Survey, 2017.

3.1.2 Question number 2

Does any significant relationship exist between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates?

Table 2 shows that questions: 6, 7, 8, 9, and 10 with mean scores of 2.74, 3.00, 2.86, 2.71 and 2.99 were above the weighted average of 2.50. The grand mean of 2.86 shows that there is a strong evidence of a significant relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates. This conclusion is buttressed by the observation of Pirsch et al., (2007) that CSR is most effective at improving consumers' attitude towards the company, enhancing consumers' loyalty as well as downsizing the level of consumers' skepticism, i.e., reducing consumers' concerns and doubts regarding the company's products and services. This conclusion is also supported by Brown and Dacin (1997) Consumer inference making theory, which suggests that if a consumer knows that the manufacturer of a product is a responsible firm, s/he can infer positively about the product. Such inferences induce consumer goodwill.

Table 2: Mean responses on the relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates (n=385).

S/No	Research Questions	SA(4)	A (3)	D(2)	SD(1)	Total Responses	Mean Score
6.	Has the adoption of stakeholder-oriented CSR increased market preference of your products?	130	95	90	70		
		520	285	180	70	1055	2.74
7.	Has the adoption of stakeholder-oriented CSR increased market demand of your products?	160	105	80	40		
		640	315	160	40	1155	3.00
8.	Has the adoption of stakeholder-oriented CSR increased market attractiveness of your products?	140	100	95	50		
		560	300	190	50	1100	2.86
9	Has the adoption of stakeholder-oriented CSR increased market Class of your products?	120	105	90	70		
		480	315	180	70	1045	2.71
10	Has the adoption of stakeholder-oriented CSR increased market edge of your products?	165	95	80	45		
		660	285	160	45	1150	2.99
	Grand Mean						2.86

Source: Field Survey, 2017.

3.2 Test of the First Hypothesis

Ho: There is no significant relationship between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates.

H1: There is a significant relationship between stakeholder-oriented CSR and improved

corporate image/reputation in Etisalat telecommunication company United Arab Emirates.

Table 3: Computation of Statistical Variables on the First Hypothesis from table 1

S/No.	Strongly Agree		Agree		Disagree		Strongly Disagree	
	X	X2	X	X2	X	X2	X	X2
1	155	24025	105	11025	90	8100	35	1225
2	135	18225	110	12100	90	8100	50	2500
3	125	15625	105	11025	100	10000	55	3025
4	140	19600	85	7225	90	8100	70	4900
5	170	28900	105	11025	70	4900	40	1600
Totals	725	106375	510	52400	440	39200	250	13250

Source: Survey Data, 2017.

Calculation of total sum of squares (SST)

$$SST = \sum (X_{ij} - \bar{X})^2$$

$$\sum X^2 = 106375 + 52400 + 39200 + 13250 = 211,225$$

$$\frac{(\sum X)^2}{N} = \frac{(725+510+440+250)^2}{20} = 185,281$$

$$SST = 211,225 - 185,281 = 25,944$$

Calculation of between group sum of squares (SSB)

$$SSB = \sum (\bar{X}_i - \bar{X})^2$$

$$\frac{(\sum X)^2}{n} = \frac{(725)^2}{5} + \frac{(510)^2}{5} + \frac{(440)^2}{5} + \frac{(250)^2}{5}$$

$$= 105125 + 52020 + 38720 + 12500 = 208,365$$

$$\frac{(\sum X)^2}{N} = \frac{(725+510+440+250)^2}{20} = 185,281$$

$$SSB = 208,365 - 185,281 = 23,084$$

Calculation of within group sum of squares (SSw)

$$SSw = \sum (X_{ij} - \bar{X})^2 \text{ or } SSW = SST - SSB$$

$$SSw = SST - SSB = 25,944 - 23,084 = 2860$$

Calculation degrees of freedom

$$SST \text{ df} = N - 1 = 20 - 1 = 19$$

$$SSB \text{ df} = n - 1 = 4 - 1 = 3$$

$$SSW \text{ df} = n - 1 + n - 1 + n - 1 + n - 1 = 4n - 4 = 4(5) - 4 = 20 - 4 = 16$$

Calculation of Variances

$$\text{Between group variance (SB}^2\text{)} = \frac{\text{Between group sum of squares (SSB)}}{\text{Between group degree of freedom}}$$

$$SB^2 = \frac{23084}{3} = 7695$$

$$\text{Within group variance (SW}^2\text{)} = \frac{\text{Within group sum of squares (SSW)}}{\text{Within group degree of freedom}}$$

$$SW^2 = \frac{2860}{16} = 179$$

$$F\text{-value} = F_{\alpha, n} = \frac{SB^2}{SW^2} = \frac{\text{Between group variance}}{\text{Within group variance}} = \frac{7695}{179} = 42.99$$

Table 4 shows that calculated F-Value of **42.99** resulted from the relationship between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates. This calculated F-Value is significant since it is greater than the critical F-Value of **3.24** given 3/16 degree of freedom at 0.05 level of significance. Hence, the null hypothesis is rejected while the alternative is accepted. This shows that there is a significant relationship between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates.

Table 4: Computation of Analysis of Variance on the relationship stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates.

Source of variance	Sum of squares	Degree of freedom	Mean sum of squares	Calculated F-value	Table critical F- value	Decision
Between group	23084	3	7695	42.99	3.24	Ho: Rejected
Within group	2860	16	179			
Total	25944	19				

Source: Statistical Computation and Table 3.

3.3 Test of the Second Hypothesis

Ho: There is no significant relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates

H1: There is a significant relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates

Table 5. Computation of Statistical Variables on the second Hypothesis from table 2

S/No.	Strongly Agree		Agree		Disagree		Strongly Disagree	
	X	X2	X	X2	X	X2	X	X2
6	130	16900	95	9025	90	8100	70	4900
7	160	25600	105	11025	80	6400	40	1600
8	140	19600	100	10000	95	9025	50	2500
9	120	14400	105	11025	90	8100	70	4900
10	165	27225	95	9025	80	6400	45	2025
Totals	715	103725	500	50100	435	38025	275	15925

Source: Survey Data, 2017.

Calculation of total sum of squares (SST)

$$SST = \sum (X_{ij} - \bar{X})^2$$

$$\sum X^2 = 103725 + 50100 + 38025 + 15925 = 207,775$$

$$\frac{(\sum X)^2}{N} = \frac{(715+500+435+275)^2}{20} = 185,281$$

$$SST = 207,775 - 185,281 = 22,494$$

Calculation of between group sum of squares (SSB)

$$SSB = \sum (\bar{X} - \bar{X})^2$$

$$\frac{(\sum X)^2}{n} = \frac{(715)^2}{5} + \frac{(500)^2}{5} + \frac{(435)^2}{5} + \frac{(275)^2}{5}$$

$$= 102245 + 50000 + 37845 + 15125 = 205,215$$

$$\frac{(\sum X)^2}{N} = \frac{(715+500+435+275)^2}{20} = 185,281$$

$$SSB = 205,215 - 185,281 = 19,934$$

Calculation of within group sum of squares (SSw)

$$SSw = \sum (X_{ij} - \bar{X})^2 \text{ or } SSW = SST - SSB$$

$$SSw = SST - SSB = 22,494 - 19,934 = 2560$$

Calculation degrees of freedom

$$SST \text{ df} = N - 1 = 20 - 1 = 19$$

$$SSB \text{ df} = n - 1 = 4 - 1 = 3$$

$$SSW \text{ df} = n - 1 + n - 1 + n - 1 + n - 1 = 4n - 4 = 4(5) - 4 = 20 - 4 = 16$$

Calculation of Variances

Between group variance (SB^2) = $\frac{\text{Between group sum of squares (SSB)}}{\text{Between group degree of freedom}}$

$$SB^2 = \frac{19934}{3} = 6645$$

Within group variance (SW^2) = $\frac{\text{Within group sum of squares (SSW)}}{\text{Within group degree of freedom}}$

$$SW^2 = \frac{2560}{16} = 160$$

$$F\text{-value} = F_{\alpha, n} = \frac{SB^2}{SW^2} = \frac{\text{Between group variance}}{\text{Within group variance}} = \frac{6645}{160} = 41.53$$

Table 6 shows that calculated F-Value of **41.53** resulted from the relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates. This calculated F-Value is significant since it is greater than the critical F-Value of **3.24** given 3/16 degree of freedom at 0.05 level of significance. Hence, the null hypothesis is rejected while the alternative is accepted. This shows that there is a significant relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates.

Table 6: Computation of Analysis of Variance on the relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates

Source of variance	sum of squares	Degree of freedom	Mean sum of squares	Calculate F-value	Table critical F-value	Decision
Between group	19934	3	6645	41.53	3.24	Ho: Rejected
Within group	2560	16	160			
Total	22494	19				

Source: Statistical Computation and Table 5

4. Conclusion and Recommendations

The paper discussed corporate social responsibility (CSR) and non-financial organizational performance in Etisalat telecommunication company United Arab Emirates. It assumes that stakeholder-oriented CSR would improve non-financial organizational performance. The three major findings of the research are as follows:

- Stakeholder-oriented CSR could improve consumers' attitude towards the firm's products

by reducing the level of skepticism.

- There is a significant relationship between stakeholder-oriented CSR and enhanced products competitive advantage in Etisalat telecommunication company United Arab Emirates.
- There is a significant relationship between stakeholder-oriented CSR and improved corporate image/reputation in Etisalat telecommunication company United Arab Emirates.

Arising from the findings of this paper, it is suggested that the management of Etisalat should take the following measures to sustain the current gains of its stakeholder-oriented CSR activities:

(I) Sustenance of the current CSR practices: The current CSR efforts should be sustained through the introduction of different types of incentives for personnel responsible for the execution of corporate CSR responsibilities.

(II) Continuous monitoring of key stakeholders expectations: Since the expectations of key stakeholders are constantly changing there is a need for a monitoring committee to align corporate CSR activities with the current expectations of key stakeholders.

(III) Continuous review of organizational CSR policies and practices: Organizational CSR policies and practices should be reviewed regularly to align them with current industrial best practices.

(IV) Continuous consultation with key stakeholders: Key stakeholders should be consulted on a regular basis to obtain inputs for CSR decision making.

(V) Continuous provision of resources: Resources should be made available on a regular basis through budgeting, to sustain current CSR activities and make financial provision for future projects.

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