

ABSTRACT

CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE WITHIN THE GLOBAL HOSPITALITY INDUSTRY AND HOTEL SECTOR

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The aim of the present thesis is to understand if CSR enhances the CFP exclusively of hospitality organizations in general and of hotels, which will add value to this heavily under-researched area of CSR literature. Drawing on stakeholder and legitimacy theories, this research investigates whether investments in environmental, social and governance efforts generate measurable financial returns. Quantitative methodology was used in this thesis to achieve its objectives. Data were collected from 1235 worldwide and publicly listed hospitality organizations from the period of 2008 – 2024 that were sourced from the Refinitiv Eikon database. The data yielded 20 995 organization year observations. ESG was used as a proxy for CSR and for CFP, both ROA and NIAT were proxied. The analyses employed two regression models: Model A, which examined the aggregated ESG scores and Model B, which examined the disaggregated E, S and G scores. The regressions were performed across the full hospitality dataset and within a hotel sector only subsample, with further segmentation by COVID versus non – COVID periods.

The findings indicated that the overall relationship between CSR and CFP is weak and mostly statistically insignificant. However, a positive relationship emerged in Model A, combined ESG score and ROA during the COVID period, hotels only analysis at the 0-year lag ($p = 0.0419$). However, this finding does not persist across other time periods or lags, or under the disaggregated Model B. The results, which challenge assumptions of a positive CSR – CFP relationship demonstrate the necessity of understanding the context, industry conditions and model

specification. This thesis contributes sector – specific empirical evidence and offers practical insights for hospitality managers seeking to align CSR initiatives with CFP.

Keywords: Corporate Social Responsibility, Corporate Financial Performance, ESG, Hospitality, Hotels, COVID, Panel Data