

# Strategic Corporate Social Responsibility and Financial Performance: Insights from Hotels in Developing Countries

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## Abstract

This study focuses on the outcomes of strategic corporate social responsibility (CSR) in the tourism and hospitality industry. It aims to examine how strategic corporate social responsibility (CSR) can enhance financial performance through strategic resources as a facilitating mechanism. Then, it investigates the impact of environmental volatility on the indirect linkage between strategic CSR and financial performance via strategic resources. The survey method was adopted to collect the required data from a sample of 316 hotel managers. Partial least squares structural equation modelling in WarpPLS software, with its two stages, measurement model and structural model, was used to analyse the data. As predicted, the study findings showed that strategic CSR positively affects strategic resources and financial performance. The effect of strategic resources on financial performance was also significant. Furthermore, strategic resources mediate the linkage between strategic CSR and financial performance. Moreover, the results revealed that environmental volatility has a positive impact on the indirect association between strategic CSR and financial performance via strategic resources. Based on the findings, the study provides theoretical and practical implications.

**Keywords:** environmental volatility, hospitality industry, strategic resources, structural equation modeling, WarpPLS.