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CSR Initiatives and their Impact on Employee Satisfaction and Engagement

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Introduction

Corporate Social Responsibility (CSR) has developed as a critical component of company strategy in today's global economic with particular significance observed in the context of the car rental industry, surpassing its conventional view as a charity activity. According to the United Nations Industrial Development Organization (UNIDO) in 2022, CSR is regarded as the means by which a company attains equilibrium among its economic, environmental, and social objectives, often referred to as the "Triple-Bottom-Line-Approach." Simultaneously, it serves as a mechanism for addressing the demands and anticipations of both shareholders and stakeholders.

Recognising corporate social responsibility has profound historical origins that date back millennia (Carroll A. B., 2008). However, systematic research into the role of CEOs and the social performance of businesses did not begin until the 1930s and 1940s, when it made its way into the literature (Carroll A. B., 1999). During this time, authors began to consider the precise social duties that businesses should carry. The social context altered throughout the next decades, altering the basic notion of Corporate Social Responsibility (CSR).

Firms' traditional role as merely economic entities has evolved into a recognition of their important status within society's complicated tapestry. Companies are no longer viewed as detached actors primarily focused on profit generation, but rather as active participants woven into the very fabric of the communities in which they operate. These organisations can have a significant impact on the dynamics of their surrounding settings, influencing economic well-being, cultural norms, and societal progress. (Carroll, 2016). As the pursuit of profit intertwines with ethical and sustainable practices, businesses are confronted with a critical question: Can CSR activities truly enhance organizational performance, or are they merely a societal obligation without substantial business benefits?

CSR has progressed from philanthropic giving and social philanthropy to a strategic necessity, reflecting a larger shift in society expectations. Corporations that function only for profit are no longer adequate. Consumers, investors, and employees, among others, require that businesses connect their operations with ethical, social, and environmental principles (Alessia D'amato, 2009). This shift has thrust CSR into the centre of organisational strategy, where it can serve as a catalyst for good change and substantial advantages.

Furthermore, the rising recognition that societal and environmental challenges are inextricably linked with long-term company performance emphasises the importance of CSR in modern

business. Recognising the need of a healthy society and environment for long-term economic success has given birth to the idea that companies must be responsible actors, not merely for the greater good, but also for their own survival. This transition has caused businesses to reconsider their social and environmental obligations as an opportunity rather than a burden.

At the heart of the CSR paradigm shift is the conviction that by addressing social and environmental problems, corporations may truly improve their organisational performance. CSR, when carefully incorporated, can deliver a plethora of benefits. These include improved financial performance, greater reputation and brand equity, higher employee engagement and productivity, and the development of trust among stakeholders. Exploring the delicate link between CSR activities and organisational success becomes critical, as it may hold the key to unlocking a new age of responsible and lucrative company.

This research study conducts a thorough examination and dissection of Corporate Social Responsibility (CSR) endeavours in the car rental sector, while pinpointing shared attributes and prevailing patterns. We investigate the numerous aspects of CSR, such as environmental stewardship, social impact, and ethical governance, while examining their substantial impact on the employee engagement and satisfaction. Our research investigates how CSR, when effectively integrated into an organization's basic fabric, may result in substantial profit, and more of which are important indicators of employee performance.

Through a rigorous review of scholarly literature, case studies, and empirical research, this paper endeavours to provide valuable insights into the transformative potential of CSR initiatives, shedding light on their impact across the car rental companies. As we embark on this intellectual journey, we aim to equip a nuanced understanding of how CSR can be harnessed as a strategic lever for not only elevating societal welfare but also bolstering an organization and especially employee's overall performance in an increasingly conscientious and competitive business environment.

Literature review

Concept of CSR

Corporate Social Responsibility (CSR) is a field of study that emerged in the 1960s and has since garnered significant attention from scholars and researchers. This attention has resulted in a plethora of definitions and concepts that attempt to capture the essence of CSR. (Dartey-Baah, 2011) propose that CSR is also known as corporate conscience or citizenship and that it

encompasses the pursuit of sustainable responsible business practices. This entails achieving a balance between economic, environmental, and social imperatives. CSR can be understood as a set of moral and ethical obligations that businesses must fulfil in alignment with the values and goals of society (Martinez, 2016).

The concept of CSR, as a pivotal component of modern business, revolves around an organization's policies, practices, and tools used to meet the multifaceted demands of both external and internal stakeholders. These stakeholders encompass customers, employees, environmental groups, legal bodies, and government agencies (Albasu, 2017). In essence, businesses are perceived as entering a social contract that obliges them to consider the interests of society when making decisions (Andreasen, 2001). CSR consists of four interconnected components: economic, legal, ethical, and philanthropic responsibilities. Organizations are expected to concurrently pursue all four of these dimensions (Carroll A. B., 2016).

It's important to highlight that these CSR obligations should be addressed in a hierarchical manner, starting from economic responsibility and progressing through legal, ethical, and philanthropic aspects (Carroll A. B., 2015). This approach underscores the fact that an organization cannot move on to the next level of responsibility without effectively fulfilling the preceding one. The actions taken in the name of CSR extend beyond mere philanthropy; they also have legal requirements and are formalized to establish the responsibilities of entities concerning societal needs (Carroll A. B., 2015). (Galant, 2017) emphasizes that companies must actively contribute to solving significant social issues, with income generation being the primary concern, closely followed by responsible environmental stewardship and maintaining positive stakeholder relationships.

Stakeholders play a crucial role in the CSR paradigm. They are defined as groups with a vested interest in the organization who have a right not to be exploited for the organization's gain. They should actively participate in determining the future direction of the company in which they hold a stake (Freeman, 2017).

CSR, therefore, extends its concern beyond the immediate community and its people. It encompasses environmental sustainability and long-term benefits for the organization itself. It aims to create a business environment that is conducive, harmonious, and supportive of all stakeholders and the environment, with the goal of ensuring well-being for the present and the future. Notably, CSR has, for the most part, remained a voluntary initiative, often relying on

self-regulation through codes of conduct. The decision to adhere to these codes firmly rests within the domain of corporations (Agudelo, 2019).

Evolution and dimension of CSR

The roots of the social element in corporate behaviour can be traced back to ancient Roman Laws, as noted by Chaffee (2017). This element is evident in early organizations such as hospitals and orphanages. During the Middle Ages, the concept of social responsibility continued to evolve, finding its place in academic, municipal, and religious institutions, particularly in English Law. However, the expansion of social responsibility as a core principle within organizations occurred in the 16th and 17th centuries, under the influence of the English Crown. During this time, corporations were seen as instruments for social development (Chaffee, 2017).

The involvement of entities in community development and social issues, rather than solely focusing on profit for shareholders' wealth maximization, has become an increasingly important aspect of business and academic discourse. Although businesses had been engaging in various forms of social activities since the 19th century, the formal articulation and development of the CSR concept can be traced back to the 1950s (Maden, 2012).

Understanding the impact of CSR on a firm's financial performance has recently sparked increased academic and business interest. This has led to a growing demand for organizations to assume greater responsibility towards various stakeholders, beyond their owners (Aguinis & Glavas, 2012). CSR has become a prominent feature on corporate websites, and senior management teams are often assigned to oversee CSR-related matters. Reputable business schools have also integrated CSR as both a subject and an essential concept within their business management curricula (Montiel & Delgado-Ceballos, 2014). On a global scale, organizations have incorporated CSR into their business models and structures, viewing it as a strategy for profit maximization that aligns with their interests (Servaes & Tamayo, 2013).

The acceptance and growth of CSR can be attributed to several factors, including the increasing importance attached to it by global societies and advancements in communication technology. Concerns about environmental safety and ecological system sustainability have also played a significant role (Idemudia, 2011; Keffas & Olulu-Briggs, 2011; Surroca, Tribo & Zahra, 2013; Wang, Lu, Kweh & Lai, 2014). However, it's worth noting that the concept of CSR remains diverse, and researchers have yet to reach a consensus on its definition. CSR is considered an essential but contested concept, with varying meanings depending on individuals and contexts

(Saeidi, Sofian, Saeidi, Saeidi, & Saeidi, 2014). The lack of a common definition for CSR is attributed to the differing perspectives associated with the concept.

One common theme that emerges in discussions of CSR is the focus on creating value for a wide range of business stakeholders, not just the entities' shareholders or owners (Peloza & Shang, 2011). The prevailing definition of CSR, which reflects this theme, is that CSR consists of corporate actions and policies specific to the expectations of stakeholders and the economic, social, and environmental performance of firms (Aguinis & Glavas, 2012). In light of the definitional diversity present in the literature, this study adopts the view that CSR is a voluntary action by business entities aimed at improving the economic, social, and ecological or environmental conditions of society, including future generations (Okoye, 2009). The lack of consensus on CSR definitions is rooted in the various perspectives associated with the construct.

Dimension of CSR

Corporate Social Responsibility (CSR) has evolved over time and has been the subject of extensive research, particularly in various facets. One of the early conceptualizations of CSR viewed it through the lens of philanthropy, wherein businesses engaged in acts of charity, such as making donations or contributions to society (Carroll, 1991). Companies often highlight these acts in their annual reports to garner public support and legitimize their activities (Wu & Shen, 2013). However, there's a lingering question regarding the sincerity of these charitable endeavors, given the profit-driven nature of business (Jensen, 2010). This philanthropic perspective of CSR emphasizes the outward, socially responsible image that companies wish to project.

Another significant aspect of CSR that has garnered attention is its environmental dimension. CSR intersects with corporate environmental responsibility, where both human and natural environments are considered. However, it's notable that environmental concerns are not always given due consideration in CSR discussions (Idemudia, 2011). This environmental aspect of CSR reflects the growing recognition of the impact of business activities on the environment, including sustainability and ecological concerns.

CSR is often viewed as a strategic approach employed by corporations to help achieve their goals. It integrates various management functions like planning, controlling, and directing efforts toward addressing prevailing social issues that affect the business as an entity (Saeidi et

al., 2014). Mustafa et al. (2012) argue that CSR is now a key strategy utilized by businesses to achieve their desired economic objectives. Consequently, CSR should not be perceived as a burden but rather as an instrument for innovation and competitive advantage. Some CEOs use CSR contributions to secure private benefits, such as improving their personal reputation and status (Jensen, 2010; Jiraporn & Chintrakarn, 2013).

The human rights and labor dimension of CSR emphasizes the welfare of employees and society at large (Maden et al., 2012). It is driven by the aim of creating a supportive and encouraging work environment while also enhancing corporate reputation. Indeed, Jeffrey, Rosenberg, and McCabe (2018) suggest that one way to bolster corporate reputation is through active engagement in CSR activities. This perspective underscores the idea that CSR is not only about philanthropy or environmental sustainability but also about social welfare, human rights, and the well-being of both employees and the broader community.

Stakeholder theory

Freeman's stakeholder theory, introduced in 1984, represents a significant departure from the traditional neoclassical theory that primarily focuses on shareholder wealth maximization. The cornerstone of stakeholder theory is the premise that it is in the long-term interest of a business to proactively care for its various stakeholders, upon whom the organization relies for both inputs and outputs. This perspective represents a substantial shift from the prevailing focus on shareholders, reflecting a more comprehensive and interconnected approach to business ethics and management. Stakeholder theory, sometimes referred to as the "good management theory," centers on the principle of creating a supportive and enabling environment that fosters a competitive advantage, thereby facilitating the growth and prosperity of the organization (Busch & Hoffmann, 2011).

Within the empirical literature, stakeholder theory has emerged as a dominant and well-supported concept, championed by numerous researchers (Ghoul, Guedhami, Kwok & Mishra, 2011). Deng, Kang & Low (2013) provide empirical support for stakeholder theory by demonstrating a positive relationship between an acquirer's social performance and the success of mergers and acquisitions. Orlitzky (2013) underscores the mounting societal pressure on firms to adopt more socially responsible practices, often entailing the embrace of corporate social responsibility (CSR) as an integral part of their operations.

Stakeholder theory has found diverse applications in the study of various CSR contexts. It has been employed to investigate whether CSR initiatives create value following the merger of entities, the impact of stakeholder welfare on firm valuation, the effects of climate change on the financial performance of organizations, the influence of environmental factors on business profitability, and the ramifications of CSR on an entity's financial risk (Busch & Hoffmann, 2011; Deng et al., 2013; Ghoul et al., 2011; Jiao, 2010; Lioui & Sharma, 2012). Stakeholders, as a concept, encompass a broad array of individuals and entities, including internal stakeholders like managers and employees, external stakeholders such as investors who commit resources based on their perception of available information, future generations who are influenced by the actions of entities in the past, present, and future, and society at large, along with the societal issues that shape human values (Orlitzky, 2013).

The populist characteristic of stakeholder theory is instrumental in constructing a compelling strategic case for CSR (Becchetti, Ciciretti & Giovannelli, 2013). This is achieved by integrating the social dimension across all aspects of business processes with the objective of gaining a competitive advantage. This integration ultimately contributes to the realization of organizational goals, encompassing profitability, stability, and growth (Chen & Wang, 2011). From this perspective, organizations can clearly define their objectives and those of their stakeholders, formulate strategies to manage stakeholders through the manipulation of attitudes, structures, and practices, and, most significantly, assess the relationship between stakeholder management and the ensuing outcomes (Kasim, 2012).

Legitimacy Theory

Legitimacy theory, introduced by Dowling and Pfeffer in 1975, serves as a fundamental framework in understanding the intricate relationship between business entities and the societies within which they operate. This theory posits that there is an implicit social contract between businesses and society, requiring organizations to align their conduct and actions with societal norms and expectations. To ensure their continued existence and acceptance, businesses engage in Corporate Social Responsibility (CSR) activities and reporting. According to Deegan (2012), this social contract encompasses the myriad expectations society holds regarding a corporation's conduct.

O'Donovan (2002) underscores that the legitimacy theory necessitates that business entities conduct their affairs in a manner that aligns with society's perception of socially responsible behavior. This expectation extends to ethical obligations to a broad spectrum of stakeholders.

The maintenance of a mutually beneficial relationship with these stakeholders is integral to upholding a firm's legitimacy, as highlighted by Maignan and Ralston (2002).

In the contemporary business landscape, reporting on CSR activities has become a critical management tool, particularly for organizations with international operations. Kytte, Hamilton, and Ruggie (2005) emphasize that CSR reporting enables the strategic integration of CSR activities into an organization's risk management, optimizing the impact of these activities. Moreover, the way in which a business adopts and upholds its social responsibilities significantly influences an employee's decision on where to work. CSR and sustainability reporting, thus, play a crucial role in attracting employees, reducing staff turnover, fostering loyalty, and attracting high-quality staff.

Margolis and Walsh (2003) add that engagement in CSR practices and related reporting can positively impact organizational performance. Their study revealed a positive association between a firm's financial performance and its engagement in CSR activities. Roberts (1992) suggests that one of the motivations for CSR reporting is to enhance a firm's access to capital and shareholder value by meeting stakeholder expectations. Investors exhibit a preference for companies that demonstrate a strong commitment to CSR activities and reporting. Branco and Rodrigues (2008) argue that CSR reporting enhances an organization's reputation and serves as an indicator of superior environmental and social conduct. Bayoud, Kavanagh, and Slaughter (2012) have also identified a strong relationship between high levels of CSR disclosures and corporate reputation.

Supporters of the Legitimacy Theory extend the social responsibility of corporations beyond stakeholder-centric approaches. They argue that businesses implicitly agree to meet certain societal expectations in exchange for a favorable operational environment, institutional framework, and access to markets. This agreement necessitates a careful balancing of long-term societal expectations, the positive and negative effects of business activities, and managers' perceptions of what constitutes legitimate actions (Gray, Owen & Maunders, 1988).

However, in pluralistic societies, the debate about the philosophy of legitimacy and its implications for business activities remains contentious. Some argue that businesses should primarily focus on their profit-driven objectives, while others advocate for a more socially responsible role, wherein businesses address societal needs. This divergence of opinions

underscores the challenge in striking a balance between diverse stakeholder interests and managing corporate conduct effectively (Jensen, 2001).

Resource-based View of CSR

Resource-based theory, initially introduced by Barney in 1991, posits that a firm's sustainability and competitiveness hinge on its ability to excel in various aspects. The central premise is that strategic resources and assets, including the capacity for Corporate Social Responsibility (CSR), can confer a competitive advantage on a business, particularly when peers lack similar resources. According to Hart (1995), social responsibility is a critical capability that can generate a sustainable advantage for an organization. The composition of these resources varies based on the specific context. Furthermore, the value of CSR in conferring social acceptance and legitimacy is enhanced when it aligns with societal norms and regulations (Dawkins & Fraas, 2013).

However, it's essential to consider the impact of CSR on a firm's performance outcomes, as highlighted by Lioui and Sharma (2012), who found a negative association between environmental CSR and financial performance. Recognizing the importance of the resources at a firm's disposal, it becomes crucial to assess how these resources affect overall performance.

Resource-based theory has not been immune to criticism. Jensen (2010) argues that proponents of the theory fail to provide clear guidance on how managers should balance conflicting interests. Managers may struggle to make decisive decisions regarding resource allocation, leading to a lack of transparency and potential personal gain through leveraging CSR platforms. Similarly, Orlitzky (2013) suggests that the stakeholder ideology inherent in CSR can be a limitation to value optimization, a core strategic objective for businesses.

Social Contract Theory

The concept of Social Contract Theory, originally proposed by Thomas Hobbes in 1651, forms the philosophical foundation for understanding the relationship between business and society. This philosophy has been developed further by prominent thinkers such as Hobbes, Rousseau, and Locke. Donaldson (1982) provides a philosophical perspective on the business-society relationship, highlighting the existence of implied social contracts between businesses and the societies in which they operate. These contracts imply certain duties and responsibilities that businesses owe to their respective societies. Social Contract Theory is considered a form of post-conformist moral thinking (Rest, Narvaez, Bebeau & Thoma, 1999).

The theory of the social contract is endorsed by scholars like Donaldson (1982) and Dunfee, Smith, and Ross (1999), who propose a holistic approach to social contract theory as a method for business managers to make ethical decisions. According to this perspective, firms are accountable to society at large, as they are inextricably linked to and a part of it. The central idea is for organizations to operate in alignment with societal norms and values (Van Marrewijk, 2003).

The societal approval approach appears to be a deliberate response to evolving situations and emerging challenges that have not traditionally been addressed, such as Corporate Social Responsibility (CSR). According to Ramanathan (1976), the concept of CSR encompasses social mechanisms, social justice, and contributions to society. Social elements represent various social strata with which companies are bound by social contracts. These respective groups can assess the changes in their environment resulting from the company's social engagements, ensuring social equity. In essence, effective social engagement of a firm is the totality of its non-market contributions to societal well-being, distinguishing these contributions from non-market withdrawals made by the entity from the resources provided by society (Toukabri, Ben Jemâa & Jilani, 2014).

Dunfee (2006) argues that the theory of the social contract is particularly suitable for emerging economies where people can optimally utilize limited resources, where the government operates efficiently, and where personal property rights and contracts are enforced objectively. One limitation of social contract theorists, particularly Hobbes, is that the entire basis of the theory is the sharing of ethical obligations and duties. For instance, the reason you do not damage other people's cars is the expectation that others will not damage your car in return.

[The Relationship between CSR and Business Performance](#)

The relationship between Corporate Social Responsibility (CSR) and business performance remains a subject of ongoing debate. While many companies in advanced economies claim that CSR has had a positive transformative impact on their businesses, opinions among businesses in emerging economies diverge, with some perceiving CSR as a drain on organizational resources (Boafo & Kokuma, 2016). Boafo and Kokuma (2016) emphasize the intricate connection between CSR and business performance.

CSR and Financial Performance

A performance system, as defined by Neely, Gregory, and Platts (1995), encompasses a set of metrics and standards used to quantify both the efficiency and effectiveness of actions within an organization. In this context, "Financial Performance" can be subjectively perceived as a measurement of how proficiently a company can generate revenue by leveraging its core business operational assets. Furthermore, this term serves as a comprehensive metric for assessing an organization's overall financial strength over a specified time period and provides a basis for comparing similar organizations within the same industry. Studies in the field of corporate social responsibility (CSR) have consistently recognized financial performance as a key indicator when measuring the strategic value of CSR initiatives (Orlitzky, Schmidt, and Rynes, 2003).

Meta-analyses, such as the one conducted by Margolis and Walsh (2001), have examined the relationship between CSR and financial performance. Out of 160 studies, 55% reported a positive correlation, 22% indicated no significant relationship, 18% found mixed results, and 4% reported a negative relationship. A similar meta-analysis conducted by Orlitzky et al. (2003) corroborated these findings, cementing the widely accepted notion that, in many cases, a firm's financial performance is enhanced through engagement in CSR activities.

Aguilera, Rupp, Williams, and Ganapathi (2007) assert that the body of evidence demonstrating a significant positive relationship between CSR and financial performance is substantial, effectively laying to rest any debate on their interdependence. Numerous debates and explanations have been put forward to elucidate why CSR is believed to have a positive impact on financial performance (Allouche and Laroche, 2006). One prominent argument posits that a firm's financial performance is influenced by how it discloses its CSR activities to stakeholders and how well it satisfies their expectations. Orlitzky et al. (2003) assert that "the satisfaction of various stakeholder groups is instrumental for organizational financial performance." Accordingly, it can be argued that in developing countries like Ghana, the relationship between CSR and a firm's performance hinges on stakeholders' perceptions and their reactions to CSR efforts.

The response of stakeholders to CSR initiatives is facilitated by the availability of information on CSR activities and the choices made by stakeholders regarding the options presented to them (Schuler and Cording, 2006). Hartman, Rubin, and Dhanda (2007) emphasize the

importance of organizations disclosing the reasons for engaging in CSR, irrespective of the purpose, to their stakeholders.

CSR and Organizational Performance

Performance assessment in a firm, as defined by Business Dictionary (2014), involves the comparison of the firm's goals and objectives against its actual performance. This evaluation typically encompasses three key areas: financial performance, market performance, and shareholder value (with occasional consideration of production capacity in some cases). Extensive efforts have been made to understand the impact of Corporate Social Responsibility (CSR) activities on organizational performance, with numerous studies and research conducted in this regard (Husted and Salazar, 2006; Maron, 2006; Moneva, Rivera-Lirio & Muñoz-Torres, 2007; Orlitzky et al., 2003).

Pava and Krausz's (1995) extensive analysis of empirical studies exploring the relationship between CSR and organizational performance yielded valuable insights. They found that, in general, organizations that demonstrated a commitment to meeting social responsibility standards tended to perform better or were on par with organizations less engaged in CSR activities. Furthermore, the results of a meta-analysis on the relationship between CSR and organizational performance conducted by Orlitzky et al. (2003) provided further support for the existence of a positive relationship between CSR and organizational performance.

CSR and Employees' Commitment

Employee commitment within an organization is typically defined as the extent to which employees hold a strong affinity for the organization, perceive their future as closely linked to that of the organization, and are willing to make personal sacrifices for the business unit (Jaworski and Kohli, 1993). As highlighted by Aguilera et al. (2007), employees assess their employers' commitment to Corporate Social Responsibility (CSR) based on their perception of the organization's CSR activities, the outcomes of these CSR initiatives, and the effectiveness of the CSR implementation process. These researchers emphasize the serious consequences socially responsible or irresponsible actions by employers can have on employees (Aguilera et al., 2007).

Numerous studies have explored the intricate relationship between CSR and employee commitment (Albinger and Freeman, 2000; Backhaus, Stone & Heiner, 2002). Previous research in this area consistently indicates that a firm's CSR activities are of paramount

importance to its employees, exerting a positive influence on their commitment (Albinger and Freeman, 2000; Greening and Turban, 2000; Peterson, 2004). Branco and Rodrigues (2006) further suggest that organizations recognized for their strong CSR reputation are better positioned to attract high-quality job applicants, retain employees after hiring, and sustain their trust and loyalty. Likewise, Maignan et al. (1999) propose that organizations engaged in CSR initiatives stand to benefit from increased employee commitment for two primary reasons: their commitment to ensuring a positive workplace experience and their contributions to addressing broader societal issues, such as environmental protection and community welfare, which impact society at large, including their own employees.

CSR and Corporate Reputation

Reputation, as defined by Brown and Logsdon (1999), is essentially the perception held by external stakeholders regarding what an organization represents, its ability to fulfill its commitments, its alignment with stakeholder expectations, and how effectively it operates within the socio-political context. In essence, the reputation of an organization is a significant determinant of how outsiders perceive its character and conduct (Roberts & Dowling, 2002). A positive reputation is indicative of an organization's nobility and respectability (Weiss, Anderson & MacInnis, 1999). Notably, a growing body of research suggests that a positive reputation is an invaluable intangible asset that bolsters an organization's competitive edge (Roberts and Dowling, 2002; Shamsie, 2003). This is because cultivating a positive reputation requires substantial time and consistent investment over an extended period (Roberts and Dowling, 2002).

It is crucial to recognize that an organization's reputation can be either strengthened or damaged by its commitment (or lack thereof) to CSR programs. Bhattacharya and Sen (2003) argue that CSR efforts contribute to the accumulation of goodwill that organizations can draw upon during times of crisis. Similarly, McWilliams and Siegel (2001) note that CSR initiatives help build a reputation for a firm as reliable and honest. However, it is essential to acknowledge that the relationship between CSR and corporate reputation, particularly in developing countries, is not direct. Unlike employee commitment, where staff can directly observe and engage with their companies' CSR activities, the impact of CSR on corporate reputation concerning various external stakeholders depends on the organization's communication efforts regarding CSR initiatives and how they report these activities in national and other media platforms.

As suggested by Branco and Rodrigues (2006), organizations that effectively communicate their commitment to meeting social and ethical standards can strengthen their reputation positively. Conversely, failing to comply or inadequately communicating CSR efforts can result in reputational damage.

CSR and Brand Differentiation

In today's densely populated marketplaces, organizations are continually striving to establish a unique selling proposition that can effectively set them apart from their competitors. Within this context, CSR presents a valuable avenue for building consumer loyalty based on distinctive ethical standards. Several prominent brands, including The Co-operative Group, The Body Shop, and American Apparel, have successfully built their identity and reputation around strong ethical values (Wikipedia, 2009). Business service firms stand to benefit from creating a reputation for integrity and best practice.

While there are critics who argue that organizations may not necessarily derive a competitive advantage from their CSR activities, research suggests otherwise. Stakeholders, which encompass a wide range of individuals and groups, demonstrate a genuine interest in an organization's actions regarding CSR. What's more, stakeholders do not typically react negatively to CSR initiatives; instead, they often respond positively. This can be attributed to a fundamental connection or identification that individuals feel toward organizations engaged in CSR activities that align with their values and beliefs. Consequently, people are increasingly inclined to support and make purchasing decisions in favour of socially responsible organizations, viewing it as a means of endorsing and furthering the causes they care about.

Methodology

Research Objectives and Presentation of Hypotheses

This research project has two overarching objectives and hypothesis:

Objective 1: To investigate Corporate Social Responsibility (CSR) initiatives in the car rental industry and their alignment with environmental sustainability and community engagement.

Hypothesis 1: Car rental companies will exhibit consistent CSR themes and activities, with a pronounced emphasis on environmental sustainability and community engagement, reflecting broader societal and environmental concerns.

Objective 2: To assess the impact of CSR activities on employee satisfaction and engagement, with a focus on Avis Budget Group BSC.

Hypothesis 2: There is a positive correlation between the extent of CSR activities and increased levels of employee satisfaction and engagement within Avis Budget Group Bsc, thereby contributing to enhanced organizational performance and culture.

Description of the Circumstances and Location of the Study:

The proposed study will take place in the environment of the Car rental industry, which is distinguished by its competitive nature, worldwide reach, and significant rules. This industry concentrates around the provision of short-term rental automobiles to both people and corporations. Car rental firms in this industry provide a varied selection of automobiles, ranging from low-cost alternatives to expensive models, with rental periods ranging from daily to weekly to monthly. The automobile rental industry's competitive landscape is typified by fierce competition, with large firms aggressively striving for market share. Their efforts include price strategies, service quality, and vast geographic coverage.

Moreover, the automobile rental sector is subject to severe governmental scrutiny, with an emphasis on safety, insurance, and environmental regulations. These standards are in place to protect consumers' safety and to guarantee compliance with local laws. This complex mix of competition, regulation, and global presence highlights the need of investigating the influence of Corporate Social Responsibility (CSR) initiatives on both financial and non-financial performance measures in this dynamic business. Understanding how CSR activities impact performance indicators in such a complex context may give significant insights for car rental firms wanting to improve their sustainability and overall efficacy in serving a diversified clientele.

The study will be carried out at Avis Budget Group Bsc in Budapest, Hungary. The importance of this site in the car rental sector, as well as the ready availability of both CSR programmes and an extensive number of employees to participate in the study, led to its selection.

Description of the Study Sample:

The study sample comprises a diverse array of sources critical to the comprehensive analysis of Corporate Social Responsibility (CSR) initiatives within the car rental industry. The sample includes the CSR reports of Avis Budget Group from the years 2022, 2021, and 2020, which

serve as primary sources of information regarding the company's CSR practices and evolution over time. Additionally, CSR reports from Hertz for the years 2019 and 2017.

Furthermore, to examine the impact of CSR activities on employee satisfaction and engagement, the study includes interviews with five employees from Avis Budget Group.

Description of the Study Methods:

The research design for this study comprises two distinct but interconnected components: Part one, which relies on secondary data analysis of CSR reports, and Part two, involving primary data collection through group interviews.

In Part one, we will employ a qualitative content analysis approach to scrutinize CSR reports obtained from four leading car rental organizations. This method will facilitate the systematic identification and categorization of common CSR initiatives and characteristics. Thematic coding will be applied to recognize recurring themes and patterns within the reports, ultimately enabling a comprehensive understanding of the CSR landscape within the car rental industry. Additionally, comparative analysis will be conducted to unveil prevailing trends and divergences, contributing to a broader comprehension of industry-specific CSR practices.

Part two will involve semi-structured interviews with a carefully selected group of five participants from Avis Budget Group BSC, encompassing both managerial and employee perspectives. The interviews will utilize open-ended questions to elicit detailed responses about the impact of CSR activities on employee satisfaction and engagement. Thematic analysis will be employed to discern emerging patterns and key themes from the interview data. Ethical considerations will remain paramount throughout the process, ensuring that participants provide informed consent, and their anonymity is preserved. This methodological approach promises to deliver a rich dataset, allowing for in-depth exploration of the research objectives and maintaining the ethical integrity of the study.

Analysis of Company's CSR Reports from the Car Rental Industry:

We chose to analyse CSR reports from three prominent companies in the car rental industry: Hertz, and Avis Budget Group. Our selection was based on the availability of comprehensive and reliable data for these companies. By focusing on these industry leaders, we aim to gain valuable insights into the corporate social responsibility efforts within the car rental sector. Uber's innovative approach to ride-hailing and its substantial market presence, Hertz's long-established reputation in the traditional car rental market, and Avis Budget Group's global reach

all make them significant players in the industry. Our analysis of their CSR reports will provide a comprehensive overview of their environmental, social and governance initiatives and programs, thereby contributing to a better understanding of the industry's sustainability practices.

Goals:

Our goal is to analyse CSR Reports of a sample of two large companies in the car rental industry to provide an in-depth examination of Corporate Social Responsibility (CSR) initiatives within the car rental industry. We download complete CSR reports in PDF format from the corresponding official corporate websites. In total we download reports from 2020, 2021 and 2022, 2019, 2017. These reports are then manually scrubbed in order to obtain the main text. We partition each report into three CSR dimensions sustainability which are: Environmental, Social, and Governance.

Company A: Avis Budget group CSR Reports analysis

Environmental activities

According to the company's ESG or CSR reports, the company has made significant efforts to promote environmental activities, fleet efficiency, innovation, environmental compliance, green buildings, greenhouse gas emissions reduction, water conservation, and waste reduction.

Greenhouse gas emissions:

Title: Carbon Emissions Trends in Avis Budget Group: 2018-2021

CO2 - e (metric tons)	2018	2020	2021	Percentage change
Scope 1 Emissions	6,827,371	4,920,349	6,039,288	-11.5%
Scope 2 Emissions	45,043	37,770	42,481	-6%
Scope 3 Emissions			12,852	
Total Scope 1 & 2	6,872,414	4,958,119	6,081,769	-11.5%

Title: Greenhouse Gas Emissions Trends by gas in Avis Budget Group: 2018-2021

CO2 - e (metric tons)	2018	2020	2021	Percentage change
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Carbon dioxide (CO2)	6,804,447	4,905,150	6,023,953	-12%
CH4 (Methane)	6,284	1,975	2,533	-59%
N2O (Nitrogen dioxide)	16,640	12,224	12,802	-23%

Source: Avis budget group ESG 2022 Report

Note: (From the report)

Scope 1 emissions are calculated based on fuel consumption using manufacturer miles per gallon specifications.

Scope 2 emissions are based on purchased electricity at our owned/rented and operated locations. Scope 2 emissions represent 60% of the countries in which Avis Budget Group operates.

Scope 3 emissions comprised of waste generated in operations and business travel. Waste data is based on our total waste generated in the United States at facilities operated by Avis Budget Group. 11% of sites in the United States were excluded from our calculation.

Avis Budget Group has made notable progress in reducing its greenhouse gas emissions over the specified years. When examining Scope 1 emissions, the company experienced a significant decrease, with emissions dropping from 6,827,371 metric tons in 2018 to 6,039,288 metric tons in 2021, representing a 11.5% reduction. Similarly, Scope 2 emissions saw a decrease, from 45,043 metric tons in 2018 to 42,481 metric tons in 2021, a 6% decrease. The combined Scope 1 and 2 emissions also demonstrated a 12% decrease, with the total emissions decreasing from 6,872,414 metric tons in 2018 to 6,081,769 metric tons in 2021. When considering specific greenhouse gases, carbon dioxide (CO2) emissions decreased from 6,804,447 metric tons in 2018 to 6,023,953 metric tons in 2021, amounting to a 12% reduction. Additionally, methane (CH4) and nitrogen dioxide (N2O) emissions decreased by 59% and 23%, respectively, from 2018 to 2021.

The greenhouse gas emissions data presented in the Avis Budget Group's ESG 2022 Report highlights the company's strong commitment to environmental responsibility and sustainability. The observed reductions in emissions across various scopes and specific greenhouse gases are indicative of their concerted efforts to mitigate their environmental impact.

First and foremost, the 12% reduction in Scope 1 emissions, associated with fuel consumption and operating their vehicle fleet, signifies the company's success in minimizing emissions from

their own operations. This achievement underscores Avis Budget Group's dedication to enhancing the fuel efficiency of their vehicles and adopting eco-friendly practices within their fleet management.

The 6% reduction in Scope 2 emissions, which pertains to purchased electricity, further showcases their commitment to energy efficiency. This reduction reflects not only their efforts to reduce energy consumption at owned and rented facilities but also their pursuit of cleaner energy sources.

The data on Scope 3 emissions, primarily linked to waste generated in operations and business travel, sheds light on their environmental impact beyond their immediate operations. Though these emissions totaled 12,852 metric tons, it's important to note the exclusion of 11% of sites in the United States from the calculation. This points to the potential for further reduction in Scope 3 emissions through enhanced waste management practices and more sustainable business travel.

The encouraging reductions in specific greenhouse gases are significant as well. The 12% decrease in carbon dioxide (CO₂) emissions, which are the most common greenhouse gases, indicates the company's effectiveness in addressing the primary contributor to global warming. The remarkable 59% reduction in methane (CH₄) emissions and 23% reduction in nitrogen dioxide (N₂O) emissions demonstrate their commitment to addressing a range of greenhouse gases beyond CO₂.

low-carbon transportation solutions

Avis Budget Group's proactive commitment to low-carbon transportation solutions and fleet efficiency not only demonstrates their commitment to sustainability, but also establishes them as a pathfinder in the changing face of passenger vehicle mobility. Their active incorporation of electric and hybrid vehicles into their fleet demonstrates their innovative approach to minimising their carbon footprint and encouraging sustainable transportation alternatives. This strategy move is in sync with the passenger car ecosystem's approaching transition to electric and hybrid automobiles. Avis Budget Group is well-positioned to assist a smooth transition to electric mobility by working closely with Original Equipment Manufacturer (OEM) partners to optimise their electric vehicle options and tackling the logistical problems associated with charging infrastructure. Furthermore, their provision of a diverse range of vehicle choices, including hybrids, electric vehicles, and fuel-efficient options at rental locations, demonstrates their responsiveness to evolving consumer demands and environmentally conscious

preferences. The company's strategic plan to allocate electric vehicles where they are most needed and have access to the necessary infrastructure reflects their adaptability to the dynamic landscape of electric vehicle adoption. The anticipated shift toward electric vehicles in the U.S., with 50% of cars sold estimated to be electric by 2035 and 60%-70% of cars on the road being electric by 2050.

WATER

The research findings presented in this context underscore the pressing global issue of water scarcity and the proactive approach taken by Avis Budget Group in addressing this challenge. As water scarcity continues to worsen and affect an increasing number of regions worldwide, it is paramount for companies to assume the role of responsible and efficient stewards of local water resources. Avis Budget Group has made commendable efforts to minimize its water footprint, with a particular focus on areas where the most substantial opportunities for improvement exist. This includes a targeted approach to reduce water consumption and wastewater associated with the cleaning and maintenance of vehicles, as well as a prioritization of reductions and efficiency measures in locations facing the highest levels of water stress and scarcity risks.

Title: Water Consumption and Intensity Trends in Avis Budget Group (U.S.): 2018-2021

Water footprint (U.S.)	2018	2020	2021	Percentage Change
Water consumption (kGal)	300,839	221,380	346,332	15%
Water intensity (total kGal / total revenue)	0.000033	0.000041	0.00003719	-12%

Source: ESG report 2022 Avis budget Group

The data from Avis Budget Group's 2018-2021 Water Footprint in the U.S., as reported in their ESG report for 2022, highlights significant progress in their water management efforts. Water consumption increased from 300,839 kGal in 2018 to 346,332 kGal in 2021, representing a 15% increase. Additionally, water intensity, as measured by total kGal per total revenue, improved from 0.000033 to 0.00003719, indicating a 12% decrease in water use efficiency. These figures demonstrate a commendable commitment to water conservation and efficiency.

A noteworthy initiative in this context is the introduction of the Wash and Clean Quick Turn Around (QTA) process in Spain in 2019, which was designed to save water. Under this process,

vehicles returned for short-term rentals undergo a visual inspection, and if they are deemed sufficiently clean, they are exempt from the traditional car wash process. Instead, interiors are vacuumed and cleaned using chemical products, making it a waterless process. This initiative not only contributes to substantial water savings but also reduces the miles driven to car washes, leading to a reduction in greenhouse gas emissions. The expansion of the Wash and Clean QTA program to Europe and the Asia Pacific region in 2021.

Waste

Avis Budget Group's approach to waste management exemplifies its commitment to reducing environmental impact through a multifaceted strategy. The company actively addresses waste generation by focusing on generating less waste, recycling more, and prioritizing the repair and reuse of materials wherever feasible. Their investment in a newer, connected fleet, coupled with prompt and professional maintenance based on real-time data alerts, has yielded positive results in waste reduction efforts. In particular, the diligent monitoring and maintenance of tire pressure extends the lifespan of tires, reducing the need for recycling or repurposing. Swift detection and repair of windshield damage, when possible, further decrease the number of windshields requiring recycling. As the company steadily transitions from gasoline-fuelled vehicles to hybrid and electric alternatives, there is an anticipation of reduced motor oil usage and recycling, underscoring the significance of this shift. Moreover, Avis Budget Group ensures proper disposal of waste streams, such as motor oil, tires, car batteries, and windshields, in compliance with local regulations by collaborating with certified waste service providers. At their rental and office locations, they actively promote a culture of waste sorting, encouraging employees to segregate refuse into the correct recycling bins at designated stations.

Social Activities:

Avis Budget Group's commitment to social activities underscores its unwavering dedication to diversity, equity, and inclusion (DE&I) across various facets of the company. The company acknowledges that becoming the best vehicle rental company in the world necessitates fostering DE&I within their workforce, consumer base, communities, and supply chain. Their social strategy and corporate culture are firmly rooted in shared values, emphasizing the strength of their relationships and the importance of inclusive growth. Avis Budget Group firmly believes in creating an inclusive, supportive workplace built on trust, regardless of individual or team levels within the organization. Trust is a fundamental pillar in their approach, cultivated through open, honest, and respectful communication, recognition of

performance, encouragement of personal and collective growth, and the celebration of accomplishments. The company's unwavering support for its employees, along with its commitment to their growth, development, and well-being, remains a top priority. However, Avis Budget Group extends its commitment to community welfare by fostering partnerships with government agencies and non-profit organizations to enhance community prosperity and resilience.

Diversity, equity, and inclusion

Title: U.S. Minority Representation by Level in Avis Budget Group: 2020-2022

U.S. Minority Representation by Level	2020	2021	2022
Hourly	63%	60%	70%
Manager	38%	33%	44%
Director	18%	22%	24%
VP+	14%	16%	21%
Board of Directors		66%	66%

Source: Avis Budget group ESG Report 2022 & 2021 & 2020

The data on U.S. Minority Representation within Avis Budget Group over the years 2020, 2021, and 2022 underscores the company's commitment to diversity, equity, and inclusion. Notable trends are observed at various organizational levels. The increase in hourly employee diversity, from 63% in 2020 to 70% in 2022, reflects successful initiatives in entry-level recruitment, contributing to a more inclusive workforce. While there was a temporary dip in managerial representation in 2021 (from 38% to 33%), the subsequent rebound to 44% in 2022 is a positive sign, demonstrating adaptability and recovery in promoting diversity in management roles. Moreover, the consistent growth in diversity at the director and VP+ levels, rising from 18% to 24% and 14% to 21%, respectively, signifies a broader trend towards greater leadership diversity. The steady 66% minority representation on the Board of Directors reaffirms a commitment to inclusivity at the highest governance level. Avis Budget Group's emphasis on valuing each employee's unique qualities and fostering a diverse workforce is evident in these results. This approach not only enriches the organization with a variety of perspectives and ideas but also aligns with their vision of inspiring current employees, attracting future talent, and nurturing a more diverse generation of leaders within the company. The findings reflect Avis Budget Group's ongoing dedication to diversity and inclusion across

all aspects of their business, with a focus on fostering a representative workforce and strengthening their position in the global marketplace.

HEALTH & SAFETY

Title: Workplace Incident Rates in Avis Budget Group: 2019-2021

Indicator	2019	2020	2021
Total recordable incident rate	2.73	2.23	2.99
Lost-time incident rate	0.93	1.07	1.02

Source: Avis's budget ESG Report 2019 & 2020 & 2021

The data concerning Health & Safety indicators for Avis Budget Group over the three-year period from 2019 to 2021 reflects the company's steadfast commitment to the well-being of their employees. The initial improvement in the Total Recordable Incident Rate in 2020, where it decreased from 2.73 to 2.23, demonstrated progress in safety performance. However, the subsequent increase in 2021 to 2.99 served as a poignant reminder that safety should always remain a paramount concern. In parallel, the Lost-Time Incident Rate increased from 0.93 in 2019 to 1.07 in 2020, before showing a slight reduction to 1.02 in 2021, though it still exceeded the initial rate. These figures underscore the need for continuous efforts to ensure a safe and secure working environment for Avis Budget Group's employees. The company's dedication to using risk management principles, communicating safety objectives, complying with legal requirements, implementing precautions, and consistently improving their Health & Safety management systems is evident. Encouraging active participation in safety meetings, workplace inspections, and investigations, the company demonstrates a holistic approach to safeguarding not only their employees but also their customers, vendors, and the broader community.

EMPLOYEE ENGAGEMENT & DEVELOPMENT

In Avis Budget Group, employee engagement and development are core elements of the company's culture and success. Acknowledging that employees serve as vital advocates to customers, potential customers, and future talent, the company places the utmost importance on how its workforce perceives their employment experience. This commitment is evident in their annual global survey, conducted in multiple languages, which provides employees with a platform to express their thoughts on working at Avis Budget Group and suggest ways to make it even better. Particularly notable is the company's proactive response to the challenges posed

by lockdowns and remote working options, which increased physical distance among their globally distributed workforce. Recognizing the importance of maintaining a sense of connection, they invested in updating their employee app, facilitating communication and interaction through features like newsroom and community zones, where employees from diverse locations share achievements, celebrate milestones, and recognize colleagues displaying outstanding team spirit.

Moreover, Avis Budget Group's dedication to employee learning and development is driven by a commitment that originates at the highest leadership levels. With their President and CEO, Joseph Ferraro, having risen through the ranks over 40 years, the company nurtures a belief that every employee can achieve their goals. This commitment is reflected in their coaching, support, encouragement, and provision of opportunities for employees to realize their potential and apply their skills and experiences to various roles. The company actively promotes Avis Budget Group as a place for personal and professional growth, offering a range of learning opportunities, from on-demand digital learning to on-the-job experiences and peer-to-peer development. Their "Developing Your" strategy includes setting annual performance and development targets, coupled with a structured quarterly review process that allows employees and managers dedicated time to discuss growth and accomplishments.

Community engagement

Avis Budget Group's commitment to community engagement, as evident in their CSR Report data, underlines the company's dedication to customer satisfaction and the provision of excellent customer service. The implementation of various customer feedback mechanisms reflects a proactive approach to continually enhance the quality of services provided. Functioning as a global entity, Avis Budget Group maintains a local presence in numerous communities worldwide. The substantial contributions of thousands of employee volunteer hours each year underscore the company's commitment to addressing community needs. Whether through individual or collaborative efforts, the ethos of doing right by the communities they serve fosters a profound sense of purpose among employees, transcending their roles from mere jobs to sources of pride within the Avis Budget Group family.

The company's extensive Social Partnerships & Collaborations initiative showcases a long-standing commitment to various charitable organizations, including Make-A-Wish and Susan G. Komen, with recent additions like R U OK? and Toys for Tots in 2021. Avis Budget Group actively promotes these organizations through numerous events and facilitates customer

involvement through promotional codes on their rental website, offering opportunities for customers to support these charity partners.

Community Support is a cornerstone of the company's culture, as evidenced by employees rallying to support one another during times of need. In 2021, when hurricanes struck New Orleans, employees affected by the disaster received immediate assistance from their colleagues. Through employee and company matching donations, a total of \$43,500 was raised to acquire essential items for affected families, showcasing the company's quick and impactful response to adversity.

In times of crisis, the company's Crisis Response strategy focuses on ensuring the preparedness and protection of employees, property, and infrastructure. The "all hands-on deck" approach, bolstered by a robust incident management and command structure, guarantees swift and effective responses in times of uncertainty. Avis Budget Group's strategic partnerships with leading national disaster response agencies further fortify their ability to provide support to affected customers, employees, and communities.

Finally, Avis Budget Group's commitment to community safety and proactive engagement extends to advocacy and collaboration with consumer advocacy groups, notably influencing safety recall legislation within their industry. The company also maintains essential partnerships with the U.S. Department of Homeland Security and the Federal Bureau of Investigation, contributing to efforts aimed at identifying and preventing threats of violence.

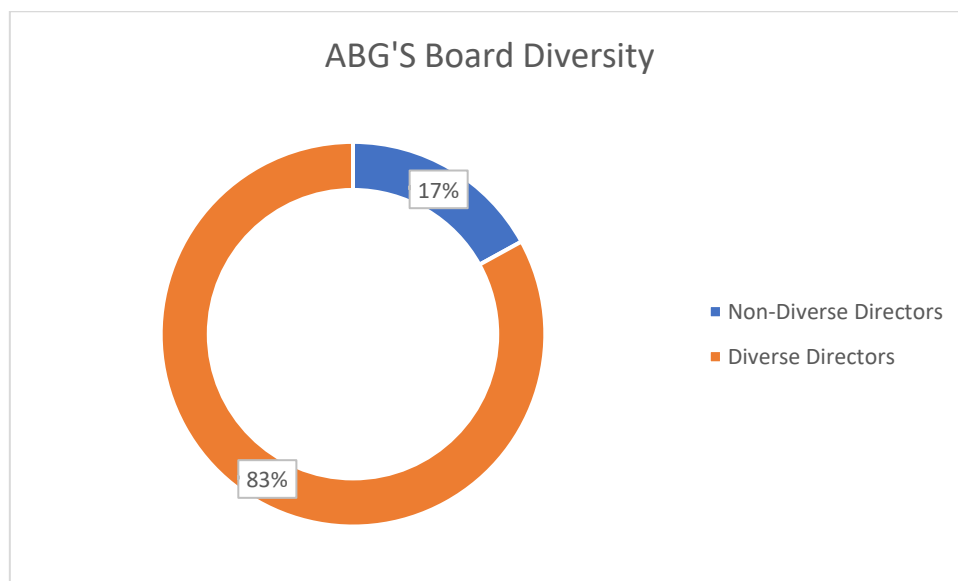
Governance

As result of analysing Avis Budget Group's governance and ethics policies from their ESG reports, reflect the company's steadfast commitment to safeguarding its long-term value and ensuring ethical business practices. The Board of Directors plays a crucial role in this commitment, diligently monitoring the impact of policies and decision-making on the organization's current and future value. This oversight aligns with the Avis Budget Group Corporate Governance Guidelines and is further supported by the charters of key committees, including Audit, Compensation, and Corporate Governance, collectively serving as the cornerstone for effective ESG governance.

An essential component of Avis Budget Group's ESG strategy is the deliberate effort to establish a Board characterized by diversity and inclusivity (See figures). The company recognizes the significant value in having a Board that encompasses a wide spectrum of life experiences and perspectives. To achieve this, the Board actively seeks out individuals from

various professional and personal backgrounds, all of whom bring fresh insights, specialized expertise, and a reputation for unwavering integrity. The process of evaluating potential board candidates is comprehensive, guided by the Corporate Governance Committee, which assesses factors such as candidates' backgrounds, diversity, age, skills, and experiences, with a particular focus on how these attributes align with the specific needs and objectives of the Board.

Title: Avis Budget group board Diversity percentages



Source: ESG REPORT 2022 & 2021 & 2020

Company B: Hertz

Environmental activities

The analysis to Hertz CSR report provides evidence to that the company is deeply committed to environmental responsibility and sustainability, recognizing the profound impact its operations can have on the environment. The company has instituted a comprehensive environmental management program that permeates every facet of its business operations, from car cleaning practices to facility construction. This commitment extends across the entire organizational hierarchy, from senior leaders to frontline employees who are expected to uphold environmental best practices both within and outside the workplace. Hertz diligently complies with all regulatory requirements, while their corporate standards, developed from years of industry experience, surpass regulatory expectations to further mitigate environmental risks. Their robust compliance program ensures the organization's readiness for permits, tests,

and inspections, enhancing environmental compliance and instigating continuous improvement through industry benchmarking and stretch goals.

Hertz's Environmental Policy applies universally, encompassing global locations and addressing issues such as regulatory requirements, inspections, hazardous material storage, and spill prevention and control. The company has also made significant strides in tracking and reducing its carbon footprint. Hertz publishes annual reports on its greenhouse gas (GHG) emissions through the Carbon Disclosure Project (CDP), with a focus on transparency and accountability. The use of globally recognized GHG protocols for accounting and reporting underscores the company's commitment to accuracy and reliability in its emissions data. Hertz's CDP scores have demonstrated their evolving awareness and commitment to climate change mitigation, improving from previous years. The 2019 GHG emissions data is externally verified to ensure credibility.

Hertz not only addresses emissions from its fleet but also acknowledges the importance of reducing the carbon footprint of its facilities. Notably, the company has installed solar panel systems at eight rental and corporate locations, generating a substantial 2,065,000 kWh of electricity annually, which can power approximately 190 homes for a year. In 2019, energy-saving projects were undertaken at corporate offices in Estero, Florida, and Oklahoma City, Oklahoma. These initiatives included LED lighting upgrades, window tinting, HVAC system enhancements, and further improvements in energy efficiency. The result was not only a reduction in environmental impact but also a substantial rebate from energy providers, proving that environmentally responsible practices can have a positive impact on the company's bottom line.

FLEET Management (EV's)

Hertz demonstrates a customer-centric approach to its fleet management, aligning its vehicle offerings with regional customer preferences. The company relies on proprietary customer rental data and consumer auto purchasing trends to make informed, annual buying decisions. This strategic approach has led to the provision of one of the most popular and fuel-efficient rental fleets in the industry. In the United States, more than 70% of Hertz's fleet averages greater than 24 miles per gallon (MPG), with over 30% exceeding 32 MPG. Internationally, the company maintains a fleet that averages 5.1 liters per 100 kilometres. Hertz acknowledges the importance of staying abreast of advancements in gasoline engine efficiency through

innovative design and technology, incorporating the latest safety features and fuel-efficient models into its rental line-up.

However, when it comes to electric vehicles (EVs), global adoption is still limited, representing a fraction of the overall light vehicle market. In 2019, EVs accounted for less than 3% of global vehicle sales, as reported by the International Energy Agency (IEA). In Europe, the combined share of plug-in hybrid electric vehicles (PHEV) and battery-electric vehicles (BEV) was less than 4% of total car sales in 2019. Despite challenges such as consumer reluctance, high costs, range anxiety, extended battery-charging times, and limited charging infrastructure, the tightening of CO₂-emission regulations is expected to drive the growth of the EV market in Europe. Hertz anticipates expanding its European EV rental offerings accordingly.

In the United States, Tesla's Model 3 has played a significant role in driving EV penetration, constituting 48% of the U.S. EV market share. However, the overall penetration of EVs in the U.S. accounted for less than 2% of total vehicle sales in 2019, marking a decline from 2018. Sustainable growth of the EV market in North America hinges on profitable EV production by automakers and consistent regulatory developments. Hertz remains committed to balancing customer vehicle preferences with the imperative to offer low-emission rental vehicles to reduce environmental impact. While macro-level barriers to EV deployment persist, the company remains adaptable, closely monitoring technology advancements and consumer acceptance.

Water

The data presented from the reports and statistics prove that Hertz is committed to balancing customer satisfaction with environmental stewardship is exemplified by their innovative water conservation efforts. The company's waterless car washes, implemented since 2013, have resulted in substantial water savings, exceeding 18.5 million gallons to date, without compromising their excellence in customer service. This dedication to customer satisfaction has earned Hertz the #1 ranking in Customer Satisfaction by J.D. Power. At their World Headquarters building in Estero, Florida, Hertz takes an eco-conscious approach by collecting runoff water from solar panels into 7,500-gallon cisterns, which is then reused throughout the campus, including for restroom facilities.

In response to the considerable water usage, primarily for vehicle washing at airport rental locations, which reached 840 million gallons in North America in 2017, Hertz initiated a comprehensive study to optimize water conservation practices. The study, conducted at

Southwest Florida International Airport between late 2018 and early 2019, demonstrated an impressive approximately 60% reduction in water usage, equating to 14.5 gallons per car wash. Furthermore, the calculated cost savings from this initiative reached \$20,000 annually at the Southwest Florida International Airport.

Waste

The company has implemented comprehensive policies and initiatives to address this critical environmental concern. Hertz maintains a Waste and Recycling Policy, offering clear guidance on how to conserve resources and ensure proper waste disposal at both field locations and corporate offices. In the United States, Hertz's Zero Tires to Landfill Policy underscores their commitment to responsible recycling by ensuring that all used tires are recycled. Internationally, corporate locations adhere to local hazardous waste disposal guidelines, emphasizing compliance with local regulations.

As part of their continuous improvement efforts, Hertz conducted a waste assessment and audit in 2019 at their world headquarters in Estero, Florida. This audit has been instrumental in setting ambitious goals for enhancing organics recycling at corporate locations and increasing communication and adoption of single-stream recycling at field locations. The results of these efforts are impressive, with 1.02 million gallons of oil and solvents, 328,292 tires, 4,718 tons of waste, 32,817 pounds of IT equipment, and 1,193 tons of paper shred all being recycled. This substantial recycling effort not only minimizes environmental impact but also reflects the preservation of approximately 20,000 trees.

Social Activities:

Employee Engagement:

Hertz's commitment to employee well-being and continuous improvement is exemplified by its annual Employee Voice Survey. With a commendable 87% response rate in 2019 for the third consecutive year, Hertz has demonstrated a remarkable level of employee engagement and trust in the organization's ability to act upon feedback. To ensure the survey's effectiveness, Hertz collaborates with Mercer | Sirota to administer the confidential survey and produce in-depth analyses that drive action planning throughout the organization. In response to feedback from employees globally, Hertz identified four key areas of focus for its 2019 efforts: "Getting the Work Done," "Senior Leadership Communications," "Rewards & Career," and "Caring for Communities." Each of these focus areas was championed by a member of Hertz's Senior Management Group (SMG), emphasizing accountability for driving change.

The Employee Voice Survey yielded significant improvements in 2019, including increased communication with senior leaders to foster stronger relationships and trust, the implementation of new IT tools and process enhancements to empower employees in meeting customer needs, the contribution of 22,500 hours of volunteer service in communities, exceeding the set goal by 13%, enhancements to the employee benefit program, the introduction of a new Rewards and Recognition portal, and the expansion of on-site training programs to accelerate career development. Hertz's commitment to continuous improvement extends beyond the survey, with a proactive approach to maintaining a pulse on the organizational culture throughout the year. This is achieved through a range of feedback channels, including surveys to assess the effectiveness of new programs and initiatives, skip-level meetings with the Human Resources team, and Coffee Chats with senior leaders.

Learning & Development

The extensive Learning & Development programme demonstrates Hertz's commitment to promoting a culture of continual development and professional progress. This program not only enhances the organization's overall performance but also paves the way for fulfilling career paths for its employees. At the heart of this endeavour lies the recognition of the paramount significance of the employee-manager relationship within the workplace. Hertz places a strong emphasis on developing capable leaders who prioritize the support and growth of their teams. An exemplary initiative in this regard is the Emerging Leaders course, recently introduced to prepare high-potential North American colleagues for the transition from individual contributor to people leader roles. This intensive four-day, instructor-led workshop, held at Hertz's world headquarters in Estero, Florida, centres around the inculcation of Hertz's Leadership Values, establishing a sturdy foundation for effective leadership. Furthermore, Hertz's Management Trainee program is tailored to empower field employees demonstrating leadership potential, offering them comprehensive, hands-on training spanning various aspects of the business, including sales, operations, customer service, financial management, fleet management, and, notably, people leadership.

Complementing these in-person training opportunities, Hertz provides a diverse range of professional development resources to cater to the specific needs of its global workforce. Leveraging an online learning system, Learning Connection, the company offers access to over 6,000 training and development courses, covering a wide spectrum of subjects such as safety, operations, customer service, sales, technology, process improvement, and finance, among others. In addition to training, Hertz employs an annual Performance Management cycle to

encourage ongoing and transparent career discussions between employees and their leaders. The My Performance system facilitates the creation of talent profiles and development actions, as well as the establishment of annual performance goals. It also serves as a platform for tracking performance conversations and documenting both midterm and annual performance reviews.

Hertz's Tuition Assistance Program stands as a vital resource for colleagues seeking to enhance their formal education beyond the workplace. This program extends its benefits to eligible global colleagues who are eager to pursue educational opportunities outside of their regular working hours, be it formal studies or training. To qualify for this program, employees must be actively engaged in full-time employment with at least six (6) months of continuous service before the commencement of the course. Beyond traditional academic pursuits, the Tuition Assistance Program also offers support for obtaining or maintaining Continuing Education credits (CEs) as a part of professional accreditation requirements. This program has proven to be highly advantageous, with 317 employees in North America seizing this opportunity, resulting in an expenditure of approximately \$575,000 towards their tuition reimbursement.

Group interview at Avis budget group BSC Budapest

To assess the influence of CSR activities on employee satisfaction and engagement, we conducted a group interview involving five employees drawn from diverse departments, varying in age and gender. This approach allowed us to gather a comprehensive range of insights and experiences. To maintain the confidentiality of the participants, they were assigned the pseudonyms A, B, C, D, and E. This research methodology was designed to provide a well-rounded perspective on how CSR initiatives impact employees across the organization.

Title: Employee Information Table at Avis Budget Group

Person	Company	Occupation	Department	Age	Gender	Department
A	Avis Budget		Fines			Fines
	Group	Intern	Management	19	Male	Management
B	Avis Budget		Credit and			Credit and
	Group	Analyst	collection	32	Female	collection
C	Avis Budget					Purchase to
	Group	Specialist	Purchase to pay	26	Female	pay

D	Avis Budget Group	Team-Leader	Human Resources	35	Male	Human Resources
	Avis Budget Group	Manager	Network Accounting	32	Male	Network Accounting

Source: Own Work

In order to gain a comprehensive understanding of the relationship between Avis Budget Group's CSR (Corporate Social Responsibility) initiatives and employee satisfaction and engagement, a structured set of questions was posed to a group of employees from diverse departments. These questions were carefully designed to explore various facets of the employees' experiences with CSR activities within the organization.

The questions are:

- How aware are you of Avis Budget Group's CSR initiatives?
- Do these initiatives align with your personal values and motivate you at work?
- Have you seen a positive impact on your job satisfaction due to CSR activities?
- How have CSR initiatives influenced team collaboration and workplace culture?
- Are there specific ways in which you've grown professionally through CSR engagement?
- How well do you feel the company communicates about the impact of CSR activities?
- Can you suggest improvements to enhance the impact of CSR on employee engagement and satisfaction?

Results

Person A - Intern (Fines Management) - Male

Awareness of CSR Initiatives: “I'm somewhat aware of Avis Budget Group's CSR initiatives. As an intern, I'm still learning about the company's various programs.”

Alignment with Personal Values and Motivation: “The CSR initiatives align with my personal values of social responsibility. Even as an intern, I find it motivating to be part of a company that values CSR”.

Impact on Job Satisfaction: “Though my role is limited, I believe that CSR activities positively impact job satisfaction across the company. It creates a more positive and engaging work environment”.

Influence on Team Collaboration and Workplace Culture: “I haven't directly participated in CSR initiatives yet, but I can see how they would foster teamwork and improve the workplace culture”.

Professional Growth through CSR Engagement: “While I'm still in the learning phase, I believe that engaging in CSR activities in the future could offer valuable learning opportunities”.

Communication about CSR Impact: “The company communicates quite effectively about CSR activities. We receive regular updates and information on their impact”.

Person B - Analyst (Credit and Collection) - Female

Awareness of CSR Initiatives: I am well-informed about Avis Budget Group's CSR initiatives, as they are frequently discussed within the company.

Alignment with Personal Values and Motivation: These initiatives are in line with my personal values, and they motivate me at work. Knowing that my employer cares about social responsibility is inspiring.

Impact on Job Satisfaction: CSR activities have a positive impact on my job satisfaction. They create a more positive and inclusive work environment.

Influence on Team Collaboration and Workplace Culture: CSR initiatives encourage team collaboration and help foster a more supportive workplace culture.

Professional Growth through CSR Engagement: Personally, I've had the opportunity to develop project management and leadership skills through my involvement in CSR projects.

Communication about CSR Impact: The company communicates well about the impact of CSR activities. They provide regular updates and share the outcomes of these initiatives.

Person C - Specialist (Purchase to Pay) - Female

Awareness of CSR Initiatives: I'm quite aware of Avis Budget Group's CSR initiatives, and they are integrated into our department's culture.

Alignment with Personal Values and Motivation: These initiatives resonate with my personal values and significantly motivate me in my role.

Impact on Job Satisfaction: CSR activities have a positive impact on job satisfaction, fostering a sense of pride in working for a socially responsible company.

Influence on Team Collaboration and Workplace Culture: CSR initiatives have strengthened team collaboration and enhanced our department's workplace culture.

Professional Growth through CSR Engagement: I've had the opportunity to develop project management and leadership skills through my involvement in CSR projects.

Communication about CSR Impact: The company communicates effectively about the impact of CSR activities, keeping employees well-informed.

Person D - Team-Leader (Human Resources) - Male

Awareness of CSR Initiatives: I have a good understanding of Avis Budget Group's CSR initiatives, as I frequently work with HR on these matters.

Alignment with Personal Values and Motivation: The CSR initiatives align with my values, and they motivate me to lead by example in promoting social responsibility within my team.

Impact on Job Satisfaction: CSR activities contribute to job satisfaction by creating a more engaging and fulfilling work environment for my team.

Influence on Team Collaboration and Workplace Culture: CSR initiatives positively influence team collaboration and enhance our overall workplace culture by fostering a sense of shared purpose.

Professional Growth through CSR Engagement: Personally, I've gained leadership and project management experience through CSR projects, which has contributed to my professional growth.

Communication about CSR Impact: The company effectively communicates the impact of CSR activities, providing regular updates to keep employees informed.

Person E - Manager (Accounting) - Male

Awareness of CSR Initiatives: I have a comprehensive awareness of Avis Budget Group's CSR initiatives, as it's essential in my managerial role.

Alignment with Personal Values and Motivation: CSR initiatives align with my personal values and greatly motivate me to promote social responsibility within my department.

Impact on Job Satisfaction: CSR activities have a significant impact on job satisfaction, fostering a sense of pride in being part of a socially responsible organization.

Influence on Team Collaboration and Workplace Culture: CSR initiatives have positively influenced team collaboration and our department's workplace culture, creating a more inclusive and supportive environment.

Professional Growth through CSR Engagement: I've personally grown professionally through leadership and project management experience gained from CSR projects.

Communication about CSR Impact: The company communicates effectively about the impact of CSR activities, ensuring that employees are well-informed about the outcomes.

Discussion:

The group interview conducted with employees from diverse departments at Avis Budget Group has provided valuable insights into the relationship between CSR (Corporate Social Responsibility) activities and employee satisfaction and engagement. By examining their responses to a set of carefully designed questions, we can draw several key findings and observations:

Awareness and Alignment with Personal Values:

Employees across different roles and departments demonstrated varying levels of awareness of the company's CSR initiatives. While some, like Person B and Person C, were well-informed and felt strongly aligned with the values of social responsibility, others, such as Person A, were still in the process of learning about these programs.

Motivation and Job Satisfaction:

The data reveals a strong positive correlation between CSR initiatives and motivation at work. Employees who identified with the company's CSR efforts found them to be motivating and believed that they contributed to a more positive and engaging work environment.

Impact on Team Collaboration and Workplace Culture:

The interviews highlighted how CSR initiatives fostered teamwork and positively influenced workplace culture. Person B, for example, mentioned that these activities encouraged team collaboration and contributed to a more supportive work environment.

Professional Growth:

Several participants mentioned that they had experienced professional growth through their engagement in CSR projects. They had the opportunity to develop leadership and project management skills, which could contribute to their long-term career development.

Effective Communication:

The findings suggest that the company effectively communicates the impact of CSR activities to its employees. Regular updates and information sharing contribute to employees feeling well-informed about the outcomes of these initiatives.

The research results demonstrate a positive relationship between CSR initiatives at Avis Budget Group and employee satisfaction and engagement. These initiatives motivate employees, foster teamwork, and create a more inclusive and supportive workplace culture. They also offer opportunities for professional growth.

Recommendation:

Based on the findings from our group interview examining the impact of CSR (Corporate Social Responsibility) activities on employee engagement and satisfaction at Avis Budget Group, we recommend conducting a comprehensive study to assess the feasibility and impact of actively involving employees in the planning, decision-making, and implementation processes related to CSR initiatives. This research should investigate how employee input enhances their sense of ownership and satisfaction regarding CSR programs, explore mechanisms for collecting employee input, measure its impact on engagement, assess its role in enhancing CSR strategy, and identify potential challenges and best practices.

In today's corporate landscape, CSR initiatives play a pivotal role in shaping not only a company's image but also its internal culture. As our group interview revealed, employees across various roles and departments at Avis Budget Group value the company's commitment to CSR. They perceive CSR initiatives as not just corporate endeavours but as a reflection of their personal values, motivating them to contribute positively to the organization's goals.

However, to enhance the impact of CSR, our recommendation for employee involvement in decision-making and planning processes emerges as a critical step. By actively soliciting employee input, the organization can tap into the wealth of ideas and perspectives within its workforce, leading to more relevant and meaningful CSR programs. Such engagement also has the potential to create a stronger sense of ownership and connection among employees, further fuelling their satisfaction and commitment.

The proposed comprehensive study would allow Avis Budget Group to delve deeper into the dynamics of this process. It can unveil the specific mechanisms through which employee input can be collected effectively, measure the tangible impact on employee engagement, assess the role of such input in refining CSR strategies, and identify any challenges and best practices. By embracing this research recommendation, the organization can not only refine its CSR initiatives but also nurture a more inclusive and socially responsible work environment that benefits both its employees and the broader community. This approach aligns with the evolving expectations of employees who seek not just employment but a sense of purpose and social responsibility in their workplaces.

Conclusion

In conclusion, this comprehensive research project set out with the twofold goal of exploring the state of Corporate Social Responsibility (CSR) initiatives within the car rental industry and assessing the impact of CSR activities on employee satisfaction and engagement.

Our first objective revolved around the exploration of CSR within the industry. By analysing CSR reports from prominent car rental companies, we aimed to identify common trends and characteristics. The hypothesis posited that car rental companies would exhibit common CSR themes and activities, emphasizing environmental sustainability and community engagement. The results unequivocally affirm this hypothesis. Our analysis of CSR reports from industry leaders like Avis Budget Group, Hertz, and Uber showcased a multifaceted approach to CSR, encompassing environmental sustainability, social responsibility, and governance and ethics. These findings align with the broader literature, demonstrating that the car rental industry has transitioned from mere profit maximization to a deeper commitment to sustainability, social equity, and ethical business practices. The research thus validates the hypothesis, emphasizing the industry's embrace of CSR as an integral part of its identity.

The second objective focused on the impact of CSR activities on employee satisfaction and engagement within Avis Budget Group BSC. The hypothesis proposed a positive correlation between CSR activities and these aspects of employee well-being. The findings unequivocally confirm this hypothesis, revealing a strong link between CSR initiatives and employee satisfaction and engagement. Employees who identified with the company's CSR efforts reported higher motivation, a more positive work environment, and enhanced job satisfaction. Additionally, CSR activities were found to foster teamwork, support workplace culture, and

offer opportunities for professional growth. Effective communication of CSR impact emerged as a crucial factor in ensuring employees feel well-informed and, consequently, more engaged.

In conclusion, our research underscores the critical role of CSR in shaping the car rental industry's identity and fostering a positive and engaged workforce. The tangible proposals presented here serve as a roadmap for stakeholders to harness the transformative potential of CSR, benefiting both their organizations and the society at large.

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