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The HomeRent experiment: assessing the relationship between performance feedback and CSR

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Abstract

Corporate Social Responsibility and performance feedback currently play a significant role in corporate strategies and the way that these two concepts play out together is quite unclear. It is well established that Corporate Social Responsibility brings several benefits to companies such as a positive business reputation, increased sales and customer loyalty. This study aims to determine the relationship between performance feedback from profits, performance feedback from Corporate Social Responsibility goals and sustainability intensity in the hotel industry. In this context, performance feedback is defined as how managers evaluate performance on given goals relative to an aspiration level. The way that managers learn from the performance feedback plays a crucial role in the actions that will be taken given the feedback. This determines the level of search, change and risk-taking that will be enforced. Hence, the ethical aspect of the feedback: how sustainability feedback is recognized, will have an impact on decision-makers. To test this hypothesis that Corporate Social Responsibility can influence performance feedback, and the way that it is appraised by managers; an experiment, in the form of an online survey, has been made. Respondents were given a role, where they are supposed to be the owners of an apartment that is listed on a rental online marketplace. They are randomly assigned to two situations, one where they have a performance feedback of low profits and low sustainability, the other where they have low profits and high sustainability. Their ultimate goal is to raise profits and they do this by indicating the level of the various offers and prices. The expected results are that, on one hand, the level of change and risk taking will increase, because of the poor performance. On the other hand, good performance and sometimes also poor performance, because of the self-enhancement theory, will lead to a decrease in change and risk-taking actions.

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Introduction

Now more than ever, there is a growing importance for companies to ramp up their focus on social responsibility. "Social responsibility," in simple terms, means a business's obligation to pursue achievable and good long-term goals for its people and the world at large. According to the 2015 Cone Communications/Ebiquity Global CSR research, 91 percent of global consumers want firms to act ethically when it comes to social and environmental concerns. Furthermore, 84% said they look for environmentally friendly items wherever feasible. Consumers are more conscious of the significance of social responsibility, as seen by the above data, and actively seek items from companies that operate ethically. CSR indicates that a company cares about broader societal concerns rather than simply caring for those that affect its bottom line, which will attract customers that share their beliefs. As a result, operating sustainably makes good commercial sense. As CSR is getting more and more incorporated in today's businesses, it shapes new dynamics within the firms, opening paths for new insights into how companies work. For instance, social responsibility empowers employees to leverage the corporate resources at their disposal to do good. Formal corporate social responsibility programs can boost employee morale and lead to greater productivity in the workforce. That being said, it would be appealing to see how CSR can shape a new perspective on performance management. While performance management is becoming more common, little is known about how performance metrics lead to learning and influence organizational actions. Recent research on performance information and learning in private corporate organizations, on the other hand, shows that perceived poor performance prompts critical strategic reactions such as issue identification, search, and change. As a result, how performance is viewed is determined by whether it falls short of aspirational standards based on an organization's previous performance and peer companies' performance. With Corporate Social Responsibility being such an important aspect of nowadays businesses, it can be now introduced as a performance metric as well, namely, how well is a company performing under CSR environmental and social goals. The question here is what would happen if a company, among profit goals, also has CSR goals. What would be the reaction of decision-makers when they are faced with a situation of poor performance under CSR goals? What role will the ethical aspects of CSR play in this situation? What is the relationship between performance feedback from environmental CSR, performance feedback from social CSR, and performance feedback from profits? Is there a difference even among CSR practices, such as environmental and social practices?

The focus of this thesis opens up new insights on the impacts of CSR on performance feedback theory and paves the way for new future research on the matter, as the current research doesn't quite cover this topic. The relevance of this study comes from the fact that there is very low research on the topic, so it will open up new doors to the concept of CSR and its business implications. Moreover, the thesis will shed the light on many ethical aspects of CSR and its dynamics within the performance feedback theory.

The main hypotheses of the research are the following.

Hypothesis 1: When facing situations of low performance feedback from profits, low feedback from profits and social CSR goals, and low feedback from profits and environmental CSR, the increase in search, risk, and innovation in profits, social, and environmental practices happens only in the situation of low performance feedback from those specific goals.

Hypothesis 2: Environmental practices are given a much greater importance and see an overall high level of search, risk, and innovation across the three different situations, as compared to the other two (social and profits).

The research will be elaborated through a survey: the HomeRent experiment. This experiment consists of the subjects facing a situation where they own an apartment that they want to rent using a website. They will be facing situations where they have CSR and profit goals that are performing poorly and they will have to choose which goal they will like to improve.

The expected results are that when facing situations of low social CSR and low profit, the subjects will mainly choose to allocate their money into social goals, and eventually environmental goals. When facing a situation of low environmental CSR and low profits, the participants will mostly choose to invest their money into environmental goals, and eventually social goals. When facing a situation of low profits, the subjects will invest their money not only in profit goals but also in environmental CSR goals. Thus, it is expected to have no signs of self-enhancement theory and an increase in search, risk, and innovation when performing badly under a goal, this mostly for CSR goals and especially for environmental CSR goals.

The thesis will be structured in the following way. First of all, a literature review of the existing studies on CSR and performance feedback will serve as a revision of the basic concepts needed for the research. Then the methodology of the study will be presented, alongside the structure of the survey on which it is based. After that, the analysis of the data collected from the thesis will be presented, followed by a discussions part, where the implications of the results will be examined, and the limitations of the study will be acknowledged.

Literature Review

Corporate Social Responsibility

First and foremost, it is essential to define what Corporate Social Responsibility is. The term Corporate Social Responsibility was officially coined in 1953 by American economist Howard Bowen in his publication *Social Responsibilities of the Businessman*. As such, Bowen is often referred to as the father of CSR. After that, many businesses started to integrate CSR practices in their corporate strategies, leading to many different interpretations of what Corporate Social Responsibility truly is. This thesis will mainly follow the concepts of CSR as stated in the studies of the Triple Bottom Line approach.

The Triple Bottom Line (TBL) concept, which was presented in 1987 by the Brundtland Commission, is acknowledged as the cornerstone of most CSR ideas. TBL was coined by John Elkington in 1994 (Elkington, John; June 25, 2018), the concept was that a business might be run in such a manner that it not only earns money but also improves people's lives and the environment. This concept is also referred to as the three pillars or 3Ps theory. It claims that a business should be accountable for three aspects: profit, people, and planet, or economic, social, and environmental responsibility. a business can be considered sustainable and socially responsible only if it addresses all of these three features because they are all interconnected (Księżak, P., & Fischbach, B. (2018)). Having compassion for profit and people makes it equal and fair, but failing to preserve the environment condemns the Planet. On the other side, focusing solely on the environment and people while ignoring profit makes CSR policy bearable, but businesses require earnings to exist. Cane (2013) thinks that if a firm prioritizes Profit and Planet before People, it will be functional and lucrative in the short term, but in the long run, it will result in a loss of employee morale and a violation of the social contract. In order to understand better how the 3 P's work out, it's necessary to break them down singularly, as Księżak, P., & Fischbach, B. (2018) do. Starting from profit, it is well known that it's a crucial requirement for all companies, it gives them a chance to grow. Nonetheless, according to Uddin et al. (2008), the economic dimension of CSR is primarily concerned with the direct and indirect economic impact of a company's operations on the local community and other stakeholders. Long-term, socially responsible businesses may be lucrative and cost-effective. As a result, a firm that follows this rule is more inclined to prevent negative social repercussions while enhancing positive social outcomes. Uddin et al. (2008) describe profit with three aspects. The first one is the multiplier effect, which is particularly powerful when a large number of individuals in the region work for that firm. The goal is to think about how the business affects its stakeholders, such as local communities, workers, non-governmental organizations, consumers, and suppliers. The greater the company's economic performance, the larger the salaries, which are then spent on items and taxes (this aspect will be analyzed better later on with the concept of stakeholder theory). The contribution through taxes is the second component of the economic dimension. The bigger the profit, the more a fair tax is paid to the government, which may then spend it on its citizens, assisting society with its most pressing problems. According to Uddin et al. (2008), taxes paid should be considered a component of CSR's commitment to society rather than a cost. As a result, tax evasion would be damaging to society, as it would imply that businesses do not wish to share their prosperity with the public. Avoiding any behavior that violates trust is the final aspect of economic responsibility. Operations that may endanger the public's faith in the firm should be stopped and substituted with trust-building measures. Bribery and corruption are the most apparent examples, which, once uncovered, alter the way the firm is perceived for a long time, if not forever. Regarding People, they are the soul of a firm; and CSR can be seen as a technique for fostering and maintaining positive relationships between society and businesses. This is crucial in the relationships between small and medium-sized businesses and local communities. SMEs typically hire workers from the community in which they operate, which doubles the responsibility: employees are also members of the local community (Goaszewska-Kaczan, 2009). Furthermore, as the European Commission states (European Commission; 2017, June 28), The CSR strategy is likely to stay informal and instinctive for most small and medium-sized businesses, especially micro-businesses. Cooperatives, mutuals, and family-owned firms, for example, have ownership and governance structures that are particularly favorable to ethical business practices. As a consequence, those businesses are generally closer to society and are aware of the most pressing issues. Interdependence among business and society, which has been widely studied, is an important component of an enterprise's everyday operations, and no company can function without it (Porter and Kramer, 2006). Consumers' CSR is an essential component of the people aspect: customers must have faith in the firm they are purchasing from. Moreover, consumers are becoming increasingly interested in the company's non-core activities. Goaszewska-Kaczan (2009) proposes the concept of a "New Consumer" who is an autonomous, yet concerned individualist who seeks authenticity and is well-informed. This is true especially in nowadays society, where almost everyone has access to the Internet, allowing them to properly know all the attributes of the product that they are buying and then compare it with competitors. A "New Consumer" also has the power to give negative reviews on the Internet, which will then affect a company’s brand image. Customers demand high-quality products, as well as attentive attention during transactions and improved after-sales service. A possible driver of profitability is responding to all consumers' demands (Goaszewska-Kaczan, 2009). Responsibility for employees is another component of TBL's social dimension. Employment is helpful in and of itself, yet it is insufficient. CSR towards workers should guarantee that their abilities are put to the greatest possible use while also looking after their well-being. Furthermore, an unbiased treatment towards employees regardless of gender, age, or other characteristics, is critical for CSR policy. The third aspect of the triple bottom line theory is the planet, it serves as the home of the company and its people. Large businesses will be harmed just as much as anything else on the globe if their activities damage the environment and push the world to ruin. Everyone bears responsibility for the natural environment, particularly businesses, which are frequently the first to do damage. The most significant negative effects of companies on the environment are their irresponsible use of natural resources, the production of trash, and the emission of harmful by-products. As a result, the very least such businesses can do is reduce or eliminate their negative environmental effect (Gupta, 2011). Overall, the Triple Bottom Line approach gives a broad view and definition to Corporate Social Responsibility; taking into consideration Profit, People and Planet is thus a central thematic in being a responsible business. Nonetheless, there are other models and definitions that illustrate different key areas of CSR. One of them is, for example, the ISO 26000 is a standard developed by the International Organization for Standardization (ISO) with the goal of achieving global sustainable development, taking into account stakeholders' expectations as well as compliance with existing laws and regulations. Organizational governance, human rights, labor practices, the environment, fair operating procedures, consumer concerns, and community involvement and development are the seven major areas of social responsibility, according to it. Nevertheless, as Księżak, P., & Fischbach, B. (2018) show, most of these areas fall into the three ones described by the TBL. Organizational governance and fair operating procedures can fall under the economic part; human rights, labor practices, and consumer issues are examples of the people dimension. Consumer concerns and community involvement and development can be characterized as activities that have an influence on people or as relationships between the firm and its stakeholders. Hence, the ISO 26000 core subjects correspond to the Triple Bottom Line concept. Another possible definition of CSR is the one given by the European Commission. According to the EU Commission (European Commission; 2017, June 28), businesses' activities have a major influence on individuals' livelihoods. Not only in terms of the goods and products that they provide but also in relation to working conditions, human rights, healthcare, the environment, development, education, and training. As a result, EU inhabitants have a right to demand that businesses must be aware of their beneficial and detrimental consequences on society and the environment. In order to respond to this demand, businesses must avoid, monitor, and minimize any bad repercussions, especially inside their global supply chain. Corporate social responsibility is the term for fulfilling this obligation (CSR). The EU Commission proposes a concept of CSR as "the responsibility of enterprises for their impacts on society". Compliance with appropriate legislation as well as collective bargaining agreements among social partners is a need for fulfilling that obligation. Corporations should have a mechanism in place to incorporate social, environmental, ethical, human rights, and consumer issues into their operational processes and core strategy in close partnership with their stakeholders to completely satisfy their corporate social responsibility, with the objectives of: enhancing shared value generation for their owners/shareholders, other stakeholders, and society as a whole; and recognizing, avoiding, and minimizing their potential negative consequences.

As it can be seen, most of the concepts expressed by the European Commission on CSR are very similar, and thus assent, with the TBL theory. This goes the same with the definition that the United Nations Industrial Development Organization (Unido, 2021) gives. It states that corporate social responsibility (CSR) is a management concept in which businesses incorporate social and environmental issues into their operations and relationships with stakeholders. CSR is commonly regarded as the process through which a firm achieves a balance of economic, environmental, and social imperatives ("Triple Bottom Line Approach") while also meeting the needs of shareholders and stakeholders.

Triple Bottom Line theory incorporates an important concept for CSR which is stressing the interconnected relationships between a business and its customers, suppliers, employees, investors, communities and others who have a stake in the organization. This idea can be extended to stakeholder theory, a theory that argues that a firm should create value for all stakeholders, not just shareholders.

Early signs of stakeholder theory can be found way back in 1968, when Giancarlo Pallavicini (1968) published a study entitled: "Integrated structures in the Italian distribution system". The author is considered to be the creator of "the decomposition method of parameters", which consists of quantifying the effects that are not straightforwardly a result of the economic activity of the enterprise, regarding ethical, moral, social, cultural, and environmental issues. It also states that even if the aim of a company is to make profits, it should take into account internal and external factors, including the socio-economic ones.

Following up on that stream of thought, Edward Freeman, in his book called "Strategic Management: A Stakeholder Approach", published in 1984, laid out the basic principles of the so-called stakeholder theory. According to Freeman's stakeholder theory, a company's stakeholders include everyone who is influenced by the company's operations. He also suggests that a company's stakeholders are "those groups without whose support the organization would cease to exist". These groups include customers, employees, vendors, suppliers, community, neighbors, competitors, the environment… This perspective depicts the business environment as an ecosystem of interconnected groups that must all be considered and fulfilled in order for the organization to remain safe and competitive in the long run. Moreover, Freeman explains how a successful organization always makes sure that anyone who contributes to its success is not left out. The stakeholder theory states that if a business treats its workers poorly, it will ultimately fail. Stakeholder theory isn't about making more money by keeping the stakeholders satisfied. Instead, it states that businesses play an important part in the building of our society (by generating employment, innovating, and so on) and that their success should be measured holistically rather than only in terms of shareholders' returns (Wright T. 2018). Stakeholder theory emphasizes the concept of responsible capitalism, in which corporations are motivated by more than just income, but also by a sense of mission, values, ideals, and ethics.

Regarding the ethical aspect of stakeholder theory, it is crucial to denote the ethical principles that lay behind stakeholder theory. Blowfield and Murray (2014) state that there are two core concepts of CSR: the first one being that businesses have a set of principles that they use to direct their decisions; and secondly, even if it is unintended, companies necessarily play some part in society. Under the second concept, companies face an ethical dilemma, which is described as determining whether the moral or amoral course of action should be chosen. The moral course of action is one that protects the well-being of society as a whole game that is considered necessarily “right” by that society. Ethical behavior is seen as a moral approach in which the principles to follow are not completely self-serving. An ethical company would behave in a trustworthy manner in circumstances where a self-interested individual would not. The main influence on ethical approaches is the set of principles. Following stakeholder theory, these principles are expected to be highly influenced by the values shared by the stakeholders that the company aims to represent. As a result, the degree of morality related to corporate decisions is likely to represent the stakeholders’ values. Given that under stakeholder theory, an organization has several stakeholders that affect their decisions, making sure that all of their values are maintained will be fairly challenging. Ensuring fairness and equality among stakeholders is also a challenge of stakeholder theory. There is a general belief that stakeholder theory distinguishes the promotion of a moral cause from a corporate strategy. Nonetheless, pursuing ethical behavior can be considered as a strategic approach. As it just has been seen, the research that has been done over the matter has suggested that those who act honestly, even though there is no risk of being caught for misleading, do well economically.

Indeed, Corporate Social Responsibility practices can bring along many benefits. Among the benefits that a CSR strategy implementation brings to the company, the creation of a positive brand image is frequently mentioned. Customers demand a certain level of reliability from the moral framework (which combines both emotional and social values) (Popoli, 2011). CSR can be viewed as an emotional part of a business’s corporate image that improves its competitive advantage (Martinez, Perez and Rodriguez Del Bosque, 2014). Following this point of view, Werther and Chandler (2005) state that as it is shared, CSR develops into a calculated branding tool to manage consumer desires. According to Du, Battacharaya, and Sen (2007), CSR programs help customers develop a good attitude and conduct towards the company. CSR is increasingly becoming a central element that has a positive impact on brand awareness and is therefore seen as a strategic imperative, rather than something that merely adds to the customer’s social value (Crespo, Galmones and Bosque 2005; Werther and Chandler 2005; Idowu 2009; Wu and Wang 2014). Moreover, a positive brand image enhances beneficial word of mouth and buying intentions; nevertheless, to create a positive brand image, it is critical to properly advertise the company’s CSR (Martinez, Perez and Rodriguez del Bosque 2014). The positive influence on a brand image that CSR enhances will in turn engage the customers in brand loyalty. In fact, Islam (2021) show how corporate social responsibility initiatives are significantly and positively associated with corporate reputation, customer satisfaction, and customer trust. It also states that corporate abilities play a significant role in strengthening the association between corporate social responsibility initiatives and customer loyalty because high corporate abilities with well-executed corporate social responsibility initiatives lead to high loyalty. Thus, another important benefit that CSR practices can generate is an increase in customer loyalty. Customers are expected to be more loyal to the brand if the company’s corporate values are similar to their own. Moreover, concepts like sustainability, fairness, equal pay, diversity… are now more than ever embedded in today’s society, especially in Millenials, which are the largest generation by population (Statista, 2021). As reported by Forbes contributor Sarah Landum (Landrum S., 2017), Millenials would rather do business with “corporations and brands with pro-social messages, sustainable manufacturing methods, and ethical business standards”. CSR activities are designed to reflect the company’s core values, such as teamwork, community participation, and engagement. Dapi and Phiri (2015) did a quantitative survey using customers of the South African mobile phone service provider Vodacom; they found out that “as a significant number of customers indicated that they would be loyal to the brand, this may lead to the financial impact on the affirmative, leading to higher usage rates of the product which in turn will most likely influence the profit margin positively”. Having CSR practices positively influence the brand image and customer loyalty will have positive repercussions on the profits of the company. Many studies show how CSR ultimately increases the profits of a firm. Blasi (2018) states that CSR engagement, in general, raises a firm's total stock returns and reduces financial risks, but this might depend on the sector.

Moreover, Garcia et al. (2021) studied the relationship between CSR and firm performance in the hotel industry, their results reveal the existence of a direct and positive relationship between these two aforementioned concepts within the context of three-, four-, and five-stars hotels in Spain.

Overall, CSR practices have been shown to bring many benefits to a firm: it builds up public trust, positively enhances the corporate image, and increases brand loyalty. All of these factors will eventually have a positive impact on the firm's profits. Yet, these benefits that CSR brings can shed light on how CSR practices aren't only of ethical character but can be also considered as a strategic approach, because of all the benefits that it can bring.

Having laid out the definition of Corporate Social Responsibility, through the help of the Triple Bottom Line theory and stakeholder theory, as well as having defined the benefits of incorporating CSR practices into the business; it is now time to have a look at how exactly these practices look like, with the help of some examples in the tourism and hospitality industry, since it is the sector in which the thesis is focusing on.

Environmental regulations are on everyone's mind these days and reconsidering hospitality as a sustainable industry is becoming more important than ever. Indeed, the hotel industry is well-known for its large environmental footprint. As a result, the attention has moved to sustainability and its problems, as they understand that adopting eco-friendlier choices would reward them by satisfying their consumers' need for more conscious consumption. This is why Corporate Social Responsibility has become without a doubt a must-have priority for businesses operating in the hospitality industry.
In order to understand better how CSR plays a strategic role in running a hospitality company nowadays, it is essential to recognize its key stakeholders. A stakeholder analysis is a method for identifying and categorizing significant stakeholders based on their level of involvement, interest, and impact. Stakeholder analysis is an intricate process that involves evaluating each person, group, or individual in terms of their worth to the organization as well as their wants and requirements. When an organization runs with all of its stakeholders' wants and expectations in mind, it is more likely to satisfy them and therefore runs effective business operations. There are many stakeholders in the tourism/hospitality industry, Stainton, H. (2021, May 19) indicates that there are about eleven stakeholders that should be taken into consideration. These are tourists, suppliers, employees, education, utilities and infrastructure, NGOs, small and medium enterprises, transport, tourism organizations and operators, government, and, last but not least, communities. Regarding tourists, it goes without saying that they are impacted by the way that the industry operates: they are the very heart of the business, without them, everything would cease to exist. The tourist sector is reliant on a diverse set of suppliers. Many suppliers work directly or indirectly with the tourist sector, from companies that

provide hotel bedding to farmers that supply the vegetables used in restaurants. Concerning employees, the workforce is one of the most important stakeholders in tourism. Some say that the travel and tourism business employs more people than any other industry in the world, both directly and indirectly Stainton, H. (2021, June 23). Employees in the tourist sector are frequently employed in jobs such as hospitality, catering, and customer service. The education sector is also a stakeholder in tourism. To supplement the educational offerings, several educational courses will include excursions to tourism regions. A school trip to the colosseum of Rome in Italy, for example. Many personnel in the tourist sector are also provided education in the form of training. Certain services and infrastructure are necessary for the tourist sector to function. This means that the local power plant, which supplies electricity, is a tourist stakeholder. It also implies that the builders, road workers, and engineers who create and maintain the required infrastructure are stakeholders. The tourist business is also home to a large number of NGOs (non-governmental organizations). Charities and non-profit organizations are examples of this. With respect to small and medium enterprises, it should be acknowledged that all the other businesses that are involved in the hospitality industry are impacted as well, this may include: visitor attractions, travel agencies, tour operators, local restaurants, and overall local small and medium businesses. All of these businesses share the same clients with the hospitality industry, thus they can be considered as stakeholders. Regarding transportation, the transportation and tourism industries are inextricably linked. In fact, the basic definition of tourism stipulates that a person must go outside of their home country in order to be considered a tourist. As a result, the mode of transportation between point A and point B is an essential component of the tourist system, making transportation companies (airlines, trains, taxis, etc.) major tourism players. Finally, the last stakeholder mentioned by Stainton, H. (2021, May 19), is the community. As Stainton, H. (2021, June 15) shows, tourism can have a negative or a positive social impact. It can positively help to preserve local culture, strengthen communities, provide social services, commercialize, as well as revitalize culture and art, and preserve heritage. On the other hand, tourism can lead to globalization and destruction of preservation and heritage, loss of authenticity, standardization and commercialization, culture clashes, and even an increase in crime.

After having described the main stakeholders of the tourism and hospitality industry, following Freeman's stakeholder theory, each and every one of these stakeholders must be considered and fulfilled in order for an organization to remain safe and competitive in the long run. Then, a relevant question arises: what practices can tourism and hospitality companies undertake in order to keep their stakeholders satisfied?

As seen previously, Corporate Social Responsibility is a powerful concept that, if used properly, can be an answer to the former question. In order to understand better these types of practices, a look at a study made by Booking.com in 2017 (Booking.com., 2017) will shed light on some practices that are the most common in the industry. Booking.com has made its results from its global Sustainable Travel Report public, this research focuses on the eco-considerations weighed by both travelers and accommodations on three specific matters: sustainable travel intentions, sustainable travel goals, and sustainable travel considerations. Regarding sustainable travel intentions, they found out that 68 percent of their customers said they are more inclined to choose accommodation if it is environmentally friendly. Moreover, sustainable considerations influence the mode of transportation used by a large 79 percent of travelers, with 43 percent taking public transportation whenever possible, 42 percent attempting to walk, bike, or hike as much as possible, and nearly one fifth (18%) flying less to reduce their carbon footprint. Furthermore, when it comes to sacrificing luxury in order to stay somewhere environmentally sustainable, the great majority of worldwide visitors would gladly accept these concessions. More specifically, 91 percent of the customers would prefer to stay in an accommodation with energy-saving light bulbs; 89 percent in one with AC/heating units that only function when there is someone in the room; 80 percent in one with low flow showerheads; 79 percent in one with recycled toilet paper; 79 percent in one with less frequent toiletry replacement; 75 percent in one with linen and towel changes less frequently; and 64 percent in one with higher cost for food because it’s all locally produced. More broadly speaking, concerning the sustainable travel goals, the top 5 reasons for which global travelers chose eco-friendly accommodations are: to help reduce environmental impact (52 percent of the travelers said so), “green” accommodations provide a more locally-relevant experience (36 percent), they treat the local community better (31 percent), they tend to provide more locally-sourced/ organic food (30 percent), and an interest in experiencing new trends in travel accommodations (24 percent). The study also shows the main considerations made by travelers when choosing to travel sustainably. These include: solar energy (67 percent of the travelers said so), sustainable water system (43 percent), low-flow showers/toilets (36 percent), organic restaurants/food options (31 percent), and recycling baskets in rooms (29 percent). From this study conducted by Booking.com, it can be said that nowadays, travelers pay much attention to CSR strategies implemented by accommodations, this plays a huge role in choosing where they want to spend their travels; customers in the hospitality sector are highly demanding in terms of CSR practices. Moreover, according to a research conducted among European hoteliers on their environmental beliefs, ‘nearly 85% of the hoteliers stated that they were involved in some type of environment-oriented activities’ (Bohdanowicz 2005). In a study conducted by (Lund-Durlacher 2010), energy and water conservation, as well as appropriate waste management, were the major areas of involvement, all of which resulted in considerable cost savings. The sectors of activity that are important to sustainable hospitality management are energy and water management, waste management, support to biodiversity and environmental protection, and participation in community engagement (includes hiring local residents and providing fair and safe working conditions, ensuring training programs to grow the local workforce, buying products and services from local suppliers, cooperating with local suppliers, and promoting social projects to improve community well-being), as well as workplace social concerns (including child labor and sexism, fair and equal treatment and fair wages especially for women and minorities) (Lund-Durlacher 2010). Furthermore, regarding energy and waste management, early research found that hotel environmental policies and activities were influenced by direct financial incentives (e.g., energy and waste management) as well as government requirements (Kirk, 1995). In fact, as stated previously Corporate Social Responsibility can have an impact on financial performance as well, intuitively, implementing CSR practices will satisfy many customers, increasing their loyalty too. There are some studies that show this influence in the tourism and hospitality industry, indeed, Alvarez et al. (2001) found that the age of facilities, their size, affiliation with a chain, stakeholder environmental pressures, and the use of operational management techniques have a long-term impact on the degree to which hotels implement environmental management practices, as well as a positive relationship between environmental management and financial performance. Meanwhile, Rodríguez and Armas (2007) found a positive relationship between CSR and return on assets, and Nicolau (2008) concluded that CSR is considered value-added share prices. Concerning CSR practices that are focused on communities, Inoue, Y., & Lee, S. (2011) share their findings in which they state that corporate attention to the community has a positive effect on the returns on assets for hotel firms. Furthermore, Porter and Kramer suggested that the strategic implications of CSR are determined by the degree of interconnectedness between a company's commercial operations and a social issue, and they divided CSR activities into strategic and responsive CSR. Strategic CSR, in particular, covers actions directed at social concerns that are directly related to company operating settings and allows businesses to gain a competitive edge. In contrast, responsive CSR refers to business initiatives that are intended to address indirectly related societal concerns and are less likely to boost firm profitability (Porter &

Kramer, 2006). Expanding on this, hotel and restaurant enterprises may profit from their community participation owing to a high degree of interdependence between their activities and local communities in terms of human resources, local requirements, and suppliers, as well as the destination's appeal. As a result, by implementing voluntary community relations initiatives, these firms are likely to improve both operational efficiency and competitive advantages, resulting in high short-term profitability and favorable market assessments of future profitability (Inoue, Y., & Lee, S. , 2011).

Performance feedback theory

The term performance feedback has several meanings, some of these are significantly different, and it is essential to understand and define what is intended for performance feedback here. In our specific case, performance feedback refers to the evaluation of how a business is performing based on a set of aspiration levels and to the decision that decision-makers make once they are given such information. This is tremendously important for the studies of the experiment: what we want to know is what type of decisions are taken given a certain level of performance. It is essential to distinguish this definition of performance feedback from another recurrent one that is, in many cases, known as the information an employee receives concerning a rater's evaluative judgment of the employee's performance and the way in which the information is communicated. This interpretation of performance feedback will be left behind since it is not the scope of these studies.

Performance can be measured in different ways, there are many key performance indicators that can give a hint on how a business is going. For the sake of simplicity, we will refer only to a few indicators, such as revenue and customer appraisal, the latter mostly covering the performance of CSR activities. Managers establish their own benchmarks for what constitutes acceptable performance. Such standards, which will be referred to as aspiration levels, in this case, are impacted by the organization's history as well as the performance of its competitors. There are three types of aspiration levels: natural, social, and historical. Natural aspiration levels, as Greve, H. R. (2003) describes, are mostly defined by the status quo. When the status quo is used as an aspiration level, it signifies that the aspiration level is zero, meaning that there is no gain or loss. The status quo, despite its simplicity, is frequently not an effective aspiration level in corporate decision-making. Because natural aspiration levels are unlikely to exist in most businesses, managers must create their own. It turns out that there are several ways to accomplish so, the most important of which are historical and social aspiration levels. Greve, H. R. (2003) brings out the issue that to assign performance levels to the success and failure categories preferred by boundedly rational decision-makers, an aspiration level is required.

When a natural aspiration level is unavailable or meaningless, the decision-maker must create one using available data. Using the focal organization's experience to develop an aspiration level is one way to do so. Past performance is a good predictor of how well a company can accomplish its goals, and it can easily become a benchmark for how well a company should do so. When external sources of information are unavailable, unreliable, or judged irrelevant, a historical aspiration level might be most informative. Aspiration levels from the past are also good predictors. They comprise information about relatively stable features of the organization, such as its expertise or resource base, that are likely to impact performance in succeeding periods as well, because they are based on the same organization's performance (Barney 1991; Wernerfeldt 1984). Greve, H. R. (2003) depicts another rule for determining aspiration level which consists of looking at evidence from other organizations that are similar to the main organization. This is referred to as a social aspiration level since it parallels individual social comparison processes. When constructing a social comparison level, a decision-maker must select a relevant reference group and assess its performance. Traditional indicators of profitability provided to investors (operation profits, return on assets, and so on) are particularly straightforward to obtain. They are likely to be perceived as interpretable and comparable across similar organizations because their computation is based on a set of generic concepts that managers are familiar with. Generally speaking, historical and social aspirations levels play an important role in performance feedback theory: a failure, or a success, to achieve them will trigger specific behaviors from decision-makers.

Search is a major aspect of the behavioral theory of the company. Greve, H. R. (2003) uses several examples of activities that are classified as search. These are, for example, production employees changing their work routines to find more efficient ways of working or merely to relieve boredom, engineers attending conferences to learn about new technology, and so on. Search is different from organizational change, permanent organizational change may result if such alternative activities are advocated as solutions to organizational challenges in an appropriate decision-making setting. As a result, search is regarded to be a sign of impending change. There are three types of search, according to Greve, H. R. (2003): slack, institutionalized, and problemistic. Slack search results from extra time and resources that are employed for experimentation. Institutionalized search is done by organizational units devoted to search activities, such as research and development, market research, and strategic planning. Problemistic search occurs as a response to an organizational problem. Problemistic search is the middle step in a three-step process that includes evaluating performance to an aspiration level, starting a search if performance is below the aspiration level, and implementing modifications if an acceptable solution cannot be identified (Cyert and March 1963). Problemistic search, unlike slack and institutionalized search, is a goal-oriented practice that strives to correct performance gaps. When the organization performs below its aspiration level, it is increased, and when the organization performs above its aspiration level, it is dropped. Because it is guided by performance feedback and carried out by switching the normal organization's activities from regular production to search, the intensity of problemistic search is very variable. Organizational behaviors that involve problemistic search include ad hoc research efforts, task forces, and staff brainstorming sessions.

Problemistic search is carried out in response to a problem and arises when management have already decided that organizational change is required. According to risk theory, risk preferences alter as a result of performance feedback. When the decision maker is in the loss domain, risky options are more acceptable, therefore performance below the aspiration level should make big organizational changes more palatable to managers (Greve, H. R., 2003). Managers are capable of taking financial risks and may seek them out when performance falls short of expectations, but they are less capable of adopting organizationally risky moves. Many major financial changes are also large organizationally, such as changing the product or market strategy, therefore the distinction is irrelevant for such changes. Following what Greve, H. R. (2003) stated, managers are likely to favor changes that are large financially but not organizationally. Nonetheless, slack search and institutional search, which are not dependent on aspiration levels, can cause change even at high levels of performance feedback. Organizational search and managerial risk preferences are crucial to performance feedback theory: their effects combine to provide an influence on the rate at which organizational change is implemented. As hinted previously, the type of response that decision-makers will undertake will be based on the level of performance with respect to the aspiration levels. Greve, H. R. (2003) analyzes four types of response. The first one that is described is the categorical response: it claims that, even at high levels of performance, changes can arise, which is consistent with slack and institutionalized search that exist even at high levels of performance. The constant-slope response happens mostly for changes that don’t have organizational risks, only financial risks because these changes don’t have to deal with the managerial resistance that generates inertia. In fact, in this type of response, inertial factors are absent, inducing to a constant decrease in the probability of change over the entire range of performance. This does not follow the previous arguments since the aspirations levels have no effect here. Another type of response that is not consistent with the arguments is the non-homogenous response. This response happens as a result of another process: if low performance is interpreted as a threat to an organization, then threat rigidity can cause decision makers to reduce the level of organizational change (Staw and Ross 1987; Staw, Sandelands, and Dutton 1981). Threat rigidity is diverse from ordinary performance feedback because it arises as a consequence of the decision-maker switching the target from the desired aspiration level to the feared failure level of performance (Lopes 1987; March and Shapira 1992). This switch in target is more plausible in a scenario where performance feedback is very low, as shown by Lant and Hurley (1999). The response that is the most consistent with the theory of performance feedback interpreted by aspiration levels is the changing slope response. It states that there is a decrease in the probability of change when the performance rises, both above and below the aspiration level. When the performance is higher than the aspiration level, there is higher sensitivity, as the decline in probability of change is more rapid then. In order to understand better these types of responses, here is the graphical representation (from Greve, H. R., 2003) of each scenario.

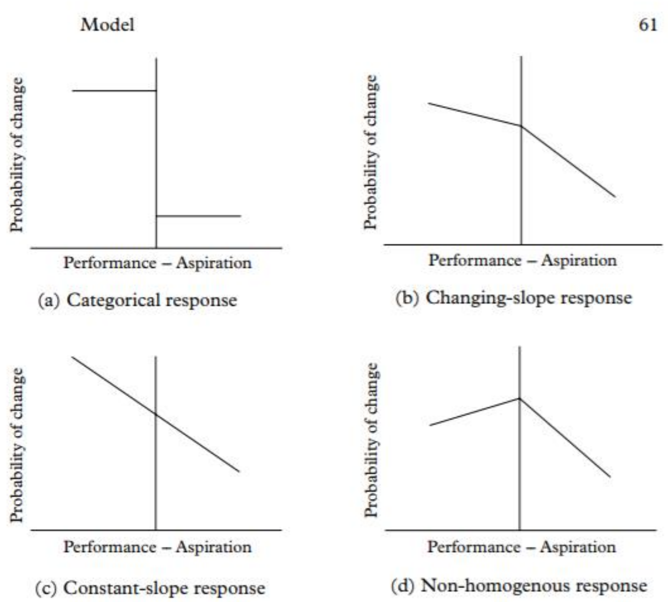

Figure 3.2 Possible reactions to performance feedback
Source: Greve (1998b). Copyright © 1998 Cornell University.

Greve, H. R. (2003) also points out how in response to a low level of performance feedback, decision-makers enter a problem-solving mode and innovate the product that they offer. Major technology breakthroughs provide new economic and social opportunities or enhance current ones. They can cause a reorganization of an industry by causing waves of imitation and technology-based rivalry (Tushman and Anderson 1986). As a result, innovation is critical for both the focal organization and society as a whole. According to the decision process theory of innovation, companies start innovations when their performance falls short of their goals. An innovation, throughout this perspective, is a strategy that will be adopted if it is matched with an organizational problem, but not if no matching problem can be discovered. Furthermore, an innovation differentiates from other solutions by posing significant financial and professional risks to the business. Because innovations are new operations with uncertain revenue, they are inherently hazardous for businesses. Initiatives to launch innovations are memorable events that will be used to give credit or blame in the future. As a result, launching an innovation necessitates that the company has an issue that the innovation can be claimed to answer and that the decision-makers have a high enough risk tolerance to pick the innovation over less risky alternatives. CSR initiatives can be seen as a type of innovation for the business; for instance, many environmental CSR practices consist of innovating technologies that reduce overall energy consumption and waste.

Regarding the probability of change, there is also another factor that hasn't been mentioned and that is extremely important for understanding certain types of responses to performance feedback; that is the theory of self-enhancement. Concerning decision-makers, they can be seen in two ways. The first one, and most obvious, see decision-makers as problem solvers. Decision-makers are driven to enhance future performance by identifying issues and seeking solutions, according to traditional organizational theory (Simon, 1997/1947). If performance falls short of expectations, the decision-maker recognizes a problem. He or she then execute a search "directed toward finding a solution to that problem" (Cyert & March, 1963: 12), gets more willing to adopt modifications to activities, and from a pool of viable solutions, gets more inclined to pick ones that involve higher risk (Greve, 2003: 53–59). As a result, the decision-maker primarily serves as a problem solver: performance feedback assists the decision-maker in identifying significant issues, and these issues prompt the search for solutions, changes in activities, innovation, and increased risk tolerance. This perspective on how decision-makers evaluate and respond to performance is based on the premise that decision-makers' standards for assessing performance are consistent throughout time. However, decision-makers can also be seen as self-enhancing. The cognitive limits of decision-makers have the greatest subjective impact on performance evaluation, but there is some implication that decision-makers "also strive rationally to advance their own personal goals, which may not be wholly concordant with organizational goals" (Simon, 1997/1947: 88; see also Cyert & March, 1963: 121). The question is then how can the personal motivations of decision-makers influence performance evaluation? Decision-makers mostly feel accountable for the performance of the firm, thus when performance is assessed, they feel evaluated on themselves as much as on the outcomes. Jordan et Audia (2012) describe four types of motives when people are evaluating themselves, these are self-assessment (the desire to make a truthful assessment of oneself; Trope, 1986), self-improvement (the drive to develop oneself in order to be better in the future; Sedikides & Hepper, 2009), self-verification (the urge to validate pre-existing self-evaluations; Swann, 1983), and self-enhancement (the desire to see oneself in a positive light; Pyszczynski & Greenberg, 1987). The self-enhancement motive, the urge to think of oneself as a winner regardless of one's actual performance, is crucial to progress in performance feedback theory because it is probably going to misconstrue the performance assessment process. This won't be the case for the self-assessment and self-improvement motives, since they encourage decision-makers to measure performance as precisely as possible, making them problem-solvers. The self-verification motive should distort performance assessment primarily when decision-makers wish to verify an unrealistically positive self-image (Jordan et Audia, 2012). Greenwald (1980) and Staw (1980) state that self-enhancement might even cause people to modify their knowledge of previous acts in order to make it appear as though they performed more skillfully than they actually did. Going back to the self-enhancement motive: according to studies, perceptions of danger to one's self-image, amplify this motivation (Baumeister, Smart, & Boden, 1996; Gramzow, 2011). In fact, if the performance feedback is positive, to create positive self-evaluations, one does not require to alter one's cognitive processes. A preoccupation with maintaining a good self-image triggers the propensity to self-enhance after suffering a setback: something that might lead to negative judgments of the self if seen objectively. Thus, the triggering factor of self-enhancement is bad performance (a performance below the aspiration level) and a feeling of self-responsibility for that performance (e.g., Audia & Brion, 2007). When performance feedback is conflicting with a positive perspective of a decision-makers work-related capabilities, it puts in danger its self-image. This initiates the self-enhancement motive, and consequently, motivated by a desire to perceive himself in a more favorable way, the decision-maker participates in cognitive processes that allow him or her to see the low performance in a more positive light than they would otherwise. Another thing that could happen with the self-enhancing theory is that decision-makers may establish performance evaluation standards and then adjust them retroactively such that the difference between desired and actual performance is minimized, decreasing or even removing the sense of performance issues and boosting one's self-image (cf. Staw, 1980). More broadly speaking, as Jordan et Audia (2012) suggest, performance assessment has two modes when facing low performance: problem-solving and self-enhancing. When decision-makers adopt a problem-solving mode, their primary motivation is to fix problems and improve performance. Moreover, the standards of evaluation are predetermined and consistent throughout time and the priority of performance goals is fixed. Furthermore, the primary temporal orientation is inclined towards a prospective approach, where reasoning motivates conclusions.

A self-enhancing mode, on the other hand, will consist in having the main ambition of seeing oneself in a positive light and to assess performance as satisfactory. The standards of evaluation, unlike the problem-solving mode, are fluid and temporarily inconsistent and the preference of performance goals is shifting. There is a retrospective primary temporal orientation and conclusions motivate reasoning. Overall, recognizing that decision-makers confronted with poor performance may use either a problem-solving or a self-improvement mode of performance evaluation implies that differences in decision makers' assessments of poor performance may lead to differences in their responses to poor performance as observed by outsiders.

It is already known that observed low performance can pressure how decision-makers assess their performance. Nonetheless, the self-threat caused by a performance below aspirational levels may lead decision-makers to revisit the performance evaluation criteria employed in the past. Jordan et Audia (2012) describe three self-enhancing cognitive strategies of performance assessment, these are: revising the priority of performance goals, increasing the level of abstraction of performance goals, and invoking counterfactual outcomes as comparison standards. Regarding the priority of performance goals, the main idea is that when facing a situation of self-threat, decision-makers will give greater significance to those goals for which performance is favorable. People have a propensity to perceive their strengths as more significant than their weaknesses, and empirical data shows that this is especially true when performance is poor (Campbell, 1986; Dunning, Meyerowitz, & Holzberg, 1989; Greve & Wentura, 2003; Lewicki, 1983, 1984; Tesser & Paulhus, 1983). Audia and Brion (2007) discovered that both experimental participants and organizational decision-makers saw a secondary performance objective as essential to goal attainment only when it performed well while the primary performance goal performed poorly. The proposition made by Jordan et Audia (2012) states that decision-makers whose performance is below the aspiration level are more likely to adjust the priority of performance objectives by assigning greater significance to those that demonstrate good performance, which makes performance appear more favorable and, as a result, decreases the degree of search, change, innovation, and risk-taking triggered by low performance. Another self-enhancing cognitive strategy of performance assessment consists in increasing the level of abstraction of performance goals. In other words, decision-makers whose performance is below the aspiration level are more inclined to enhance the degree of abstraction at which their objectives are stated, making performance appear more positive and reducing the extent of search, change, innovation, and risk-taking caused by low performance. The third strategy that is described is invoking counterfactual outcomes as comparison standards. Briefly, it states that decision-makers whose performance is below the aspiration level are more likely to compare their own performance to downward counterfactual outcomes than decision makers whose performance is above the aspiration level, making performance appear more favorable and reducing the extent of search, change, innovation, and risk-taking triggered by low performance. These three self-enhancing performance evaluation procedures, when combined, contribute to illustrate why decision makers' problem-solving reactions to poor performance are often less than would be anticipated given the size of their performance shortfalls.

Jordan et Audia (2011) also describe a condition that enhances the perceived threat of low performance: the belief that ability is fixed. Low performance may imply a persistent shortfall in job-related ability, with no clear path for repair other than defensive self-enhancement, for a decision-maker who believes that ability is fixed. Low performance, on the other hand, may also suggest simply a temporary shortfall that can be remedied in the future via hard work and new tactics; a considerably less scary possibility, and hence one that is less likely to lead to self-improvement. Nussbaum & Dweck (2008) did a study on the matter and found out that individuals with a “growth” view of ability reacted to negative performance feedback by looking for new approaches to do better in the future, whilst people with a “fixed” view of ability reacted by defensively uplifting their self-image. More broadly, as proposed in the study made by Jordan et Audia (2012), a stronger conviction that ability is permanently fixed raises the perceived danger of performance below aspirational levels, boosting decision makers' tendency to evaluate low performance in a self-enhancing manner.

Overall, self-enhancement theory illustrates how decision-makers can incur a lesser increase in search, change, innovation, and risk-taking when entering the self-enhancement mode. To summarize, and following Jordan et Audia’s (2012) two-mode model of learning from performance feedback; after setting the performance goals, and also the aspiration levels, decision-makers observe the performance feedback. If the observed performance is above the aspiration level, they enter in a problem-solving mode and use predetermined standards of evaluation to assess performance, leading to a decrease in search, change, and risk-taking, including innovations as well. If the performance is below the aspiration level, then it all depends on whether the conditions influencing performance assessment mode are high or low. Among these conditions lies the belief that ability is fixed and also other factors such as narcissism, accountability, task complexity… If these factors show a low level, then it is likely that decision-makers will adopt a problem-solving mode, using predetermined standards of evaluation to assess performance and leading to an increase in search, change, innovation and risk-taking. If these conditions show a high level, then a self-enhancing mode will be triggered, and decision-makers will use retrospectively revised standards of evaluation to assess performance as more favorable. They will probably revise the priority of performance goals, increase the level of abstraction of performance goals, and/or invoke counterfactual outcomes as comparison standards, leading to a lesser increase in search, change, innovation, and risk-taking.

In general, the main findings of the previous research can be summarized in the following way. Performance feedback refers to the evaluation of how a business is performing based on a set of aspiration levels and to the decision that decision-makers make once they are given such information. Aspiration levels come from either a social or a historical perspective. The social being the performance of similar businesses, most of the time these are competitors; while historical aspiration levels come from the previous performance of the business itself. decision-makers set these aspiration levels to use them as benchmarks for understanding their current performance compared to these levels. Based on where they stand with respect to their past performance and their competitors, they will initiate, or not, in search, risk, and innovation. Usually, the probability of search, risk, and innovation decreases as the aspiration levels are met, and increases as they are not fulfilled. However, self-enhancement theory predicts that since personal goals may not align with organizational goals, sometimes change and risk might not occur as a consequence of performance below aspiration levels. Bad performance is the triggering factor of self-enhancement as it puts in the dangerous the self-image. In fact, the key concept of self-enhancement theory is the desire to see one’s self in a more positive way and assess performance as satisfactory, even when it is not. This behavior is a result of many beliefs, the main ones being the propensity to perceive one’s strengths as more important than one’s weaknesses; and seeing a secondary performance objective as essential to goal attainment only when it performed well while the primary performance goal performed poorly.

Following the Triple Bottom Line theory, Corporate Social Responsibility believes that companies should commit to focusing as much on social and environmental concerns as they do on profits. Moreover, as the stakeholder theory states, a business should make sure that all of its stakeholders are taken into consideration, this brings along some ethical principles, which consist in a moral approach, where self-serving is left apart and where the firm represents its stakeholder's values. This can also be seen as a strategic approach as well, since CSR brings along many benefits, not only for the stakeholders but also for the company itself, increasing customer loyalty, a positive brand image, and strong brand loyalty. CSR is being implemented in many sectors, including the tourism and hospitality ones. In fact, the hospitality industry has many stakeholders, thus, it would seem logical for the businesses operating in this sector to implement CSR practices.

CSR can thus be considered an important goal for many businesses operating in the tourism sector. But really how important is this goal and its ethical aspects? What role would a CSR goal have in performance feedback theory? Essentially, what is the relationship between performance feedback from profits, performance feedback from social CSR goals, and performance feedback from environmental goals?

If a company has CSR goals, it implies that it must take into consideration its stakeholders, following stakeholder theory. Stakeholder theory also indicates following ethical principles and a moral course of actions. Ethical behavior is seen as a moral approach in which the principles to follow are not completely self-serving. An ethical company would behave in a trustworthy manner in circumstances where a self-interested individual would not. Following these statements, it would be interesting to see to what extent do they apply in performance feedback theory, especially how it plays out with the self-enhancement theory. When a company is performing badly under CSR goals, meaning that they are below aspiration levels, what would a decision-maker do? There is an ethical dilemma that arises, will he stick to the CSR goals and ethical stakeholder theory, thus increasing his search, risk, and innovation in order to perform better or will the self-enhancement theory prevail and decrease the probability of search, risk, and innovation? The dilemma resides in the fact that following a CSR goal will mean caring about the stakeholder's values and not thinking about one's self, which is in contrast with self-enhancement theory, where a decision-maker has the desire to see himself in a more positive way. However, CSR actions can also bring along benefits to the company such as a positive image and increased brand loyalty. Will these benefits be enough to let CSR practices still be seen as a strategic approach that will positively affect the self-image? Another important factor to consider is the size of the business, particularly when the enterprise is small, namely a micro-business. This is because a CSR strategy is likely to stay informal and instinctive for micro-businesses. Cooperatives, mutuals, and family-owned firms, for example, have ownership and governance structures that are particularly favorable to ethical business practices. The performance of a micro-business will be directly related to the decision-maker, so keeping CSR practices will be considered as crucial since it will eventually pay off in brand image and loyalty, and the brand image being so tight with the self-image, because of the low level of employees in a small business. Another benefit that CSR might bring is increased profits, as a consequence of the aforementioned benefits. Profit plays a big role in this equation since it is crucial to a company, it allows it to survive and to grow, without profits everything else falls down. It will be interesting to see to what extent does a decision-maker believes that CSR practices will contribute to a company's profit. Will it be enough for decision-makers to opt for CSR strategies, even when facing low levels of profit? As a matter of fact, it would be intriguing to see what happens when there is also performance feedback from profit. Being such an important part of a company, and being many times the primary performance indicator of a business, profit is a must-have performance feedback indicator. Thus, the relationship that performance feedback from profits and performance feedback from CSR goals and CSR intensity is the key to answer to all the previous queries. In order to understand this relationship, it would be helpful to analyze a situation where a decision-maker is facing performance feedback from profits and from CSR below the aspiration levels, and what would be the actions taken once faced with this bad performance. Furthermore, following the Triple Bottom Line theory of CSR, it would also be interesting to break it down into three parts: profits, social and environmental. This could be done by distinguishing three types of actions: actions aiming at the environmental aspect, actions aiming at the social aspect, and actions aiming at the profit aspect. Thus, three situations would be necessary, one where the performance feedback from profit is low, one where there is low performance in both profits and the social aspect of CSR; and another situation where there is low performance feedback from profit and from the environmental aspect of CSR. Profit would be needed to be present in all of the situations, as it plays a central role in businesses. Moreover, a situation where there is only performance feedback from profit will be kind of a benchmark for the other two. Hence, the aim would now be to understand the relationship between performance feedback from profits, performance feedback from social CSR, and performance feedback from environmental

CSR. Furthermore, these three situations will also shed the light on the dynamics within CSR practices, showing if there is any kind of preference between social CSR and environmental CSR.

Methodology

The HomeRent game is an experiment aiming at assessing the relationship between performance feedback from profits, social CSR, and environmental CSR. The experiment takes the form of a survey, where the subjects have to provide answers in the form of multiple-choice checkboxes, as well as some single-line text fields. The subjects are initially presented with a description of the hypothetical situation. There is HomeRent, Inc., a vacation rental digital marketplace offering that mostly offers lodging, homestays, or tourism experiences. The firm does not own any of the real estate listings or organize events; rather, it functions as a middleman between sellers and buyers. After that, the subjects are given a role: they are the owners of an apartment which is frequently listed on HomeRent, there are a few pictures of this fictional apartment just to give them an idea. They are also told that their aim is to maximize their profits. Then they are presented with a situation where they have a low performance feedback from profits: they are experiencing performance below historical and social aspiration levels; their profits are lower than the previous month and the previous year's profits. Also, compared to their 20 closest competitors, their profits are significantly lower as the competitors are experiencing an increase in their last month and last year profits. Subjects are then informed that demand is always higher than the supply, so the apartment might not get rented if they do not provide a higher value to the customer than their competitors. The subject's task is to invest 1000 euros to increase their profits, and they are given a list of 12 goals. They have to choose from 1 to 5 of these goals, choosing one goal means investing 200 euros in it. The 12 goals are the following: 1) Offer high-quality organic / healthy food and products to guests 2) Buy extra home crockery to reduce the use of plastic 3) Buy new energy-efficient LED bulbs 4) Buy toiletries supplied by local producers to support local communities 5) Create a booklet to propose authentic experiences and suggestion to guests making them avoiding mass tourism itineraries 6) Socialize with tourists creating cultural exchange opportunities 7) Promotion within the platform to attract customers 8) New TV and desktop computer at the apartment for the customers 9) Breakfast provided everyday 10) New chairs and dining table 11) Metro / Subway pass included in the price 12) New sheets or the bed. These goals were chosen because they reflect many CSR strategies that are present in the hospitality industry. Recalling the study of Booking.com (Booking.com., 2019), they are very similar to the consumer's preference. Once the subjects have chosen the goals in which they would like to invest, they are randomly split into 2 groups. In one group, subjects will face the same situation, except that they are also facing a low performance in the social aspect of CSR: HomeRent has introduced several corporate social responsibility goals for the apartments which are rent in the platform to increase its social responsibility. In particular, it has established some metrics regarding the social responsibility of the properties and in all ratings, their apartment was very low: very low rate in helping guests to avoid mass tourism itineraries, very low rate in increasing cultural exchange opportunities, very low rate in promoting products supplied by local producers. They always have to choose between the previous 12 goals. The other situation where they are randomly allocated is again the same as the initial one, except that they are also facing low performance from the environmental aspect of CSR: the HomeRent has introduced several environmental goals for the apartments which are rent in the platform to increase its environmental responsibility. In particular, it has established some metrics regarding the environmental responsibility of the properties and in all ratings, your apartment was very low: very low rate in promoting organic/healthy food and environmental products to guests, very low rate in reducing the waste of food, for example by sharing or reusing it, and very low rate in reducing the use of plastics. Again, they will have to choose between the previous 12 goals. At the end of the survey, regardless of in which situation they were assigned, subjects will also have to answer some general information questions such as their gender, age, country of origin, occupation, and years of work experience. After that, the survey is considered finished. To summarize, subjects are first presented in a situation where they experience low performance feedback from profit, and they have to choose in which of the 12 goals they want to invest the money. Then they are randomly assigned between a situation where they face low performance feedback from profits and low performance feedback from the social aspect of CSR, and a situation where they face low performance feedback from profits and from the environmental part of CSR. In both cases, they will have to choose in which of the 12 goals they will allocate the money.

The 12 goals clearly resume the concepts of triple bottom line CSR, in fact, three types of answers can be distinguished. The first three answers are of environmental nature, in fact, they promote reduced energy consumption, less plastic waste, and high-quality organic food. Answers from 4 to 6 can be considered as a willingness to invest in the social aspect of CSR, by supporting local communities, creating cultural exchange opportunities, and trying to make the customers avoid mass tourism itineraries. The rest of the answers, so from 7 to 12, are classical answers that are aimed at improving profits, such as more promotion on the platform to attract customers, breakfast provided every day, new chairs, and dining table… By breaking down the answers into three types (environmental, social, and profit), when a subject will choose his answers, he will show which part of the triple bottom line CSR will be more important to him in that specific situation. Choosing one type of answer will indicate an increase in search, risk, and innovation in that specific area. For instance, if a subject picks 3 answers that are all of the environmental type, it will mean that he wants to invest in that field; thus indicating an increase in search, risk, and innovation. Subjects are not informed of the fact that the answers are of three types, it is up to them to recognize that choosing one answer will be associated with a willingness to increase search, risk, and innovation for the field of interest of the answer. The number of answers that belong to an answer-type that a subject chooses will indicate how determined he will be in investing in that area. For example, a subject that will choose to invest in all the three possible environmental answers (1 to 3) is considered to be more determined in increasing search, risk, and innovation in that area than a subject that only chooses one answer of that type. Thus, the number of answers associated with an answer-type that a subject will choose is a key parameter in determining how much will he put weight on one of the three aspects (profit, environmental, and social). By analyzing the subject’s answers in this way; many questions can be answered on how the relationship between performance feedback from profits, performance feedback from social CSR, and performance feedback from environmental CSR plays out. Moreover, by having three different situations where performance feedback is low, it can be seen if there is any kind of self-enhancement instincts among the subjects. A self-enhancement behavior will be characterized by not choosing to invest in one of the goals that is currently performing badly. For example, if a subject is presented with a situation where he is performing poorly in terms of social CSR and he chooses not to invest any money in improving the social aspect of his business, this will be considered as a self-enhancement action, where the subject, even though he is in a situation where he performed bad, he chooses to invest the money somewhere else, thus having a low increase in search, risk, and innovation in the field that is left out. The survey is very helpful in analyzing whether the self-enhancement theory prevails in these kinds of situations, by simply looking at the number of subjects that showed some self-enhancement traits and looking at their proportion compared to all the subjects, one could have a general idea of how the self-enhancement theory plays out in these kinds of situations. Again, in this case, the ethical aspect plays a pivotal role, if a subject is really concerned about the ethics of the business and follows a moral course of actions, he will most likely increase its search, risk, and innovation and override his self-enhancement instincts.

Overall, this survey seems to be a good fit for understanding the relationship between performance feedback from profits, performance feedback from social CSR, and performance feedback from environmental CSR. It can also serve as a preliminary collection of data to test if a real experiment with participants who are paid to participate makes sense.

The survey was primarily sent to students, in the timeframe of January 2021 and June 2021. There were 180 subjects that answered the survey, with 104 being randomly assigned to the situation of low profit and low environmental performance feedback, and 76 being randomly assigned to the situation of low profit and low social performance feedback. All 180 subjects answered to the initial situation where they face low performance feedback from profits. The data was analyzed with help of Microsoft-Excel.

The data was exported into an excel file. And presented itself in the following way: each line represents a subject, the answers of the subjects are displayed in the columns. Each column represents an answer, so in total there are twelve answers. The data is also separated into three different parts, one for each situation (low profit, low profits and low social, and low profits and low environmental). When a subject chooses one of the twelve answers, the cell shows a “Yes”, when he didn’t choose it, it shows a “No”. Before analyzing the data, a small rearrangement has been made. In order to make it more understandable and fit for analysis, the “Yes” and “No” have been changed respectively to “1” and “0”. Then, the answers were assigned to each of the following types of answers: profit, social and environmental. Furthermore, they were summed up using the function SUM of Excel. So basically, a subject that chose for example 2 social answers will have a score of 2 in the social aspect. The cells that show a “N/A” mean that the subject did not answer the question, this happens only when he was not assigned to that specific situation. Moreover, in order to analyze each answer type, another rearrangement has been made. The data was adjusted for the three answer types (social, profit, and environmental) and then repositioned so that one could compare one single answer type across the three different situations. This has been done because the objective is to see how many times a type of answer is chosen among the three different situations. Namely, to see if the degree of increase in search, risk, and innovation depends on the situation that a subject is facing. In order to verify if the situation influences the choice of investing in one type of answer, a statistical test that checks if there is any difference in the means is needed.

The rearrangement of data is done purely in order to understand how subjects might change their willingness to invest money in each type of answers (social, environmental, or profit) depending on the scenario that they are facing. This is very important to the research since it will shed the light on many topics that were already discussed, such as self-enhancement theory and its relationship with the ethical aspect of CSR. However, it is also necessary to understand how the subjects react within a given situation, namely, what will be the ratio of social, environmental, and profit answers when the subjects will be facing the three different situations. This will reveal which type of answers are more important to subjects when facing the three different circumstances. For the purpose of this, the data must be arranged in a different way: by simply dividing all the subjects in three groups, based on the situation that they are facing and looking at the number of type of answers that each subject chose to invest the money, one could comprehend how the whole case plays out.

Analysis

A crucial aspect of the analysis of data resides in understanding how the types of situations influence the number of answers of a single type that are chosen. As previously stated, the data were rearranged in order for this analysis to be made. With the rearrangement of the data, the circumstances are the following: each type of answer (social, profit, and environmental) is compared among all the three different situations. The aim of this is to test the hypothesis of whether the increase in search, risk, and innovation in profits, social, and environmental happens as a result of performing badly under those goals. Namely, to see whether there is any kind of difference between the means of the number of types of answers chosen among the different situations. That is to say, the purpose is to analyze if the average number of a single type of answer is influenced by the type of situation, and if so, by how much and in which specific situation. This analysis will shed the light on the relationship between performance feedback from profits, performance feedback from social CSR, and performance feedback from environmental CSR, by assessing if the situation influences the increase in search, risk, and innovation in each of the aspects (profit, social and environmental). Thus, the answers are analyzed based on their nature; for instance, by separating the social answers from the other two, and comparing them across all the three different situations, one would see if there are more social answers when the performance feedback is low on the social aspect with respect to the situation where there is no low social performance feedback.

First of all, in order to get a general overview of the different situations, it is essential to present broad descriptive statistics. With the Data Analysis tools of Excel, one can simply select the data and Excel will immediately give a wide variety of descriptive data. Starting from the environmental type of answers, it can be seen that for the situation of Low Profit and Low Profit and Low Social, the means are more or less the same: 1,722 for the former, and 1,658 for the latter. On the other hand, the mean for the situation of Low Profit and Low Environmental is higher than the other two situations, the value of the mean is equal to 2,221. Regarding the standard deviations, for Low Profit the value is equal to 0,449; for Low Profit and Low Social the value is 0,478, and for Low Profit and Low Environmental the value is 0,836. For the social answers, the mean of Low Profit is equal to 0,872; the mean of Low Profit and Low Social is equal to 1,710; and for the Low Profit and Low Environmental, the mean is equal to 1,259. Concerning the standard deviations, for Low Profit the value is equal to 0,643; for Low Profit and Low Social the value is 1,241, and for Low Profit and Low Environmental the value is 1,314. Finally, with respect to the profit answers, the mean of Low Profit is equal to 1,555; the mean of Low Profit and Low Social is equal to 0,657; and for the Low Profit and Low Environmental, the mean is equal to 0,259. Concerning the standard deviations, for Low Profit the value is equal to 0,726; for Low Profit and Low Social the value is 0,477; and for Low Profit and Low Environmental the value is 0,440. Just from looking at the descriptive statistics, one could hypothesize that there is a difference in the means among the different situations for social, profit, and environmental answers.

In order to test if there is a difference between the means, the most appropriate statistical test would be an analysis of variance (Anova). ANOVA is used to test hypotheses about differences between two or more means. It could be argued that a t-test might also be of good use in this case, however, a t-test is generally used to test the difference between two means. When there are more than two means, it is possible to compare each mean with each other mean using t-tests. Nonetheless, conducting multiple t-tests can lead to severe inflation of the type-1 error rate (falsely rejecting the null hypothesis of no difference between the means). ANOVA, on the other hand, can be used to test differences among several means for significance without increasing the type-1 error rate. Anova seems to be fit for this situation since we have to compare means among three different groups. In this case, the ANOVA will consist in analyzing the dependent variable: social, environmental, or profit type of answers. The independent variables are the situations: low profit, low profit and low environmental, and low profit and low social. There will be three ANOVA tests then, one for profit answers, one for social answers, and one for environmental answers. The null hypothesis is that there are no differences among the group means, while the alternate hypothesis is that at least one group differs significantly from the overall mean of the dependent variable. before running an ANOVA test, one should check if the assumptions hold. There are three assumptions in an ANOVA: the data must be normally distributed, there must be a homogeneity of variances (the variance among the groups should be approximately equal), and the observations must be independent of each other. Regarding the independence of the observations, the general structure of the survey suggests that the assumption is met, there is no correlation between the situation, and the subjects are randomly assigned to a situation. Also, there is no statistical test associated with testing independence of observations, independence can be seen only by the structure of the survey; and from the structure, it is quite obvious that the observations are independent because the occurrence of one observation provides no information about the occurrence of the other observation. Regarding the assumption of normally distributed data, a Kolmogorov-Smirnov test for normality has been made. Using excel, the data from the profit answers was used. In the first column, the data containing the number of profit answers was rearranged in ascending order. Then, in a second column, the cumulative rank was displayed. In a third column, the expected cumulative distribution function was used by dividing the results of the second column by the total number of observations (76 in this case). Then, in a fourth column, the following calculation for each observation has been made: (rank-1)/n, which is needed for computing the final calculation of the difference. In a fifth column, the inverse of the standard normal cumulative distribution was calculated by using the excel function NORM.S.INV (using values of the third column only if lower than 1). In a sixth column, the actual cumulative distribution was calculated by using the excel function NORM.DIST, which returns the normal distribution for the specified mean and standard deviation. Finally, in a seventh column, the difference between the actual cumulative distribution and the results of the (rank-1)/n calculation is made. Once this difference is made, we use the excel function MAX in order to retrieve the highest difference. We compare this difference to the value found in the Kolmogorov-Smirnov table, for an alpha of 0,05 and n=76. In the table, it is written that when n is over 50, the value is found by computing 1,358/√(n). The critical value is thus 0,155 (n is equal to 76). The maximum value is greater than the critical value because it is 0,276. Thus, there is a failure in rejecting the null hypothesis, the data is not normally distributed. By not meeting one of the assumptions, an ANOVA test seems not to be the best in this case. Checking for homogeneity of variance, a Levene's test could be done in order to assess if there is a significant difference in the variances among the groups. In order to run it on Excel, the existing data needs to be updated with new data that is the difference between the scores and the mean. So, by using the absolute function the new data is replaced. Now the values are all changed to their original value minus the mean. With the new values, the difference between the new values and the new mean is computed, then squared and summed for all the individuals of each group, and finally summed for all the groups, giving the sum of squares within groups. To find the sum of squares between groups, the three groups were made into one, having 360 values. Then, the difference between the values and the mean was calculated and later on squared and summed, giving the total sum of squares. Having the sum of squares total and the sum of squares within, the sum of squares between can easily be found by subtracting the sum of squares within to the sum of squares total. The sum of squares within and between is then divided by their respective degrees of freedom (357 and 2). By simply putting the sum of squares between divided by its degrees of freedom in the nominator and the sum of squares within divided by its degrees of freedom in the denominator, the F statistic is computed. The result of the F statistic is 66,348. Looking at an F table, it can be seen that for the respective degrees of freedom (2 and 357) the F critical value is 2.995. The result of the F-statistic is way higher than the F critical value, thus the null hypothesis that the groups all have equal population variances is rejected. Hence the homogeneity of variances assumption is not met. At this point, an ANOVA seems to be not suitable for the analysis, with two of the three assumptions being violated, this test might not be significantly powerful and not appropriate for this data.

Since the assumptions of normality of data and homogeneity of variance are violated, the most accurate test to do is probably a non-parametric test. The Kruskal–Wallis test by ranks, also known as the Kruskal–Wallis H test (after William Kruskal and W. Allen Wallis), or one-way ANOVA on ranks, is a non-parametric method for determining if two samples are from the same distribution. It compares two or more independent samples with the same or different sample sizes. It improves on the Mann–

Whitney U test, which is only used to compare two groups. The one-way analysis of variance (ANOVA) is the parametric counterpart of the Kruskal–Wallis test. When the Kruskal–Wallis test is significant, it means that at least one sample stochastically dominates the other. The test does not reveal where stochastic dominance occurs or how many pairs of groups are affected. Dunn's test, paired Mann–Whitney tests with Bonferroni correction, or the more powerful but less widely known Conover–Iman test are all used to look for stochastic dominance in specific sample pairings.

The Kruskal–Wallis test, unlike the comparable one-way analysis of variance, does not assume a normal distribution of the residuals because it is a nonparametric approach. Moreover, Kruskal-Wallis is used when researchers are comparing three or more independent groups on a continuous outcome, but the assumption of homogeneity of variance between the groups is violated in the ANOVA analysis. Similar to the ANOVA, the test will be conducted for a dependent variable, that is the type of answers profit, social, or environmental, and with the independent variables being the three different situations (low profit, low profit and low social, low profit and low environmental). The only assumption for a Kruskal-Wallis test is that the observations are independent of one another. This is the case for this data, as previously stated. Starting from the environmental type of answers, the data was once again rearranged for the purpose of the test. In a new column, all the data was put there, so 360 values are present in that new column. On a column to the left, the type of situation corresponding to the values is displayed. Then, in another column the excel function RANK.AVG was used for each subject; it returns the rank of a number in a list of numbers (its size relative to other values in the list, if more than one value has the same rank, the average rank is returned). In order to find the H statistic, which is essential to a Kruskal-Wallis test, the following formula needs to be done: H= (12/(n*(n+1)) * ∑(Ri^2/ni) - 3*(n+1). Where n is the total number of observations (360 in this case), Ri^2 is the squared sum of ranks for the ith group, and ni is the number of observations in the ith group.

By using the pivot table function, a table was created with the sum of ranks for each group. Each sum of ranks was therefore squared and then divided by its number of observations for its group (180 for low profit, 76 for low profit and low social, 104 for low profit and low environmental). The formula is then computed, the result is an H statistic of a value of 31,654. The H statistic is essential because it allows finding the p-value: by using the CHISQ.DIST.RT function of Excel, which returns the right-tailed probability of the chi-squared distribution. The value at which the distribution will be evaluated is the H statistic value, while the degrees of freedom are two, the number of total groups (three) minus one. The p-value is thus equal to 1,337E-07. Compared to an alpha of 0,05, the p-value is definitely lower, therefore, the null hypothesis that the means are the same is rejected, the test is significant.

Moreover, just to be even more sure, the critical chi-squared value is computed and then compared to the H statistic. Using the CHISQ.INV function of Excel, which returns the inverse of the left-tailed probability of the chi-squared distribution. Choosing a value of 0,95 for the probability associated with the chi-squared distribution and two degrees of freedom, Excel returns a value of 5,991. Since the chi-squared value is less than the H-statistic, the null hypothesis is rejected. Nonetheless, one more slight correction must be done; this concerns the ties. A ties correction to the -h statistic needs to be done in order to adjust the value for the possible ties of ranks. This is done in Excel through a resource pack provided by Real-Statistics, in this pack, many tests can be done, and a Kruskal-Wallis is one of them. By simply selecting the data range and the output range, the resource pack will display the answers. Regarding the corrected H statistic, it has a value of 40,385. This doesn't really change the results as the null hypothesis is still rejected (the new p-value is 1,699E-09). So for the environmental type of answers, the Kruskal-Wallis test confirms that there is a difference in the mean for the three groups. Regarding the social type of answers, the Kruskal-Wallis test was done once again in the same way as for the environmental answers. The results show that even for social answers there is a difference in the means: the H statistic is equal to 21.84, the H statistic adjusted for ties to 23,73, the chi-squared value to 5,991, and the p-value to 1,808E-05. Lastly, the Kruskal-Wallis test was done also for the profit answers and yet again, the test is significant and rejected the null hypothesis of the means being the same. The H statistic is equal to 164,70, the H statistic adjusted for ties to 195, 06, the chi-squared value to 5,991, and the p-value to 1,719E-36. Overall, the results of the Kruskal-Wallis non-parametric test reject the null hypothesis that there is no difference in the means of the groups, for all types of answers: social, environmental, and profit. These results indicate that the mean is different in one of the three groups, but does not tell which group differs from the other. In order to understand which group differs from the others, a post-hoc test must be conducted. The most appropriate post-hoc test for this case is probably Dunn's test, mainly because it allows for comparison among groups of different sizes and it's a non-parametric test as well.

The <u>null hypothesis</u> for the test is that there is no difference between groups (groups can be equal or unequal in size). The <u>alternate hypothesis</u> for the test is that there is a difference between groups. The resource pack provided by RealStatistics automatically runs a Dunn's test; it calculates the sum of ranks for each group, then divides it by its number of observations in order to find the R-mean of each group. Next, the groups are paired in two, with a total of three pairs, and compared with each other. For each pair of groups, the absolute differences between the R-mean of the two compared groups are calculated. As well as the standard errors, the z statistics, the R-critical values, and the p-values. The standard errors are computed using the following formula: $s.e. = \sqrt{\left(\frac{n(n+1)}{12} - \frac{\sum(f^3 - f)}{12(n-1)}\right)\left(\frac{1}{n_i} + \frac{1}{n_j}\right)}$

where *n* = the total sample size, *ni* and *nj* are the sizes of the groups being compared, and *f* is as in the ties correction for the Kruskal-Wallis test. The z statistic is calculated by simply dividing the R-mean by the standard error. The R-critical values are found by multiplying the standard error by the z-critical value. Finally, the p-value is computed via the following formula: =2*(1-NORM.S.DIST(z-stat;TRUE)); the NORM.S.DIST function that returns the standard normal distribution (has a mean of zero and a standard deviation of one), where z stat is the value for the desired distribution and the cumulative is a logical value that determines the form of the function. If cumulative is TRUE, NORMS.DIST returns the cumulative distribution function; if FALSE, it returns the probability mass function. When comparing two groups, one must look at the p-value and see if it's greater (or smaller) than the alpha level. However, an alpha level of 0,05 might not be the best one to use in this case. If one wants to account for all possible pairwise comparisons using a Bonferroni-like correction, then a new alpha level would need to be set as $\alpha^* = \alpha/(k(k-1)/2)$ where k = the number of groups. A Bonferroni correction to the alpha level would help to prevent any type of false rejections of the null hypothesis. It prevents data from incorrectly appearing to be statistically significant. With the adjusted alpha levels, the comparisons with the p-values of Dunn's tests can be made. The results are quite appealing. For the environmental answers, the Bonferroni adjusted alpha level is equal to 0,016, thus, there is a difference between the Low Profit and Low Profit and Low Environmental situation (p-value of 1,26E-08), as well for the Low Profit and Low Social and Low Profit and Low Environmental (p-value of 8,19E-08). While there is no difference between Low Profit and Low Profit and Low Social (p-value of 0,428). For the social answers, the Bonferroni adjusted alpha level is equal to 0,016, thus, there is a difference when comparing Low Profit with Low Profit and Low Social (p-value of 1,16E-06), as well for Low Profit and Low Social with Low Profit and Low Environmental (p-value of 0,004169). Although there is no difference between Low Profit and Low Profit and Low Environmental (p-value of 0,058). Finally, for the profit answers, there is a difference between all groups. The Bonferroni adjusted alpha level is 0,016; the comparison between Low Profit and Low Profit and Low Social has a p-value of 5,329E-15, the p-value of the relation between Low Profit and Low Social and Low Profit and Low Environmental is equal to 8,392E-05, and the p-value of the relation between Low Profit and Low Profit and Low Environmental is equal to 0. All these p-values being less than the

Bonferroni adjusted alpha level, it can be said that, for profit answers, there is a difference among all groups.
In order to see if the answers type differ from one another within a given situation, it is imperative to first look at the general statistics. With the purpose of seeing the ratio of the type of answers within a given situation; the data must be collected by type of scenario that the subjects are facing. As stated previously, there are three types of circumstances, one where the subjects are facing bad performance under profit goals, another where they are facing bad performance under profit and environmental CSR goals, and, lastly, one where they are facing poor performance under profit and social CSR goals. Starting from the situation of low profits, 180 subjects answered the survey questions. The overall average of environmental answers is equal to 1,722. Concerning the social answers, on average, the subjects chose 0,872 answers. The profit answers have been chosen on average 1,555 times. About the scenario of Low Profits and Low Environmental, 104 subjects answered the questions of the survey. The mean of environmental answers is equal to 2,221, while social answers were chosen on average 1,259 times, and profit answers 0,259 times. Finally, for the Low Profit and Low Social situation, there are 76 subjects that answered the survey. Environmental answers show a mean equal to 1,657, social answers were selected on average 1,710 times, and profit answers 0,657 times. Another substantial statistical indicator that needs to be acknowledged is the standard deviation of each type of answer within the different scenarios. The standard deviation will indicate how dispersed the data is in relation to the mean. Low standard deviation means data are clustered around the mean, and high standard deviation indicates data are more spread out. Starting once again from the case of low profit, environmental answers have a standard deviation of 0,449, social answers of 0,643, and profit answers of 0,726. In the condition of low profits and low environmental, environmental answers exhibit a standard deviation of 0,835, while social answers of 1,314, and profit answers of 0,440. Finally, for the scenario of low profits and low social, environmental answers show a standard deviation of 0,477, social answers of 1,241, and profit answers of 0,477. Lastly, the sum of the total of each type of answer is also a good indicator for the research. Overall, the environmental answers were chosen 667 times across all situations, while the social ones were 418 times, and the profit ones were 357 times.

In general, these comprehensive descriptive statistics will help understand how the subjects choose the answers within a certain scenario and how dispersed are the answers. However, in order to test whether these differences are significant, another Kruskal-Wallis test must be done. As stated previously, an

ANOVA wouldn't be the best test since the first two conditions of homogeneity of variance and normality of data will fail, because of the nature of the data (only values of 0,1,2, and 3).

This time, the type of answers will be compared within a scenario. So there will be three Kruskal-Wallis, each one followed by a Dunn's test: one for low profit, another for low profits and low environmental, and one for low profits and low social. Since the process of making the tests is the same as the previous tests, only the results will be shown.

For the situation of low profits, the Kruskal-Wallis p-value is of 6,9E-32, which is definitely lower than 0,05, thus there is a difference among the means. Dunn's test shows that between environmental and social answers, the p-value is of 0, which is lower than the Bonferroni adjusted alpha level of 0,016; so there is a difference in the mean between these two type of answers. The p-value of the comparison between environmental and profit answers is equal to 0,002, which is lower than the Bonferroni adjusted alpha level of 0,016; so there is a difference in the mean between environmental and profit answers. Lastly, the p-value of the comparison between social and profit answers is equal to 8,88E-16, that is lower than the Bonferroni adjusted alpha level of 0,016; so there is a difference in the mean between social and profit answers. Overall, for the situation of low profits, all the types of answers show a significant difference in the mean between them.

For the situation of Low Profits and Low Environmental, the Kruskal-Wallis p-value is of 6E-30, which is definitely lower than 0,05; thus there is a difference among the means. Dunn's test shows that between environmental and social answers, the p-value is of 1E-09, which is lower than the Bonferroni adjusted alpha level of 0,016; so there is a difference in the mean between these two type of answers. The p-value of the comparison between environmental and profit answers is equal to 0, which is lower than the Bonferroni adjusted alpha level of 0,016; so there is a difference in the mean between environmental and profit answers. Lastly, the p-value of the comparison between social and profit answers is equal to 4E-08, that is lower than the Bonferroni adjusted alpha level of 0,016; so there is a difference in the mean between social and profit answers. Overall, for the situation of low profits and low environmental, all the types of answers show a significant difference in the mean between them.

For the situation of Low Profits and Low Social, the Kruskal-Wallis p-value is of 8,4E-15, which is definitely lower than 0,05; thus there is a difference among the means. Dunn's test shows that between environmental and social answers, the p-value is of 0,965, which is higher than the Bonferroni adjusted alpha level of 0,016; so there is no difference in the mean between these two type of answers. The p-value of the comparison between environmental and profit answers is equal to 2,7E-12, which is lower than the Bonferroni adjusted alpha level of 0,016; so there is a difference in the mean between environmental and profit answers. Lastly, the p-value of the comparison between social and profit answers is equal to 3,6E-12, that is lower than the Bonferroni adjusted alpha level of 0,016; so there is a difference in the mean between social and profit answers. Overall, for the scenario of Low Profits and Low Social, there is no significant difference between social and environmental answers, while for soical and profit answers and environmental and profit answers, there is a difference. These results shed the light on the relationship between the types of answers, and eventually show if there is one type of answer that is preferred.

Discussions

The results of the analysis are really thought-provoking. It can be seen that there are many differences among the means between different situations and types of answers. Looking back at the research questions, the aim of the experiment is to understand the relationship between performance feedback from profits, performance feedback from social CSR, and performance feedback from environmental CSR. A challenging question is whether the CSR benefits are enough to let CSR practices still be seen as a strategic approach that will positively affect the self-image and the performance. Moreover, a major concern is the role that self-enhancement theory plays in this experiment: does it influence the choices that the subjects make?

The key findings from the analysis are that when faced with low performance under a certain goal (either profit, social, or environmental), the subjects tend to increase the search, risk, and innovation in those specific goals. However, regarding the profit answers, these seem to be chosen at a high rate only in the situation of low profits, not in the other two. This might come from self-enhancement theory, where the subjects prefer to allocate the money into another goal where they are performing well. Morevoer, environmental answers are overall the most preferred ones, they show a high mean in all the three different situations.

The analysis of data, using the Kruskal-Wallis test followed by a post-hoc Dunn's test sheds light on the matter, answering the research questions. But first of all, it is imperative to interpret the generic descriptive data.

The general statistics suggest that there is a difference in the means. For the environmental type of answers, the situation of Low Profit and Low Environmental clearly displays a higher mean (2,221) compared to the other two situations which have quite the same mean (1,657 for Low Profit and Low Social, and 1,722 for Low Profit). For the social type of answers, the situation of Low Profit and Low Environmental shows a higher mean (1,710) with regards to the other two situations (0,872 for Low Profit and Low Environmental, and 1,259 for Low Profit). For the profit type of answers, the Low Profit situation clearly demonstrates a higher mean (1,555) when benchmarking it to the other two situations (0,657 for Low Profit and Low Social, and 0,259 for Low Profit and Low Environmental). A higher mean suggests that the subjects are generally more inclined to choose that type of answer in that specific situation. For instance, for the environmental answers, the situation of Low profit and Low Environmental shows a higher mean; this might imply that the subjects tend to be more prone to choose an environmental type of answers when confronted with this situation, with regards to the other two. Hence, it might indicate that performing badly under environmental goals triggers an increase in search, risk, and innovation in environmental CSR, rejecting the possibility of the self-enhancement theory to play a role in the choice of the types of answers. This happens also in the social type of answers, where the situation of Low Profit and Low Social exhibits a higher mean compared to the other two situations; suggesting as well that performing poorly under social goals triggers an increase in search, risk, and innovation, ignoring the self-enhancement motives. For the profit type of answers, the circumstances seem to be similar: the mean is higher when the subjects are performing badly just on profits, so not having any type of social and environmental CSR goals increases the search, risk, and innovation for profits. For the profit answers, it can also be seen that the situations of Low Profit and Low Environmental and Low Profit and Low Social have significantly low means, suggesting that somehow the environmental and social aspects of CSR take over the profit aspect when either one of these two is performing badly. That being said, with only general descriptive data, a conclusion cannot be drawn on whether low levels of CSR performance will lead to an increase in search, risk, and innovation. The mean is visibly different, but there is no certainty on whether these means are statistically significantly different. This is why a Kruskal Wallis test, followed by a Dunn's test was done.

The results of the Kruskal-Wallis non-parametric test confirm that there is a difference in the means of the different situations for all types of answers. Dunn's post-hoc tests show for which type of situations there is a significant difference in the means, shedding light on which situations influence the choice of the type of answer.

Starting from environmental answers, Dunn's test shows significant difference only when comparing Low Profit and Low Environmental with Low Profit, and Low Profit and Low Environmental with Low Profit and Low Social. This indicates that the difference in the mean resides within the situation of Low Profit and Low Environmental. In fact, when comparing the situations of Low Profit and Low Profit and Low Social, no significant difference in the means is shown. A difference in the mean because of the Low Profit and Low Environmental scenario indicates that the higher mean in this situation is not casual, it comes from the fact that the subjects are in this situation. Namely, when a subject faces a low performance in an environmental goal, he tends to choose environmental answers more than he would in the other situations. The low performance in environmental goals brings the subjects to increase the risk, search, and innovation in the environmental aspect. In this case, it can be said that for CSR environmental goals, when performing below social and historical aspirations levels, decision-makers tend to increase the search, risk, and innovation in environmental CSR strategies. The self-enhancement theory doesn't apply to these circumstances. In order for it to be confirmed, the difference in the mean should be for a lower mean, indicating that the situation of Low Profit and Low Environmental actually decreases the degree of search, risk, and innovation in CSR environmental practices. An absence of self-enhancement motives indicates that when facing poor CSR environmental goals (below the aspiration levels), the subjects facing a situation of self-threat do not enter in a self-enhancing mode, rather in a problem-solving mode. Contrary to what Jordan et Audia (2012) described, in this case, the subjects do not feel the urge to see themselves in a positive light and thus assess performance as satisfactory. It must be said that the feeling of self-responsibility for the performance, as described by (Audia & Brion, 2007), might play a role here. The performance of the apartment can be directly linked to the increase in search, risk, and innovation in profits happens only in the situation of just low performance feedback from profits. The increase in search, risk, and innovation in profits happens only in the situation of just low performance feedback from profits.d to the owner of the apartment because there is only him working on it. Since the owner of the apartment is the only employee, the poor performance under profit and environmental goals can be directly linked to him. As said previously, decision-makers mostly feel accountable for the performance of the firm, thus when performance is assessed, they feel evaluated on themselves as much as on the outcomes. Nonetheless, it seems like the subjects feel this pressure as a motive to enter a problem-solving mode and then execute a search directed toward finding a solution to that problem, as Cyert & March (1963: 12) stated, get more willing to adopt modifications to activities, and from a pool of viable solutions, get more inclined to pick ones that involve higher risk (Greve, 2003: 53–59). Moreover, since this is only an experiment, the subjects don't really feel any type of pressure: it is quite unlikely that the subjects will feel their self-image threatened by a survey that they are kindly asked to answer. However, self-enhancement may happen in another way which consists in the subjects changing their priorities of goals, in the case of environmental answers though, this doesn't happen. As a result, the subjects primarily serve as problem solvers: performance feedback assists the decision-maker in identifying significant issues, and these issues prompt the search for solutions, changes in activities, innovation, and increased risk tolerance. A problem-solving mode thus takes over the self-enhancing mode when subjects are facing a situation of Low Profits and Low Environmental performance feedback; this might come from the fact that CSR is seen by the subjects as a strategical approach, because of all the benefits that it might bring. A CSR strategy doesn't only encompass an ethical approach to business, it also serves as a strategic approach since it can increase the image of the company and the brand loyalty, thus also positively impacting the profits. The strategical approach of CSR might be the reason behind the problem-solving mode that the subjects showed during the experiment. However, the aforementioned insight isn't fully backed up by the analysis of data as there are no answers that the subjects give regarding this matter, their motives might be different from the strategical approach of CSR, but it is still a possible explanation of why the problem-solving mode overrides the self-enhancing mode.

Concerning social answers, Dunn's post-hoc test shows a significant difference only when comparing Low Profit and Low Social with Low Profit, and Low Profit and Low Environmental with Low Profit and Low Social. This implies that the difference in the mean is seen in the Low Profit and Low Social scenario. In fact, there is no substantial difference in the means between the Low Profit and Low Profit and Low Social circumstances. Similar to the environmental types of answers, the higher mean of social answers is confirmed to happen because of the situation of performing below aspirations levels of profit and social goals. Again, the problem-solving mode takes over the self-enhancing motives, leading the subjects to choose more social types of answers when performing badly for it, thus increasing the degree of search, risk, and innovation in this specific goal. The concepts that were just mentioned for the environmental answers apply in this case as well.

Regarding profit answers, Dunn's post-hoc test shows a significant difference when comparing Low Profit with Low Profit and Low Social, Low Profit with Low Profit and Low Environmental, and Low Profit and Low Social with Low Profit and Low Environmental. Basically, all comparisons tested for a significant difference in the means. Nonetheless, when the subjects are presented with the Low Profit situation, they tend to choose more profit answers, compared to the Low Profit and Low Social and Low Profit and Low Environmental situations. This difference in means is confirmed by Dunn's test. This leads to thinking that for profit answers, when faced with only low profit, the subjects enter a problem-solving mode and increase the risk, search, and innovation in profit strategies, leaving behind any kind of self-enhancing motives that would make them decrease their willingness to further invest in profit-oriented practices. Nonetheless, when interpreting the results of the analysis of profit answers, one must take into consideration the fact that in all the three different scenarios the subjects are experiencing a poor performance of profits below the aspiration levels. For instance, by looking at the scenario of Low Profits and Low Environmental, it can be seen that the mean of profit answers is fairly low (the value is equal to 0,259). This means that when environmental goals come into the equation, the subjects tend to invest less money into profit-oriented activities and spend it elsewhere. Along these lines, CSR strategies connected to environmental and social practices are seen as more important by the subjects. This might come from three different streams of thought. The first one resides in the belief that when CSR goals are introduced in a business, there is an ethical aspect that also comes to play. Following the ideas of Blowfield and Murray (?) companies that follow an ethical-moral course of action protect the well-being of society as a whole game that is considered necessary "right" by that society. Ethical behavior is seen as a moral approach in which the principles to follow are not completely self-serving. An ethical company would behave in a trustworthy manner in circumstances where a self-interested individual would not. Thus, when having to choose between investing in profit-oriented practices or CSR-oriented practices, and performing below aspiration levels for both of them, subjects will prefer allocating their money into CSR practices. The second current of thought consists in believing that CSR is not only an ethical approach but a strategical approach as well. Many researchers have suggested that those who act honestly, even though there is no risk of being caught for misleading, do well economically. As stated previously, CSR practices have many benefits, and among these benefits increased profits are definitely one of them. By investing in CSR practices, one could correctly believe that not only will the company show an ethical approach and a moral course of action, but it will also increase the profits. This might be why the subjects prefer to invest in CSR practices over profit ones in the situations of Low Profit and Low Social and Low Profit and Low Environmental. The third current of thought comes from the implications of the research of Jordan et Audia (2012): decision-makers whose performance is below the aspiration level are more likely to change the priority of performance objectives by assigning greater importance to those that demonstrate good performance, making performance appear more favorable and reducing the degree of search, change, innovation, and risk-taking triggered by low performance. This would mean that when facing situations of low profit and low environmental for example, social answers will have a higher mean than profit answers. It could happen in the situation of low profit and low social as well, where profit answers will have a smaller mean than environmental answers. The Kruskal-Wallis test on the type of answers within the situations helps to understand whether this phenomenon can be backed up by statistics.

The results of the analysis concerning the type of answers that subjects choose within a certain situation contribute to the aforementioned implications and checks whether the hypothesis of differences between social and environmental types of answers is actually verified.

Starting from the case of low profits, the subjects seem to give greater emphasis on environmental and profit answers, while social answers have a lower mean (0,872 is lower compared to the 1,722 for environmental and 1,555 for profit). The standard deviations are more or less the same among the three types of answers, so it can be said that when facing a situation of low profits, subjects tend to choose to allocate the money and thus increase search, risk, and innovation in environmental CSR and profit-oriented strategies more than the social ones. The situation that the subjects are facing must also be considered: the subjects are performing low under profit goals, and, as previously said, this will trigger an increase in the choice of the profit answers. However, the Kruskal-Wallis test, followed by a Dunn's test, shows that there is a difference in the means of the social and environmental answers. Environmental answers seem to be preferred over social answers when facing poor performance in profits. This result empowers the hypothesis that environmental answers are favored over social answers. This could mean that there might be some factors that determine how when facing low profits, subjects will prefer to invest money in the environmental aspect of CSR rather than in the social aspect of CSR, indicating that, for this scenario, subjects might be more engaged to an environmental cause compared to a social one.

Regarding the scenario of low profits and low environmental, the subjects seem to give greater importance to environmental practices, having a mean of 2,221. Social answers are also preferred than profit ones (the mean is 1,259 for the former and 0,259 for the latter). These results indicate that when facing poor performance under profit and environmental goals, subjects tend to invest money into environmental practices and also social practices more than profit ones. As previously stated, performing badly under environmental goals will actually trigger a problem-solving mode in the subjects, instead of a self-enhancing one. However, the higher mean in social answers compared to profit answers is quite astonishing. One would expect that since the subjects are faced with a situation where also profit is performing badly, they will tend to choose more profit answers rather than social ones. The results show it the other way around. This might be due to the fact that social CSR can also be seen as a strategical approach, bringing many benefits to the company such as increased brand image and loyalty, eventually leading to an increase in profits. Thus, the subject might believe that investing in social CSR practices will bring even more benefits than investing the money only in profit practices. Another possible explanation might be the fact that since social and environmental practices both belong to the concept of CSR, subjects might think that it is best for the business to follow a clear path of being responsible in both the environmental and social aspects. Nonetheless, when analyzing the standard deviations of the types of answers it can be seen that for the social aspect, the standard deviation is quite high. However, by looking at the data this seems to happen because sometimes the subjects choose to spend all their money on environmental aspects. Namely, the high standard deviation of social answers comes from the fact that for some subjects, they preferred to spend all the money just on environmental answers, rather than having a combination of social and environmental. The profit answers stay low for all subjects, so there is no evidence for the subjects to choose profit answers over social ones.

Lastly, concerning the situation of low profits and low social, the subjects seem to put more emphasis on the social and environmental answers over the profit answers. In fact, the mean for these two (1,710 for social and 1,657 for environmental) are higher than the one for profit (0,657). The implications of such results suggest that when facing bad performance under profit and social goals, the subjects decide to invest their money in the social aspect of CSR, most likely as a consequence of performance feedback theory: they enter into a problem-solving mode and thus increase the search, risk, and innovation in that particular goal. However, in this case, the results are quite conflicting: the value of the standard deviation is 1,241. This indicates that with respect to the mean (1,710), the data can find itself on average at a range of 1,241; suggesting that the values are quite spread out. Indeed, it might happen that some subjects decide not to invest much money into the social aspect of CSR. This might lead to think that for some subjects, self-enhancement theory holds valid. Some subjects might choose not to invest in social CSR goals even when facing a situation of performance below the social and historical aspirations level in profit and social goals. Subjects that do so most likely do it in order to see themselves in a positive light and to assess performance as satisfactory. Furthermore, by looking at the data, it can be seen that when these subjects chose not to invest money into social CSR goals, they rather allocate the money into environmental CSR goals. Looking back at the literature review, Jordan et Audia (2012) proposed that decision-makers whose performance is below the aspiration level are more likely to adjust the priority of performance objectives by assigning greater significance to those that demonstrate good performance, which makes performance appear more favorable and, as a result, decreases the degree of search, change, innovation, and risk-taking triggered by low performance. For these specific subjects in the HomeRent experiment, the suggestions of Jordan et Audia (2012) might hold true: the environmental answers tend to be preferred over the social answers because of self-enhancement theory since in the scenario the performance of environmental goals is deemed as satisfying, subjects might favor investing in that goal over the social one, in order to see themselves doing better in a single goal and self-enhancing their image. However, there is a little contradiction here: choosing to allocate money into environmental CSR practices indicates that the subjects want to act as an ethical business. As seen in the literature review, an ethical company would behave in a trustworthy manner in circumstances where a self-interested individual would not. So in this case probably the subjects aren't acting fully as an ethical business. Nevertheless, it must be said that the aforementioned self-enhancement implication holds true only for some specific subjects; so in general, one can only say that, in the case of low profits and low social performance feedback, self-enhancement theory partially holds true. It must also be said that when looking just at the social answers and how they play out among the different situations, it can be clearly seen that when the subjects face the circumstance of low profit and low social, the average number of answers is higher compared to the other situations. Additionally, Dunn's post-hoc test also showed how the difference in means is verified only for the case of when comparing low profit and low social with low profit and low profit and low environmental, indicating that it is because of the situation of low profit and low social that the subjects tend to chose more social answers over the others.

So the results, in this case, are quite conflicting, suggesting that some subjects might enter a problem-solving mode, while others might enter a self-enhancing one. Consequently, it is then meaningful to wonder why does self-enhancement theory partially occurs only when subjects are facing the situation of low profit and low social because as stated previously, the subjects facing the scenarios of low profit and low profit and low environmental do not exhibit any kind of self-enhancement motives. Recalling that in the case of low profits and low social, some subjects behave in a self-enhancing manner by shifting their focus on the environmental aspect of CSR, it is then reasonable to question environmental answers in general, throughout the three different scenarios, and see if somehow they differ from the other two types of answers. Going back to the analysis of the single types of answers for the three situations, by looking at the average number of answers of the environmental type, one could see that the means are high in all three circumstances: 1,722 for low profit, 1,657 for low profit and low social, and 2,221 for low profit and low environmental. The standard deviations are fairly low across all three conditions. At the same time, social answers have overall lower means: 0,872 for low profit, 1,710 for low profit and low social, and 1,259 for low profit and low environmental. The standard deviations here are quite high. Finally, profit answers show overall the lowest means, apart from the low profit (1,555): 0,657 for low profit and low social and 0,259 for low profit and low environmental. Moreover, it must be said that in the low profit and low social scenario, there is no significant difference in the mean between social and environmental answers. Meaning that the subjects generally chose to invest in environmental practices, as much as in the social ones. Therefore, it can be seen that in general, environmental answers are the most chosen ones across all three different situations. This can also be seen in the general descriptive statistics, where the overall sum of the environmental answers across all scenarios is much higher than social and profit ones: 667 total environmental answers compared to 418 for social and 357 for profit. This result gives an insight into the fact that in the case of low profits and low social, some subjects tend to self-enhance and invest money in environmental activities rather than in social ones, where they are performing poorly. This might come from this overall general inclination to prefer to allocate the money, and thus increase search and risk, in the environmental CSR practices.

Overall, the results build on existing evidence of performance feedback theory, confirming that when decision-makers are confronted with a situation where they perform badly under certain goals, they enter into a problem-solving mode and increase search, risk, and innovation in those practices where they are performing badly. This happens in the case of low profit and low environmental, where the subjects allocate their money into mostly environmental practices, as well as in the low profit and low social where they invest in social practices, and in low profit where they spend the money on profit answers as well. Nonetheless, the results of the profit answers across all the three different scenarios bring new insight into performance feedback theory: in all the three circumstances the subjects are performing poorly under profit goals, however, the means of profit answers across the three situations are fairly low, indicating that CSR environmental and social practices are preferred to profit ones; suggesting that CSR is seen as a strategical and ethical approach at the same time. This trend is also seen in the case of low profit and low environmental, where subjects tend to give greater importance to social answers over the profit ones, even though they are facing a situation of low profit. Nevertheless, in the case of low profit and low social, for some subjects, it can be seen that self-enhancement theory does apply, where some decision-makers might prefer to invest in the environmental aspect for which they are not performing poorly. This comes from the new insight that the results bring: environmental answers tend to be preferred as to social and profit ones across all three different scenarios.

The generalizability of the results concerning the social aspect of CSR is limited by the high variance that social answers display, meaning that the data is not very condensed around the mean. Nevertheless, this is not a problem for the implications that come out of the Kruskal-Wallis and Dunn's test, since they take it into consideration. Another limitation of the study might be the fact that since the experiment is merely a survey, the subjects might not feel too much pressure on their self-image, thus not caring too much about how the choice of the answers might have some impacts on their self-image. Anyway, it is believed that the subjects answered in a reasonable manner and that they follow perfectly the instructions of the survey. Another factor that limits the generalization of the implications of the results is the fairly low number of observations in the situation of low profit and low social (only 76 subjects answered the survey). This comes from the fact that after answering for the situation of low profits, the subjects were randomly split into the other two scenarios. More data means more accuracy, so maybe with more data, the results would be clearer. In spite of that, the number of observations is believed to be large enough in order to make some implications. Lastly, a partial limitation comes from the nature of the tests that were done in the analysis of the data; a Kruskal-Wallis test is a non-parametric test, which is less powerful than a parametric one. In fact, nonparametric tests are less powerful because they use less information in their calculation. For example, a parametric correlation uses information about the mean and deviation from the mean, while a nonparametric correlation will use only the ordinal position of pairs of scores. The decreased power of a non-parametric test can be said to come as a cost for the fewer assumptions that they require. This limitation is considered to be only partial as, even though it is less powerful than an ANOVA, a Kruskal-Wallis test is still considered to be a robust test. One more limitation of the study comes from the fact that the survey doesn't address in any way where the self-enhancement might come from. That is to say, it would be nice to see the levels of factors that can contribute to self-enhancement such as the belief that ability is fixed, narcissism, accountability, and task complexity. Nonetheless, having stated the limitations of the study, by looking at how they impact the overall study, one could say that the results and implications are still valid for the purpose of the research. Based on the discussions of the results, it is clear that some further research is needed to establish how much do the subjects prefer environmental CSR practices over social CSR and profit ones. There might be some deeper motivations as to why this occurs, and the nature of the survey doesn't really allow to understand why.

Conclusions

This research aimed to identify the relationship between performance feedback from environmental CSR, performance feedback from social CSR, and performance feedback from profits. Based on a quantitative analysis of the results of the HomeRent experiment, it can be conducted that when facing situation of performance below aspiration levels in performance goals such as environmental CSR, social CSR, and profit; decision-makers generally tend to switch to a problem solving mode, increasing the search, risk, and innovation. These results confirm that the ideas of Greve (b.o.g.) apply also when CSR is introduced as a performance goal and metric, stating that in response to a low level of performance feedback in CSR goals, decision-makers enter a problem-solving mode and innovate the product that they offer. This happens mostly over social and environmental CSR, which can be seen not only as ethical business practices but also as a strategic approach, because of all the extra benefits that a

CSR strategy can bring to a business. By analyzing the answers of the subjects of the experiment this thesis has shown the impacts of Corporate Social Responsibility in performance feedback theory. Self-enhancement theory doesn't seem to apply in the experiment, apart for some subjects that under a situation of poor performance below aspiration levels in social CSR and profits, where they appear to prefer increasing search, risk, and innovation for environmental CSR, where they are performing well, rather than social CSR. This refers back to the literature review, confirming that this situation can happen also when the goals are of CSR nature, precisely to the propositions made by Jordan et Audia (2012), where decision-makers whose performance is below the aspiration level are more likely to adjust the priority of performance objectives by assigning greater significance to those that demonstrate good performance, which makes performance appear more favorable and, as a result, decreases the degree of search, change, innovation, and risk-taking triggered by low performance. The study also brought out a new insight that will need further research in order to be confirmed. This new insight is the role of environmental CSR in the experiment because from the results it seems like it is the most chosen type of investment among the participants. further research should also be done in order to understand if factors that can contribute to self-enhancement such as the belief that ability is fixed, narcissism, accountability, and task complexity can also play a role in CSR applied to performance feedback theory. Going back to the research question, which was to understand the relationship between performance feedback from social CSR, environmental CSR, and profits, thanks to the resullts of the study, it can be said that social and environmental CSR tend to be preferred over profits by the decision-makers when they are underperforming for these specific goals, because of the strategical nature that a CSR strategy can also have.

Appendix

ENVIRONMENTAL ANSWERS

Low P		*Low P Low S*		*Low p Low E*	
Mean	1,722222222	Mean	1,657895	Mean	2,221154
Standard Error	0,033477858	Standard Error	0,054781	Standard Error	0,081935
Median	2	Median	2	Median	2
Mode	2	Mode	2	Mode	3
Standard Deviation	0,449152592	Standard Deviation	0,477567	Standard Deviation	0,835577
Sample Variance	0,201738051	Sample Variance	0,22807	Sample Variance	0,698189
Kurtosis	-1,010075736	Kurtosis	-1,58112	Kurtosis	-1,43208
Skewness	-1,000635887	Skewness	-0,67912	Skewness	-0,4384
Range	1	Range	1	Range	2
Minimum	1	Minimum	1	Minimum	1
Maximum	2	Maximum	2	Maximum	3
Sum	310	Sum	126	Sum	231
Count	180	Count	76	Count	104
Largest(1)	2	Largest(1)	2	Largest(1)	3
Smallest(1)	1	Smallest(1)	1	Smallest(1)	1
Confidence Level(95,0%)	0,066062038	Confidence Level(95,0%)	0,109129	Confidence Level(95,0%)	0,162499

DUNN's TEST			alpha	0,05	0,016667
group	*R-sum*	*size*	*R-mean*	*z-crit*	
Low P	29510	180	163,9444		
Low P Low S	11702	76	153,9737		
Low p Low E	23768	104	228,5385		
		360		1,959964	

D TEST

group 1	*group 2*	*R-mean*	*std err*	*z-stat*	*R-crit*	*p-value*
Low P	Low P Low S	9,97076	12,60355	0,791107	24,7025	0,428881
Low P	Low p Low E	64,59402	11,34807	5,692069	22,24182	1,26E-08
Low P Low S	Low p Low E	74,56478	13,90365	5,362966	27,25064	8,19E-08

Kruskal-Wallis Test

	Low P	Low P Low S	Low p Low E	
median	2	2	2	
rank sum	29510	11702	23768	
count	180	76	104	360
r^2/n	4838000,556	1801800,053	5431902	12071702,76
H-stat				31,65399465
H-ties				40,38547294
df				2
p-value				1,69983E-09
alpha				0,05
sig				yes

SOCIAL ANSWERS

Kruskal-Wallis Test

	Low P	Low P Low S	Low p Low E	
median	1	2	1	
rank sum	28758,5	17189	19032,5	
count	180	76	104	360
r^2/n	4594730	3887654	3483039	11965423
H-stat				21,84052
H-ties				23,73069
df				2
p-value				7,03E-06
alpha				0,05
sig				yes

DUNN's TEST			alpha	0,05	0,016667
group	*R-sum*	*size*	*R-mean*	*z-crit*	
Low P	28758,5	180	159,7694		
Low P Low S	17189	76	226,1711		
Low p Low E	19032,5	104	183,0048		
		360		1,959964	

D TEST

group 1	*group 2*	*R-mean*	*std err*	*z-stat*	*R-crit*	*p-value*
Low P	Low P Low S	66,40161	13,65738	4,861958	26,76797	1,16E-06
Low P	Low p Low E	23,23536	12,29693	1,889525	24,10154	0,058821
Low P Low S	Low p Low E	43,16624	15,06618	2,865108	29,52918	0,004169

Low P		*Low P Low S*		*Low p Low E*	
Mean	0,872222	Mean	1,710526	Mean	1,259615
Standard Error	0,047944	Standard Error	0,14243	Standard Error	0,128903
Median	1	Median	2	Median	1
Mode	1	Mode	2	Mode	0
Standard Deviation	0,643233	Standard Deviation	1,241674	Standard Deviation	1,314558
Sample Variance	0,413749	Sample Variance	1,541754	Sample Variance	1,728062
Kurtosis	-0,59946	Kurtosis	-1,43744	Kurtosis	-1,75871
Skewness	0,122388	Skewness	-0,45594	Skewness	0,21158
Range	2	Range	3	Range	3
Minimum	0	Minimum	0	Minimum	0
Maximum	2	Maximum	3	Maximum	3
Sum	157	Sum	130	Sum	131
Count	180	Count	76	Count	104
Largest(1)	2	Largest(1)	3	Largest(1)	3
Smallest(1)	0	Smallest(1)	0	Smallest(1)	0
Confidence Level(95,0%)	0,094608	Confidence Level(95,0%)	0,283735	Confidence Level(95,0%)	0,255649

PROFIT ANSWERS

Kruskal-Wallis Test

	Low P	Low P Low S	Low p Low E	
median	1	1	0	
rank sum	44647,5	11077	9255,5	
count	180	76	104	360
r^2/n	11074440,3	1614473	823695	13512608
H-stat				164,7016
H-ties				195,0612
df				2
p-value				4,4E-43
alpha				0,05
sig				yes

DUNN's TEST			alpha	0,05	0,016667
group	*R-sum*	*size*	*R-mean*	*z-crit*	
Low P	44647,5	180	248,0417		
Low P Low S	11077	76	145,75		
Low p Low E	9255,5	104	88,99519		
		360		1,959964	

D TEST

group 1	*group 2*	*R-mean*	*std err*	*z-stat*	*R-crit*	*p-value*
Low P	Low P Low S	102,2917	13,08141	7,819621	25,63909	5,32907E-15
Low P	Low p Low E	159,0465	11,77833	13,50331	23,08511	0
Low P Low S	Low p Low E	56,75481	14,4308	3,932894	28,28385	8,39293E-05

Low P		*Low P Low S*		*Low p Low E*	
Mean	1,55556	Mean	0,658	Mean	0,2596
Standard Error	0,05414	Standard Error	0,055	Standard Error	0,0432
Median	1	Median	1	Median	0
Mode	1	Mode	1	Mode	0
Standard Deviation	0,72638	Standard Deviation	0,478	Standard Deviation	0,4405
Sample Variance	0,52762	Sample Variance	0,228	Sample Variance	0,1941
Kurtosis	-0,54449	Kurtosis	-1,58	Kurtosis	-0,777
Skewness	0,90991	Skewness	-0,68	Skewness	1,1127
Range	2	Range	1	Range	1
Minimum	1	Minimum	0	Minimum	0
Maximum	3	Maximum	1	Maximum	1
Sum	280	Sum	50	Sum	27

Count	180	Count	76	Count	104
Largest(1)	3	Largest(1)	1	Largest(1)	1
Smallest(1)	1	Smallest(1)	0	Smallest(1)	0
Confidence Level(95,0%)	0,10684	Confidence Level(95,0%)	0,109	Confidence Level(95,0%)	0,0857

LOW PROFIT

Environmental		*Social*		*Profit*	
Mean	1,722222	Mean	0,872222	Mean	1,555556
Standard Error	0,033478	Standard Error	0,047944	Standard Error	0,054141
Median	2	Median	1	Median	1
Mode	2	Mode	1	Mode	1
Standard Deviation	0,449153	Standard Deviation	0,643233	Standard Deviation	0,726376
Sample Variance	0,201738	Sample Variance	0,413749	Sample Variance	0,527623
Kurtosis	-1,01008	Kurtosis	-0,59946	Kurtosis	-0,54449
Skewness	-1,00064	Skewness	0,122388	Skewness	0,909912
Range	1	Range	2	Range	2
Minimum	1	Minimum	0	Minimum	1
Maximum	2	Maximum	2	Maximum	3
Sum	310	Sum	157	Sum	280
Count	180	Count	180	Count	180
Largest(1)	2	Largest(1)	2	Largest(1)	3
Smallest(1)	1	Smallest(1)	0	Smallest(1)	1
Confidence Level(95,0%)	0,066062	Confidence Level(95,0%)	0,094608	Confidence Level(95,0%)	0,106837

Kruskal-Wallis Test

	Environmental	Social	Profit	
median	2	1	1	
rank sum	62535	30887,5	52647,5	
count	180	180	180	540
r^2/n	21725701	5300209	15398663	42424573
H-stat				119,6401
H-ties				143,5019
df				2
p-value				6,9E-32
alpha				0,05
sig				yes

DUNN's TEST			alpha	0,05	0,016667
group	*R-sum*	*size*	*R-mean*	*z-crit*	
Environmental	62535	180	347,4167		
Social	30887,5	180	171,5972		
Profit	52647,5	180	292,4861		
		540		1,959964	

D TEST

group 1	*group 2*	*R-mean*	*std err*	*z-stat*	*R-crit*	*p-value*
Environmental	Social	175,8194	15,01735	11,70776	29,43346	0
Environmental	Profit	54,93056	15,01735	3,657807	29,43346	0,000254
Social	Profit	120,8889	15,01735	8,04995	29,43346	8,88E-16

LOW PROFIT LOW SOCIAL

Environmental		*Social*		*Profit*	
Mean	1,65789	Mean	1,71053	Mean	0,65789
Standard Error	0,05478	Standard Error	0,14243	Standard Error	0,05478
Median	2	Median	2	Median	1
Mode	2	Mode	2	Mode	1
Standard Deviation	0,47757	Standard Deviation	1,24167	Standard Deviation	0,47757
Sample Variance	0,22807	Sample Variance	1,54175	Sample Variance	0,22807
Kurtosis	-1,5811	Kurtosis	-1,4374	Kurtosis	-1,5811
Skewness	-0,6791	Skewness	-0,4559	Skewness	-0,6791
Range	1	Range	3	Range	1
Minimum	1	Minimum	0	Minimum	0
Maximum	2	Maximum	3	Maximum	1
Sum	126	Sum	130	Sum	50
Count	76	Count	76	Count	76
Largest(1)	2	Largest(1)	3	Largest(1)	1
Smallest(1)	1	Smallest(1)	0	Smallest(1)	0
Confidence Level(95,0%)	0,10913	Confidence Level(95,0%)	0,28373	Confidence Level(95,0%)	0,10913

Kruskal-Wallis Test

	Environmental	Social	Profit	
median	2	2	1	
rank sum	10526	10492	5088	
count	76	76	76	228
r^2/n	1457851	1448448	340628	3246927
H-stat				59,2485
H-ties				64,8294
df				2
p-value				8,4E-15
alpha				0,05

sig				yes

DUNN's TEST			alpha	0,05	0,01667
group	*R-sum*	*size*	*R-mean*	*z-crit*	
Environmental	10526	76	138,5		
Social	10492	76	138,053		
Profit	5088	76	66,9474		
		228		1,95996	

D TEST

group 1	*group 2*	*R-mean*	*std err*	*z-stat*	*R-crit*	*p-value*
Environmental	Social	0,44737	10,2295	0,04373	20,0495	0,96512
Environmental	Profit	71,5526	10,2295	6,99472	20,0495	2,7E-12
Social	Profit	71,1053	10,2295	6,95098	20,0495	3,6E-12

LOW PROFIT LOW ENVIRONMENTAL

environmental		*social*		*profit*	
Mean	2,2212	Mean	1,2596	Mean	0,2596
Standard Error	0,0819	Standard Error	0,1289	Standard Error	0,0432
Median	2	Median	1	Median	0
Mode	3	Mode	0	Mode	0
Standard Deviation	0,8356	Standard Deviation	1,3146	Standard Deviation	0,4405
Sample Variance	0,6982	Sample Variance	1,7281	Sample Variance	0,1941
Kurtosis	-1,432	Kurtosis	-1,759	Kurtosis	-0,777
Skewness	-0,438	Skewness	0,2116	Skewness	1,1127
Range	2	Range	3	Range	1
Minimum	1	Minimum	0	Minimum	0
Maximum	3	Maximum	3	Maximum	1
Sum	231	Sum	131	Sum	27
Count	104	Count	104	Count	104
Largest(1)	3	Largest(1)	3	Largest(1)	1
Smallest(1)	1	Smallest(1)	0	Smallest(1)	0
Confidence Level(95,0%)	0,1625	Confidence Level(95,0%)	0,2556	Confidence Level(95,0%)	0,0857

Kruskal-Wallis Test

	environmental	social	profit	
median	2	1	0	
rank sum	23582	16016	9230,5	
count	104	104	104	312

r^2/n	5E+06	2E+06	819251	9E+06
H-stat				121,8
H-ties				134,66
df				2
p-value				6E-30
alpha				0,05
sig				yes

DUNN's TEST alpha 0,05 0,0167

group	*R-sum*	*size*	*R-mean*	*z-crit*
environmental	23582	104	226,75	
social	16016	104	154	
profit	9230,5	104	88,755	
		312		1,96

D TEST

group 1	*group 2*	*R-mean*	*std err*	*z-stat*	*R-crit*	*p-value*
environmental	social	72,755	11,898	6,1151	23,319	1E-09
environmental	profit	138	11,898	11,599	23,319	0
social	profit	65,24	11,898	5,4835	23,319	4E-08

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