



PRACTICES AND DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY IN SELECTED PRIVATE INVESTMENT PROJECTS: THE CASE OF EAST SHOWA ZONE

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ABSTRACT

Corporate Social Responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. This study was aimed at studying the existence and practices and determinants of Corporate Social Responsibility in East Showa Zone Investment Projects as case study corresponding to the determinants namely labor pressure, consumer demands, community enforcement, sustainability and profitability, social license and nature of the firm. It is relevant to labors, customers, and industries, especially for private investors to implement CSR concepts and to get benefit from it. In order to achieve the intended objective of the research, descriptive research design was used. To achieve this objective primary and secondary data were collected by using structured interview and self-managed questionnaire. From the total of 84 respondents 73 respondents were valid and usable. The collected data were analyzed and presented in the form of tables using SPSS version 20 Software. Descriptive statistic and inferential statistic were used. To analyze the collected data both qualitative and quantitative data analysis techniques were used. In order to select the respondents from target group non-probability sampling technique; specifically purposive sampling was used. The results showed that factors that are determined practices of CSR in East Showa Zone Investment Projects in the top list rank are Sustainability, Self-certification, Production activities, Leadership, Ethics, Shareholder activism, Consumers and Profitability are the most significant factors. Thus, the probability of existent of Corporate Social Responsibility factors leads to practices CSR and the final result showed that local communities of East Showa Zone are benefited socially, environmentally and economically from CSR of Investment Projects. Based on the findings, policy and future research implication were forwarded.

Keywords: Corporation, corporate social responsibility, investment project, human rights, transparency, anti-corruption.

Introduction

Background of the Study

By any count, the world is changing faster than ever before. Human numbers are growing faster, and the impact of our activities is being felt in more and more ways. This change has profound implications for business, and means that the world of corporate social responsibility (CSR) is at the forefront of this change. So it's worth looking for what are the current trends and where are they heading (Mallen B., 2012).

Attitudes to business and its relationship with society are changed and shaped by outside events. These can be demonstrations of social problems that substantially change the environment within which companies do business, which are partially or wholly caused by business activities. These can be as diverse as extreme climate events raising the profile and public concern about climate change, right through to a run of incidences of corporate corruption. Businesses are calling upon to change behaviors or solve problems because of something external to them (Curran M. (2005).

All organizations governmental or non-governmental, non-profit or for profit, should do business in a way that maximize positive effects and to minimize negative effects of their business activity. This is the concept of corporate social responsibility (CSR). European Commission (2012) describes CSR as close relationships between companies and societies to tackle social and environmental concerns. They define CSR as:

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

Private investment as part of private sector is also considered as a crucial pre-requisite for economic growth as it allows entrepreneurs to set economic activity by bringing resources together to produce goods and services. Rapid and sustained growth is facilitated by a virtuous circle whereby entrepreneurship and investment lead to higher productivity, making it possible to invest larger sums in the future. Consequently, jobs are created and new technologies are introduced, especially through international trades and investment linkages. It also have an important role in making the growth process more socially and geographically inclusive, which expands the opportunities for poor people to participate in and benefit from growth (Ayele Belete, 2011).

On the other hand private investment projects are complained by their own employees, residents near the project and even by some governmental bodies because of failure to carry out their responsibly. The negative effect of those private investment projects of East Showa Zone failing to exercise their corporate social responsibility was evidenced by burning of 22 projects which later results for the state of emergency in the country (East Showa Zone Investment 2016).

This study was conducted with the rationale to explore the practices and factors affecting CSR in East Showa Zone private investment projects. In East Showa Zone there is a gap of research work in CSR concept and practices. Some Scholars studied issues that are related to CSR but most of them are restricted to large corporations. For example, Rajasekhara Mouly Potluri and Zelalem Temeseg studied the attitude of Ethiopian corporate towards CSR (2008 Social Responsibility Journal 4: 446-56 and The nature of CSR in Ethiopian business context by Tewelde Mezgebo [2013]. Asfaw Tilahun studied the effect of CSR on customer's loyalty: In case of Dashen brewery factory in Gondar city, Ethiopia [2014]. However, the expansion of private investment projects are the reason and this was conducted in different way of investigate CSR practice and challenges in the case of private investment projects in East Showa Zone Administration.

Statement of the problem

Investment projects could have certain problems in the processes of being socially responsible business sector. Because the steps in producing their final output /product/ from beginning to the end is a long process that leaves its effects on individuals and communities worldwide.

Although the investment project and its associated sectors contribute significantly to the Ethiopian economy the waste which is discharging from investment projects pollutes the air, soil, and water, causing serious health problems. Exposure to such contaminated environmental setting has been seen to culminate in a multiple array of disease processes such as asthma, dermatitis, hepatic and neurological disorders, and various malignancies. These problems are inherent in every investment project especially bigger and whose branch sectors are manufacturing and agriculture investment projects. Thus, these manufacturing and agriculture investment projects take labor rights, marketplace policies, the welfare of the community and the physical environment into consideration. The research tried to analyze the extent to which the above mentioned problems exist in the selected manufacturing and agriculture investment projects to fill the above gaps.

2. OBJECTIVES OF THE STUDY

The general objective of this study was to assess practice and factors affecting Corporate Social Responsibility of selected East Showa Zone Investment projects. The study had the following specific objectives:

1. To identify CSR practices in East Showa Zone Investment projects
2. Assess the determinants which affect CSR practice in East Showa Zone Investment projects
3. To assess the benefits of investment projects Corporate Social Responsibility to local communities in the East Showa Zone

Research Design and Methodology

Research Design

A cross sectional survey method was employed to collect important information from employees of investment projects, local peoples and individual investors who have been doing business in the study area. The survey method was based on sample as it is difficult to cover all the whole study population. Therefore, the study involved descriptive research that employs survey method where this type of research is used to collect data that describes the existing events and then organize, tabulates, depicts and describes the data collected.

Types and Sources of Data

Primary data that includes quantitative and qualitative information were collected from investors, investment experts and administrators, stakeholders such as: Environment, Forest and Climate Change Authority, Investment Office, Workers and Social Affairs Office and local community. To achieve this goal questionnaire (both closed and open ended) were prepared and distributed to employees of investment projects, local residents, and managers of the firm to collect information about the firm. Qualitative information was collected from government offices using appropriate interview questions to collect qualitative information too. In addition to this, qualitative data of significant volume have been collected from experts, local community, stakeholders and administrators of investment projects through interview. To coordinate interview sessions, structured interview questions were prepared and utilized.

Secondary data were collected from government reports and other data related to CSR in the country, at regional level and at the study area and were mainly collected from Oromia Investment Commission and East Showa Zone Investment Office and others.

Target Population and Sampling Techniques

Both probability and non-probability sampling techniques were employed. Probability sampling techniques was used to select respondents from all investor who invested in the study area. From the total of 26 projects, a sample size of 30% was taken as reliable and representative sample size. Different sources indicate that drawing appropriate sample size depends on the number of factors other than predetermined fixed rules. According to Jos F.Calderon, Ed.D (1993), determining an appropriate sample size depends on factors such as availability of time, cost, human resources and the nature of homogeneity and heterogeneity of the population from which sample is drawn. However, in most cases 10% or more is taken as an appropriate sample size to draw reliable and representative sample. Therefore, 30 % from total population of 26 investment projects having a total of 416 employees i.e. 8 projects and 125 respondents were taken and justified as adequate and representative sample as the population from which the sample drawn are homogeneous within their category.

In order to draw this sample size, stratified sampling method was used followed by simple random sampling technique. To employ stratified sampling technique first the private investors were arranged in their sectors, strata's. Accordingly, 8 projects, 125 respondents from 416 staff from different sectors of activity were selected. Simple random sampling technique was employed to select sample from projects categorized under Agriculture and Manufacturing Sector.

A total of 125 questionnaires was distributed to the sample respondents from which 84 questionnaires were returned and out of these returned questionnaires 73(87%) were appropriately filled while 11(13%) questionnaires were found to be incomplete and discarded. The numbers of questionnaires filled and returned were considered to be sufficient to make analysis and recommendations.

Data Gathering Tools

As indicated above questionnaires were used to collect information from investment projects that were selected based on the method stated above. However, structured interview guide questions prepared and used in gathering qualitative information from participants.

Conducting Interview

Purposive sampling techniques were employed to select interview of participants from East Showa Zone Environment, Forest and Climate Change Authority and managers of investment projects believed to have relevant information in the area of study. Interview session was conducted with 5 individuals including heads and experts of investment office found at zonal level.

Method of Data Analysis

Data collected through the above instrument were analyzed both quantitatively and qualitatively. The quantitative data mainly obtained through questionnaire and from secondary source were analyzed and organized by using the Statistical Package for Social Science (SPSS) version 20 software. Using this software tabulation and calculation of frequency, mean, standard deviation, percentages, were utilized. Qualitative data collected through interview session and additional suggestion given by respondent were used along with quantitative data after proper identification of thematic area is done mainly for triangulation purposes.

Analysis and Interpretation of the Data

Descriptive Statistics Results Related to CSR Practices

In this section, CSR practices in terms of treatment of labor, consumer protection, welfare of the community, protection of the environment, human rights, and fighting corruption and transparency are described using various statistical tools. Regarding the descriptive interpretations for variables or dimensions used on Likert scale; the measurement was used on the basis of the survey; 5 = Strongly agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1 = Strongly disagree. The mean level of agreement between the group or of the group is

categorized on the scale; SA = Strongly Agree (4.51 or greater); A = Agree (3.51 – 4.50); N =Neutral (2.51 – 3.50); D = Disagree (1.51 – 2.50); and, SD = Strongly Disagree (1.49 or less). And, to make more comfortable for analysis three base scale is used, Agree (3.51 and above), Neutral (2.51 to 3.50), and Disagree (less than 2.50) (Dane B. 2007).

CSR in Terms of Labor Handling

CSR practice can be described in terms of labor treatment in a specific dimension. In other words labor dimension of CSR can be described in terms of development of skills and long-term careers, freedom of association of workers, health and safety of employees, good work life and corrective action for faults. These variables and their numerical description are listed in table 4.1.

Table 4.1 CSR in terms of labor treatment at East Showa Zone Investment Projects

Degree of agreement	Skills and long-term careers		Freedom of association		Health and safety		Good work life		Corrective action	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
SD	5	6.8	5	6.8	5	6.8	0	0	6	8.2
D	18	24.7	4	5.5	14	19.2	16	21.9	18	24.7
N	0	0.0	13	17.8	0	0.0	23	31.5	8	11.0
A	46	63.0	30	41.1	46	63.0	29	39.7	31	42.5
SA	4	5.5	21	28.8	8	11.0	5	6.8	10	13.7
Total	73	100	73	100	73	100	73	100	73	100

Source: Survey Data

As one can observe from table 4.1, the majority of the respondents (68.5%) agree and 31.5% of them disagree with the statement “the firm tries to develop skills and long-term careers of employees’ and no one is indifferent in this regard. With respect to freedom of association, about 70% of respondents agree, 12% of them disagree while 18% were neutral. In terms of health and safety of workers, most of the employees which is 74% agree, 26% disagree and no neutral. In another dimension of labor treatment which is good work life, 46.5% of the respondents agree, about 22% disagree and the rest 31.5% indifferent. In this part of labor treatment relatively huge number of respondent are neutral. Similarly, out of the total number of respondent approximately 56% are agree about the existence of corrective action against faults, about 33% of them disagree while 11% are neutral. Therefore, on the subject of labor handling, the descriptions show that investment projects are practicing CSR. The interview results also showed the same. Similarly the observation ensured the private investment projects CSR practices through cafeteria and clinic services.

Generally from the above table one can notice that related to labor standard of CSR practice, investment projects performed well. The data collected through interviews also supported this conclusion.

CSR in Terms of Consumer Protection

A customer is not only a king for a firm, but also a boss for the firm. Because, survival of a firm is directly related to customers. If this is the case, the firm should protect the needs, interests, health of customers. For the case of this discussion, customer protection described in four terms or variables such as quality product, fulfilling the required standard, customer feedback and product information.

Table 4.2. CSR in terms of Consumer protection at East Showa Zone Investment Projects

Degree of agreement	Quality product		Required standard		Customer Feedback		Product information	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
SD	0	0.0	4	5.5	6	8.2	0	0
D	0	0.0	5	6.8	2	2.7	10	13.7
N	2	2.7	9	12.3	22	30.1	8	11.0
A	42	57.5	9	12.3	34	46.6	28	38.4
SA	29	39.7	46	63.0	9	12.3	27	37.0
Total	73	100	73	100	73	100	73	100

Source: Survey Data

Table 4.2 shows that 97% of respondents surprisingly agree on the quality of investment project products, only 3% of them are indifferent and no disagreement in this specific expression of consumer protection as well as CSR practice. As regards required standard of the product supplied by investment projects, the majority (75%) of respondents agree though 12% of them disagree and 12% neutral. On the topic of customer feedback, about 59% of respondents agree, only 11% of them disagree despite about 30% of them indifferent. Likewise, the majority (75.4%) of the respondents agree, (14%) disagree while (11%) indifferent related to product information. Thus, one can decide that East Showa Zone Investment Projects' practices of CSR is in the standard of consumer protection entirely. The interview conducted for the study also showed the same.

Generally East Showa Zone Investment Projects are undertaking CSR practices in customer treatment dimension in accordance to the responses of employees.

CSR in Terms of Community Welfare

Community welfare dimension of CSR described in four variables namely community service, local purchase, and dialogue with the community and supplying beneficial products for the society. Based on the responses gathered from employees of East Showa Zone investment projects levels of agreement of respondents were described in table 4.3. As one can be seen in the table 4.3, about 40% of employees accepted that the firm provides services for the community even though 48% of them did not agree. While about 12% of them were indifferent regarding the services.

Table 4.3. CSR in terms of Community welfare at East Showa Zone Investment Projects.

Degree of agreement	Community Services		Local Purchase		Dialogue with the community		Beneficial products for the society	
	Count	%	Count	%	Count	%	Count	%
SD	7	9.6	1	1.4	2	2.7	5	6.8
D	28	38.4	14	19.2	23	31.5	5	6.8
N	9	12.3	30	41.1	10	13.7	24	32.9
A	20	27.4	20	27.4	29	39.7	21	28.8
SA	9	12.3	8	11.0	9	12.3	18	24.7
Total	73	100	73	100	73	100	73	100

Source: Survey Data

In relation to local purchase, however, relatively large numbers of the respondents (41.1%) were indifferent, 38.4% and 20.6% among them agree and disagree respectively. This is true, as the interview conducted shows, because most investment projects purchase materials from business sector. The levels of agreement on dialogue with community were 52% agree, 34.2% disagree and 13.7 neutral. The table also shows that out of the total respondents 53.5% of employees agree, 13.6% disagree and 32.9% indifferent on the issue that the company provides beneficial products for the society.

On the basis of these descriptions, East Showa Zone Investment Projects are somehow practicing CSR in the area of community welfare, though the majority of the respondents approved that investment projects do not provide services to the society. Generally, the responses of respondents of employees of East Showa Zone Investment Projects show that investment firms were not as such active in social service activities or in general community welfare.

CSR in Terms of Environmental Protection

The most critical dimension of CSR, especially for private investment projects are protection of the environment. Because, it relates to the community, workers, animals as well as the physical environment such as water bodies, soil, plants and so on. On the subject of CSR in investment projects, environmental protection as described in terms of:

1. Comply with environmental laws, rules and regulation
2. Waste reduction and pollution minimization
3. Protection of natural environment
4. Creating environmental awareness

Numerical descriptions of this standard are presented in table 4.4 and the interpretations of the numerical figures are stated here under.

Table 4.4.CSR in terms of Environmental protection at East Showa Zone Investment Projects

Degree of agreement	Comply with environmental laws, rules and regulations		Waste reduction and pollution minimization		Protection of natural environment		Environmental awareness	
	Count	%	Count	%	Count	%	Count	%
SD	1	1.4	1	1.4	5	6.8	4	5.5
D	7	9.6	7	9.6	5	6.8	9	12.3
N	5	6.8	5	6.8	18	24.7	5	6.8
A	39	53.4	30	41.1	36	49.3	46	63.0
SA	21	28.8	30	41.1	9	12.3	9	12.3
Total	73	100.0	73	100.0	73	100.0	73	100

Source: Survey Data

Table 4.4 shows that 82.2% of the respondents agree on the statement the organization complies with environmental laws, rules and regulations, only 11% of them disagree and approximately 7% were indifferent. Regarding waste reduction and pollution minimization, the majority (82.2%) of the respondents responded positively, 11% among them reflected their negative attitude, and 6.8% of them were indifferent. Related to protection of the natural environment, 61.6% of respondents agree, 13.6% disagree and 24.7 of the neutral. Similarly, as regards environmental awareness, most (75.3%) of employees be in agreement, 17.8% disagree while 6.8% out of the respondents indifferent.

Generally, the descriptions show that East Showa Zone Investment Projects practices environmental protection activities, which are parts of environmentally friendly tricks. However, the observation made around East Showa Zone investment projects claims that waste avoiding canals and ponds are unlock and it has very bad odor or sniff. The liquid and dry wastes are also negligently discharged outside of investment projects compound which causes unaffordable effect on the health of people and animals.

CSR in Terms of Human Rights

CSR practices of investment projects can also be expressed in terms of whether the firm carries out human rights or not. For this section of the paper human rights articulated through promotion of human rights, investigation of how business activities affect it, comply of code of conduct with human rights and fighting discrimination.

From table 4.5, one can deduce the following facts. Of the total number of respondents, the majority (61.7%) agree, 16.5% disagree and 21.9% are neutral concerning promotion of human rights in their investment projects. On the statement 'the organization investigates how working activities affect human rights', 43.8% workers responded positively, 19.1% opposed it while 37% were indifferent. In the subject of code of conduct conform to human rights, most (67.1%) of the respondents agree, 21.9% disagree and 11% indifferent. On struggling against discrimination, approximately 49% responded optimistically, 15% pessimistically and about 36% neutral.

Table 4.5 CSR in terms of Human rights at East Showa Zone Investment Projects

Degree of agreement	Promotion of human rights		Investigation of how work affect human rights		Comply of code of conduct with human rights		Against discrimination	
	Count	%	Count	%	Count	%	Count	%
SD	4	5.5	5	6.8	5	6.8	5	6.8
D	8	11.0	9	12.3	11	15.1	6	8.2
N	16	21.9	27	37.0	8	11.0	26	35.6
A	37	50.7	26	35.6	36	49.3	31	42.5
SA	8	11.0	6	8.2	13	17.8	5	6.8
Total	73	100.0	73	100.0	73	100.0	73	100

Source: Survey Data

Generally, East Showa Zone investment projects participate in human rights although the levels of agreement were not that much satisfactory though the interview conducted indicates nothing.

CSR in Terms of Transparency and Anti-corruption

In response to the growing interest in corporate social responsibility, companies are trying to create ethical work force, ethical decision making, and other dimensions of CSR. Transparency and anti-corruption activities also included in this regard. Transparency, sense of accountability and preventing corruption are variables which were designed to describe transparency and anti-corruption in this section. These variables are numerically described below in table 4.6.

Table 4.6. CSR in terms of anti-corruption and transparency at East Showa Zone Investment Projects

Degree of agreement	Transparency in activities		Sense of accountability		Preventing corruption	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
SD	6	8.2	0	0.0	9	12.3
D	12	16.4	6	8.2	5	6.8
N	20	27.4	32	43.8	29	39.7
A	26	35.6	30	41.1	25	34.2
SA	9	12.3	5	6.8	5	6.8
Total	73	100.0	73	100.0	73	100.0

Source: Survey Data

As table 4.6 depicts, approximately 48% of respondents agree that investment projects are transparent in their activity, about 24% of them, however, reject it and around 27% out of the total respondents neither supported nor rejected the idea. With reference to sense of accountability, about 48% of employees responded positively, only 8% responded negatively and about 44% of them were indifferent. The table also shows, 41% of the respondents agree that the investment project tried to prevent corruption; about 21% of them did not agree with this while approximately 40% of them indifferent.

In conclusion, East Showa Zone Investment projects are nearly practicing CSR corresponding transparency and anti-corruption. But the levels of agreement do not

indicate that the project is practicing CSR in this dimension entirely or satisfactorily. For instance, on the subject of anti-corruption numbers of respondents who agree and indifferent are almost equal. This shows that the activity is lean or weak.

In terms of factors determining the practice of CSR at East Showa Zone Investment Projects

Table 4.7. Factors determining the practice of CSR at East Showa Zone Investment Projects

No.	Factor	YES		NO	
		Frequency	Percent	Frequency	Percent
1	Employee activism	53	73	20	27
2	Consumers	65	89	8	11
3	Community Enforcement	45	62	28	38
4	Sustainability	70	96	3	4
5	Profitability	64	88	9	12
6	Government	44	60	29	40
7	Media	50	68	23	32
8	International organizations	55	75	18	25
9	Self-certification	70	96	3	4
10	The size of the firm	45	62	28	38
11	Products of the firm	46	63	27	37
12	Production activities	70	96	3	4
13	Location of the firm	60	82	13	18
14	Leadership	70	96	3	4
15	Reputation	61	84	12	16
16	Ethics	68	93	5	7
17	Awareness	55	75	18	25
18	Shareholder activism	68	93	5	7

Source: Survey Data

The sustainability approach to CSR is based on the idea that the corporate entity should remain economically viable over the long run. The corporation must generate profits because survival requires it, but survival most forcefully does not require short-term profit maximization. In fact, a short-term time horizon may impede the corporation’s long-run sustainability because it can result in policies that sacrifice future earnings for current net income.

In the competitive environment companies should identify new markets for their existence. Not only are these trends increasing demand for socially-responsible, sustainable products, they are also creating whole new markets centered on them. Thus, firms design strategies and implementations of CSR practices in such a way at the firms’ profitability sustainability will be achieved.

In this regard, table 4.7. Shows that investment projects are determined to practice CSR by sustainability 96% and profitability 88% in order to achieve long term sustainability of their investment projects.

Social license includes recognitions of the firm from various angles such as buyers, media, government, international organizations, and self-certification etc. Social media has impact on CSR activities especially in the transformation of information stakeholders to create awareness. It is not the only thing giving individuals a louder voice; the traditional media is complicit too.

Many prominent news outlets (Aljazeera, BBC and CNN perhaps being the most famous example) have turned to the public-at-large to provide news reports and opinion. With regard to social license table 4.7 describes East Showa Zone Investment Projects are forced to practice CSR by Self-certification 96%, international organizations and awareness 75% each, media 68 % and government 60%.

The business case for CSR differs from firm to firm, depending on a number of factors. These include the firm's size, products, activities, location, leadership and reputation (as well as the reputation of the sector within which the firm operates). Another factor is the approach a firm takes to CSR, which can vary from being strategic and incremental on certain issues to becoming a mission-oriented CSR leader. The nature of the firms that affect practices of CSR at the study area as described in table 4.7 are production activities 96%, leadership 96%, reputation 84%, location of the firm 82%, products of the firm 63% and the size of the firm 62% were used.

Consumers demand primarily focuses on consumers pressure towards the companies policy of CSR generally, corresponding to marketplace polices particularly. Generally consumers of a particular company have impact on the business activities of that company. Many companies tried to resist this impact using different strategies including CSR. For some companies, corporate social responsibility is becoming a core component of their overall branding strategy. Given the positive impact that CSR can have on a firm's reputation, and the usefulness of CSR to bond with stakeholders on an emotional level, firms are increasingly turning to it as an alternative to traditional marketing activities. Table 4.7 also shows that consumers 89% affect East Showa Zone Investment Projects to practice CSR.

East Showa Zone Investment Projects are affected by ethics 93%, shareholder activism 93%, employee activism 73 % and community enforcement 62% to practice CSR.

The factors that determined the practices of CSR in East Showa Zone Investment Projects are Sustainability, Self-certification, Production activities, Leadership, Ethics, Shareholder activism, Consumers, Profitability, Reputation, Location of the firm, International organizations, Awareness, Employee activism, Media, Products of the firm, Community Enforcement, The size of the firm and government are summarized and ranked in order of importance.

Benefits Obtained from CSR of Private Investment Projects to Local Communities in East Showa Zone

Interview was conducted with East Showa Zone Investment Office Head and Staffs based on a set of open-ended questions in order to analyze benefit that local communities in East Showa Zone obtained from the implementation of CSR by Zonal Investment Projects.

The interview results from the interviewees are generally summarized. Before the explanation of the guiding interview questions the head office expressed the following about the overall activities of private investment projects located in the zone. According to the report, as of June 2017 East Showa Zone Investment Office manages 276 projects of which 50% manufacturing, 48% Agriculture and 2% Service. From the total projects of 276 only 40% are operational or at service delivering status and these operational projects created opportunity for a total of 9,705 jobs (East Showa Zone Investment Office, 2016). The interviewees expressed that there is good communication systems with the investment projects and the public private forum as Investment Office vision is to see East Showa Zone transformed towards industrial led economy and become one of middle income nations. Zonal Investment Office staffs additionally outline that the major objective of the office through developing potential resources in the zone, improving productivity, job creation, new technology expansion, gaining hard currency and participating in the zonal and regional development is to ensure that fast and sustainable growth of the society.

The result obtained from interviewees of East Showa Zone Investment Office Staff reported as follows.

1. From the social point of view local communities benefited
 - i. Schools were constructed
 - ii. Roads were constructed
 - iii. Two heavy container trucks were donated for two districts to protect people from drought season that happened as a country in 2017
 - iv. Hospitals and health service & justice office and government offices are constructed to local communities

According to the interview results employees are too much negligent in applying the firm code which is related with employee's safety, health and their right is another matter. Additionally field observations shows the result even though some employees raise the issue of long time work that further impact on their social communication.

2. From the environment point of view local communities benefited
 - i. Got access to water and electricity
 - ii. Rehabilitations of degraded land were re-use for old age women's as association
 - iii. Farmers co-operate as out growers and export their agricultural output to overseas market and get profit.
 - iv. Got priority to get job opportunity
3. From the economic point of view local communities benefited
 - i. Enhanced living standard of citizens through increasing of income, providing canteen service, job related training, giving education, health care, job creation and so on and on the other hand it is directly associated with an economic growth at the aggregate.
 - ii. Got market assess for their output (farmers)

Even though some complains were raised from respondents during field observation that investment projects doesn't benefit local people, the analyses of the interview made with East Showa Zone Investment Staffs local communities in East Showa Zone obtained benefit directly or indirectly from the implementation of CSR by Zonal Investment Projects.

Conclusion and Recommendations

Conclusions

In line with the major findings of the study, the following conclusions were drawn.

- ❖ Using standardized questionnaire and structured interview, the study was undertaken to assess the Practices and Factors Affecting Corporate Social Responsibility in selected Private Investment Projects in East Showa Administrative Zone.
- ❖ East Showa Zone Investment Project practices labor standard of CSR practice in terms of skill and long-term career development, freedom of association, health and safety, and taking corrective action. In reflecting CSR activities for employees with the selected investment project participates in these activities with the consideration of optimality of the firm as well as the benefit of workers. In relation to this labor standard of CSR practices firms should consider which activities should come first and which are next. The most familiar activities in relation to employees should be a commitment to the health and safety of employees and ensuring adequate steps should be taken against discrimination. In addition to this employees should be encouraged to develop skills and long term career paths and work-life balance.
- ❖ Regarding consumer protection, East Showa Zone Investment Projects are practicing corporate social responsibility (CSR) practices well. This happened due to the product of firms is based on the quality standard of customers. In other words, firms produce customer oriented products to optimize their profit and this is fortunately the most important CSR practice regarding customers. Because the most critical CSR activity

toward customers is commitment to providing value to customers. Other similar activities such as responding to customer complaints in a timely manner is also quite popular and to a lesser extent, supplying clear and accurate information to customers and considering customer accessibility also sustains the exited customers and creates new customers.

- ❖ The employee's response indicates implications that East Showa Zone Investment Project practices community welfare activities in terms of various community services, dialogue with the community and supplying beneficial products for the society. But the firm does not participating in local purchase. This is true, as the interview conducted showed, because most investment projects purchases materials from business sector. Though purchasing policies in favor of the local community are popular CSR activities investment projects did not participate in because these firms purchase products from business organizations.
- ❖ With the reference to the analysis, East Showa Zone Investment Project is practicing CSR via practices of environmental protection activities, which are parts of environmentally - friendly tricks. However, the observation held around East Showa Zone investment projects claims that waste avoiding canals and ponds are unlock and it has very badly odder or sniff. The liquid and dry wastes are also negligently discharged outside of investment projects compound which causes unaffordable effect on the health of people and animals. To reveal these results, investment projects perform CSR practices corresponding to the environment with the consideration for workers and laws of the country.
- ❖ Based on the analyses of respondents levels of agreement East Showa Zone Investment Projects participate in human rights although the levels of agreement are not that much satisfactory.
- ❖ With respect to transparency and anti-corruption, East Showa Zone Investment Projects are practicing CSR despite the level of agreement is weedy regarding sense of accountability. In other words, the levels of agreement do not indicate that investment projects are practicing CSR in this dimension entirely or satisfactorily. Because firms handle CSR practices of this dimension only in their organization to save their resource even though it is inadequate.
- ❖ With reference to the determinants of CSR practices of East Showa Zone Investment Projects regarding Labor Pressure, Consumer Demand, Community Enforcement, and Sustainability and Profitability are the factors that force investment projects to practice CSR. Thus, the probability of existence of CSR practice increases as the extent of the above variables increase. In other words, the existence of the above determinants around investment projects affects CSR practices positively. These factors are also critical in the determination of the optimality of the firm directly or indirectly. The growing interest among workers, customers, community, and governmental and non-governmental organizations in the performance and significance of CSR determines CSR practices. Consequently, managers and leaders are attentive to the fact that business norms and standards, regulatory frameworks, and stakeholders demands for CSR can vary considerably across nations, regions, and lines of business.

Recommendations

On the basis of analysis and its findings, the following recommendations have been given:

- ❖ In relation to labor treatment, East Showa Zone Investment Projects and other related firms, especially investment projects should continue their activities in more advance manner to achieve high level of performance in CSR practices. So to protect workers' health, trainings and awareness creative workshops should be facilitated.

- ❖ Since the extent of CSR practices of East Showa Zone Investment Projects, corresponding to customer satisfaction and community welfare are appreciative, the activities or performances of these and other firms should continue in more progressive mode. For instance, policies related to new product development or innovation, trainings for local peoples and other related sectors, and community capacity-building activities should be designed and implemented.
- ❖ Hence, East Showa Zone Investment Projects and other firms need to design better CSR strategies and practices in the area of environmental protection such as purchasing and using cost oriented high quality chemicals, good waste pumping materials, better natural resource protection procedures, transparent dialogue with responsible parties especially nearby Environmental Protection, Climate Change and Forestry Authority and so on.
- ❖ With reference to the analyses and the results, investment projects should work hard to change and progress the development of human rights in the country. Investment Projects are under obligation to respect and promote human rights in their operations. This can be achieved through trainings and motivation of employees as well as the community as whole targeting equitable and effective engagement of firms. In general, Investment projects and other firms necessitate placing issues of democracy both in the economy and in the political arena - locally, nationally and globally. So, Ethiopia is poor in terms of transparency and anti-corruption, East Showa Zone Investment Projects and other organizations of the sector need to evolve intensively in ethical matters namely responsibility, accountability, transparency and anti-corruption. Specifically, the companies' code of conduct should be designed and implemented in such a way that it is compatible with laws and rules of the constitution and anti-corruption rules.
- ❖ Generally, all investment projects should design CSR strategies and implementations in harmony with the determinants especially on the focuses of labor pressure, consumer demand, community enforcement, and sustainability and profitability.
- ❖ For future research, it is recommended that a longitudinal study be adopted. This may provide deeper insight into CSR practices and factors affecting it. Longitudinal study would allow assessment of the directionality of the relationships between CSR and the determinants, both which have been stated in study and that did not.
- ❖ It is also proposed that a case study approach may provide a clearer understanding of the nature, type and extent of CSR practices within the particular organization(s). It may also provide insight into the motivation for undertaking CSR and the impact of such activities.

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