Addis Ababa University School of Commerce

Department of Business leadership

Assessment of Corporate Social Responsibility practices at China State Construction and Engineering Corporation (CSCEC)

A project work submitted to the School of Graduate Studies, Addis Ababa University in partial fulfillment of the requirements for award of Master in Business leadership".

By: Wang Zairan

ADDIS ABABA UNIVERSITY COLLEGE OF

BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE

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Advisor: Mahir J (PhD)

STATEMENT OF DECLARATION

I, **Wang Zairan**, declare that this project work entitled "**Assessment of Corporate Social Responsibility practices at China State Construction and Engineering Corporation (CSCEC)**" is outcome of my own effort and that all source of materials used for the study have been duly acknowledged. I have produced it independently except the guidance and suggestion of the research advisor. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of Master of Art in Business Leadership.

By: **Wang Zairan**

Signature ________________________

Date: ____________________________

Addis Ababa, Ethiopia

STATEMENT OF CERTIFICATION

This is to certify that Wang Zairan has carried out this project work entitled: "Assessment of Corporate Social Responsibility practice at China State Construction and Engineering Corporation" under my supervision. This work is original in nature, and it is sufficient for submission as the partial fulfillment for the award degree in Master of Art in project management.

Advisor: **Mahir J (PhD)**

Signature ____________________

Date: __________________________________

Addis Ababa university College of business and economics

School of commerce department of business leadership

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Examining Board Approvals

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Contents

LIST OF ACRONYMS

CSP: Corporate social performance

CSCEC: Chinese State Construction and Engineering Company

Abstract

As China's construction industry has expanded globally, particularly into developing countries, the issue of CSR has come under increasing scrutiny. Chinese construction firms operating abroad face unique challenges in meeting social, environmental, and regulatory frameworks. The intention of the study was to investigate the CSR policies and practices of CSCEC upon engaging in various construction projects in Ethiopia. In order to achieve this objective, the researcher selected exploratory methodology to help address the research questions. In addition, descriptive statistical quantitative technique was relied upon. The target population of this research was head office employees of CSCES. A sample size of 126 was drawn from the target population using sample random sampling technique. It was found out that A significant portion of surveyed individuals possess some awareness of Corporate Social Responsibility (CSR), yet 51.8% feel the company's CSR policy lacks transparency for stakeholders. This suggests limited efforts in promoting CSR awareness through training. While CSCEC shows active engagement in community development initiatives, its commitment to ethical standards and philanthropic activities remains minimal. Additionally, respondents believe the CSR policy falls short in providing a competitive advantage, indicating a need for improvement in economic responsibility.

***Key words**: CSR, ethical responsibility, community development responsibility, economic responsibility, philanthropic responsibility*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Corporate Social Responsibility (CSR) was first noticed in the world in 1950s with the idea of contributing societal welfare and environmental responsibility (Kostyuk et al., 2008).

Howard R. Bowen, an American economist and scholar, is often credited with laying the foundation for the concept of CSR. According to Bowen (1953), corporate social responsibility refers to "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.

In 1963, Joseph McGuire extended the corporate social responsibility framework to include legal and economic obligations (McGuire, 1963). He believed that corporations have responsibilities to society beyond just legal and economic obligations. According to Kotler and Lee (2011), "Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance..." This implies that, generally, corporate social responsibility (CSR) is defined as the voluntary activities undertaken by a company to operate in an economically, socially, and environmentally sustainable manner.

As China's construction industry has expanded globally, particularly into developing countries, the issue of CSR has come under increasing scrutiny. Chinese construction firms operating abroad face unique challenges in meeting social, environmental, and regulatory frameworks. Studies have found that Chinese construction firms operating in developing countries often struggle to align their CSR practices with local norms and expectations. As Tan-Mullins and Mohan (2013) examined the CSR activities of Chinese companies in Africa tend to focus more on infrastructure development and job creation, rather than addressing pressing social and environmental concerns of local communities.

In light of the above premises, this research has endeavoured to investigate CSR practices of Chinese construction companies operating in Ethiopian soil. With the intention of narrowing the scope of the investigation, the research targeted one of the construction companies knowns as Chinese State Construction Engineering Corporation (CSCEC) as case study.

1.2 Statement of the problem

Chinese construction firms operating in developing countries face significant challenges in aligning their Corporate Social Responsibility (CSR) practices with local norms and expectations. Research indicates that these firms often prioritize infrastructure development and job creation over addressing pressing social and environmental concerns of local communities. For instance, Tan-Mullins and Mohan (2013) examined the CSR activities of Chinese companies in Africa, revealing that while these firms contribute to economic growth, their initiatives frequently overlook critical issues such as environmental sustainability, cultural preservation, and social equity. This oversight can lead to adverse effects on local ecosystems and community well-being.

In particular, studies focused on Chinese construction firms in Ethiopia have highlighted a troubling trend: these companies often fail to engage meaningfully with local stakeholders, including community members, civil society organizations, and government agencies (Ado & Su, 2016; Mohan & Tan-Mullins, 2019). This lack of stakeholder consultation creates a disconnect between the CSR initiatives implemented by these firms and the actual needs and priorities of the affected populations. Local communities frequently perceive these initiatives as superficial or misaligned with their real concerns, resulting in frustration, distrust, and sometimes even resistance to the projects.

The relevance of this research topic lies in its potential to address significant gaps in both academic literature and practical applications of CSR in the construction industry. By investigating the alignment of CSR practices with local expectations, this study contributes to a deeper understanding of how multinational corporations can operate responsibly in diverse cultural contexts. Furthermore, it emphasizes the importance of stakeholder engagement in CSR, a concept that remains underexplored, particularly in the context of Chinese firms in Africa and other developing regions.

This research will also contribute to theoretical frameworks surrounding CSR by integrating insights from stakeholder theory, which posits that organizations should prioritize the interests of all stakeholders, not just shareholders. By examining how local engagement can enhance CSR initiatives, this study aims to refine existing theories of corporate responsibility and offer practical recommendations for improving CSR practices among Chinese construction firms. Ultimately, the findings will foster a more sustainable and equitable approach to infrastructure development, benefiting both local communities and the firms themselves.

1.3 Research Questions

The purpose of this study was to gain a deeper understanding about CSR practices of CSCES from the perspective of four CSR dimensions, namely ethical responsibility, economic responsibility, philanthropic, and economic development contributions. Accordingly, the following research questions were set to help navigate the investigation:

1. Does CSCES has clear policies about its CSR initiatives?
2. What aspect of CSR that CSCES is mostly involving at?
3. How is CSCES discharging its Ethical responsibility as part of its CSR initiative?
4. How is CSCES discharging its economic responsibility as part of its CSR initiative?
5. How is CSCES dealing with philanthropic contributions as part of its CSR initiative?
6. Does CSCES contributes for community development as part of its CSR initiative?

1.4 Objectives of the Study

1.4.1 General Objective of the Study

The main objective of the study was to investigate the CSR policies and practices of CSCEC upon engaging in various construction projects in Ethiopia.

1.4.2 Specific Objectives of the Study

Specifically, the study has the following objectives

- To assess the status of the company’s CSR policies and initiatives
- To assess how the company is discharging its ethical responsibilities in relation to construction projects.
- To assess how the company is discharging its economic responsibilities in relation to construction projects.

- To assess how the company is discharging its Philanthropic responsibility responsibilities in relation to construction projects.
- To assess how the company is discharging its responsibility towards supporting community development

1.5 Scope of the Study

The research attempted to explore practices and polices with a theoretical scope of CSR practices by considering dimensions, including Ethical, community development, Philanthropic Contributions, and economic responsibility. Due to the limited scope of the investigation, other theoretical framework of CSR was not taken into account. As the data was only gathered from the employees of CSCEC, the findings have limited external validity. The study merely targeted CSCEC as case representative of Chinese business operation in Ethiopia. Temporally, the investigation was only confined within Addis Ababa, findings have limited generalizability. Furthermore, due to the limited scope of the research, longitudinal based trend, and comparative analyses was not made.

1.6 Significance of the Study

The study will have practical and theoretical significance for wide array of stakeholders beyond the academia. As much as the study focused on studying CSR practices of foreign based company, it will have an immense contribution towards filling knowledge and information gap. Apart from information value, the research will serve critical input for setting policy and enacting laws in Ethiopian context.

As the research targeted a Chinese based company, findings obtained in this research can be used to guide policy and strategic actions at CSCEC. If used appropriately, the findings and recommendations forwarded by the researcher could help CSCEC and other Chinese investments in Ethiopia make necessary adjustments over their CSR strategies and practices.

1.7 Limitation of the study

As much as there are limited empirical on the study area, the researcher encountered difficulties in unravelling palpable research gap in the context of Ethiopia. So far, no sufficient evidence that take stock of CSR practice in the context of Chinese investment in Ethiopia and Africa.

In addition, the research was single case, the findings may not be sufficient enough to designate Chinese business operation in Ethiopia or in the African context. Limited sample size coupled with heavy rely on survey method, findings suffer from limited generatability. To improve the generalizability of the study's findings, future research should broaden its scope to include a far more case studies and case examples.

1.8 Organization of the study

The study is structured in five chapters. The first chapter provides introduction, the research problem, objectives, significance, scope and limitations of the study. The second chapter deal with the theoretical and empirical reviews of the literature. The third chapter presents the research design, data source and type, data collection instruments, target population and sample of the study, and method of data analysis. The fourth chapter i.e the results and discussions of the study based on the data collected from primary and secondary sources. The last chapter provides findings of the study, conclusion and recommendations based on the results of the study.

CHAPTER TWO

REVIEW OF LITERATURE AND EMPIRICAL REVIEWS

2.1 Introduction

This chapter provides a comprehensive review of the existing literature pertaining to the study area of Corporate Social Responsibility (CSR) and financial performance. The literature review encompasses a theoretical perspectives, empirical studies and conceptual framework pertaining to the subject of the investigation. The overarching objective of this chapter is to establish a foundation of knowledge and understanding that inform the study, while also identifying a gap.

The theoretical review section delves into the fundamental aspects of CSR, including its definition and conceptual underpinnings. Additionally, it explores the relevant theories that have been proposed to explain the concept of CSR and financial performance.

In the empirical review section, attention is directed towards the studies conducted by other researchers that have investigated the impact of CSR in the context of Chinese business operation in Ethiopia. These studies serve as valuable sources of evidence, taking stock of Chinese CSR practices in Ethiopia. By examining the findings of these studies, we can identify trends, patterns, and potential areas of agreement or disagreement among researchers.

2.2 Theoretical underpinnings of CSR

Corporate Social Responsibility (CSR) as a concept has no consensus definition different Literatures on CSR reveal that there are diverse definitions for the concept CSR and a universally accepted definition does not exist (Carroll, 1999, Heemskerk, 2012). Various writers defined it based on their background, interest, exposure, as well as values embodied in the writer's frame of reference. Although the role of business in society has been debated for hundreds of years, if not longer, the concept of corporate social responsibility (or CSR) in its current form first emerged in the 1950s. A convenient marker for the start of the modern CSR era is the publication, in 1953, of Howard R. Bowen's book, Social Responsibilities of the Businessman.

Bowen become motivated with these questions and came up with the Corporate social responsibility which remain relevant today. What responsibilities do businesses have to contribute in positive ways to society? What benefits might be derived from a more enthusiastic assumption of these responsibilities? What practical steps could be taken to encourage businesses to give greater weight to these responsibilities in their decision making?

According to Bowen (1953) CSR refers to the obligations of businessmen [and businesswomen] to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society. This definition does not imply that businessmen as members of society lack the rights to criticize the values. It is assumed, however, that as servants of society, they must not disregard socially accepted values or place their own values above those of society. (Howard R. Bowen, 1953).
All of this suggests that when we invoke the phrase “the social responsibilities of the businessman [or businesswoman],” we mean that businessmen [or businesswomen] should oversee the operation of an economic system that fulfils the expectations of the public. And this means in turn that the economy’s means of production should be employed in such a way that production and distribution should enhance total socio-economic welfare. Social responsibility in the final analysis implies a public posture toward society’s economic and human resources and a willingness to see that those resources are utilized for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms. –William C. Frederick, 1960 as cited by Brent D. Beal, 2014.It is also known by a number of other names, which include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, responsible entrepreneurship, and “triple bottom line,” to name just a few.

Most of these definitions agree that corporations have a duty to society and the environment. Furthermore, various researchers, organizations, and businesses companies stress distinct or numerous parts of it. The Definitions of CSR have expanded from specific aspects to include various components throughout time. The following are some of the definitions that may be traced back among many more.

1. Elkington's Triple Bottom Line (1997):

John Elkington introduced the concept of the Triple Bottom Line (TBL), which focuses on the three dimensions of sustainability: social, environmental, and economic. Elkington argued that organizations should strive for a balance between these three aspects to achieve long-term success.

2. Crane, Matten, and Spence's Definition of CSR (2008):

Andrew Crane, Laura Spence, and Deborah Matten defined CSR as "the ways in which an organization manages its core business to produce an overall positive impact on society." They emphasized that CSR involves integrating social, environmental, and ethical considerations into business operations.

3. Carroll and Shabana's Definition of CSR (2010):

Archie B. Carroll and Kareem M. Shabana defined CSR as "a business's obligation to pursue policies, make decisions, and take actions that align with the objectives and values of society." They highlighted the role of businesses in meeting societal expectations and contributing to sustainable development.

4. Maignan and Ralston's Definition of CSR (2012):

Isabelle Maignan and David A. Ralston defined CSR as "the firm's considerations of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks." They highlighted the broader societal considerations that go beyond legal and economic obligations

5. Visser's Definition of CSR (2017):

Wayne Visser defined CSR as "the delivery of a sustainable society by making a positive contribution to economic development, environmental quality, and social progress, while balancing the interests of diverse stakeholders." He focused on the goal of achieving sustainability and balancing stakeholder interests.

CSR is not about pressuring firms into engaging in philanthropy or obligating them to shoulder additional responsibility for different social problems. Considered broadly, CSR is about establishing and perpetuating social norms that make economic markets more transparent and effective in serving societal interests. As we move further into the twenty-first century, CSR is likely to become an increasingly essential framework for reconciling individual interests and the social good. Because of this, CSR is likely to play an increasingly influential role in every aspect of business, from corporate strategy to marketing and human resource management. (Brent D. Beal,2014)

2.2.1 Triple Bottom Line (TBL) Theory

There are different models used to explain and capture firms' responsibilities as well as understand what society expects from firms i.e. The Triple Bottom Line Theory that was founded by John Elkington (Brin & Nehme, 2019), the same authors also stated that this theory is a CSR frame work to measure performance with three dimensions: economic, social and environmental, according to Kenton (2010), this theory believes that firms should plan to specialize in social and environmental concerns as they are doing on profits. Porter (2011) mentioned that firms should add the CSR issues in their profit function. Firms learn the application of different CSR practices (social, economic and environmental) from different sources and in different ways.

Economic dimension

According to TBL theory the most important for a company is not to make high profits but to achieve continuous profit for the long term. So Business corporations start to enroll in the TBL CSR framework as well as they draw a strategic plan through calculating expenditures and taxes, forecasting business climate factors, evaluate market benchmark and avoid maximum risk threats

This Economic sustainability manages an economic growth of an organization should be increased in overtime and this profit should be earned without the impact of environmental degradation or from negative social impact (Rogers et al, 2008 cited by Rahel Fekadu 2020).It is related to enhancing the living standard of citizens through increasing of income, 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.

Environmental Dimension

Varied definition has given to environment around the world, some countries put in a very limited way and others gives a broaden and holistic understanding (Sheate, 2010 cited by Rahel). This implied that each country has its own rule on environment supported its context. Environmental sustainability comprises safeguarding of species on the earth. Ecological variables related with of degradation and natural resources consumption, gives potential influences on its viability. Concentration of oxide, Sulphur dioxide concentration, Excessive nutrient, Electricity consumption, selected priority pollutants, fuel consumption, Solid waste management and unsafe waste management Change in land use/land cover are some of the examples. (Slaper, 2011). The influence of its products or operations on the environment, and plus the nature of its emissions and waste and how it is dealing with them. Corporations must pay attention to environmental changes and obey the new environmental laws with being careful to the consumption of natural resources. Corporations have to use the alternative energy sources in order to minimize the consumption of traditional sources of energy (for example oil, gas, coal, etc.), and it has to safe air and water sources, with disposing of toxic and solid waste in an environmental manner. All these factors maintain environmental sustainability. (Mohamad Nassif,2019)

Social Dimension

Social sustainability deals with a non-market entities or social aspect of an activity that is deals with outside of market framework. Societies can influence the CSR activity of business through their right as a consumer, and business in turn can influence societies through practices of a high level of CSR activity (Rogers et al, 2008, cited by Rahel).

Business must pay attention to its social affairs as well as paying attention to its financial affairs. Achieving social sustainability by a corporation is a must in the TBL CSR framework. But since societies differ from region to another, every corporation has to collect data from national authorities concerning social affairs, as unemployment rates, human rights, female labor force participation, health services, educational services provided by government, etc. After determining the community priorities, shareholders must take decisions to satisfy as much as possible the social needs. So for a business to be stable over the long term social activities of a business corporation must satisfy surrounding society needs as much as possible (Mohamad Nassif,2019).

2.2.2 Slack Resource Theory

Stakeholder theory, which has been described by Edward Freeman and others, is the mirror image of corporate social responsibility. Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world. It lists and describes those individuals and groups who will be affected by (or affect) the company's actions and asks, "What are their legitimate claims on the business?" "What rights do they have with respect to the company's actions?" and "What kind of responsibilities and obligations can they justifiably impose on a particular business?" In a single sentence, stakeholder theory affirms that those whose lives are touched by a corporation hold a right and obligation to participate in directing it. (Mohamad Nassif,2019)

This theory proposes that companies with slack resources at their disposal have an opportunity to invest more on CSR activities thus improving its corporate social performance (Wissink, 2012). Waddock and Grave (1997) noted that a company is enabled to perform its CSR activities when it has improved financial performance due to the availability of slack resources. The insinuation of this approach is that Corporate Social Responsibility is an extra cost and social actions by companies can only be pursued if the firm has extra resources or cash flows (McGuire, 1988). Proper utilization of slack resources enhances effectiveness and efficiency and can augment to achievement of organizational goals. Buchholtz (1999) further argued that this enables a firm to effectively adjust to inside burden for modification or to outside burdens for modification in policy.

2.2.3 Carroll's CSR framework

Carroll made a specific theory for the way that corporation interact with its surrounding community and the whole world, this theory is known nowadays as Carroll's Pyramid of CSR (Fig. 1). Carroll's theory is composed of four obligations that create a foundation or infrastructure for the business's responsibilities toward society.

The highly renowned model of CSR is Carroll's CSR pyramid. Carroll (1991) suggested four forms of social responsibilities constitute CSR that they should keep an eye on these four components: -

1. Economic responsibility
2. Legal responsibility
3. Ethical responsibility
4. Philanthropic responsibility, which are also known as the pyramid of CSR

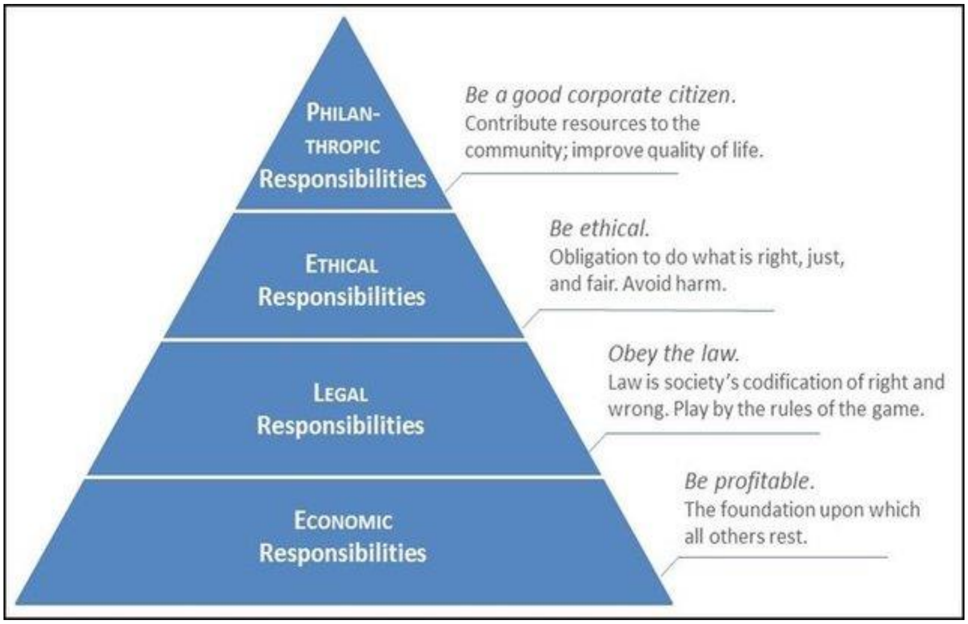

Figure 2.1 Carroll's pyramid model of corporate social responsibility (Carroll, 1991).

Economic responsibility

Caroll in 1979, economic responsibility of business was to make profit by producing goods and rendering service and selling them to the market. Also imply that economic responsibility of an organization is about creating job and fair pay to employees, introducing new technological advancement, offering a return on investment to shareholders and owners, creation of new product and discovering new resources, which makes a company, is main concern of the society.

Carroll placed the economic obligation in the base of the CSR Pyramid because it's vital for business survival. Any corporation or organization, even if it's a non-profitable organization, as charities association needs assets in order to succeed and sustain. According to Carroll, the first step in implementing CSR is to enroll in business operations and to make profits. Carroll added that profits are necessary to reward investors and owners. Moreover, profits must be reinvested back to maintain business growth. Economic responsibility is represented by a corporation through investments, marketing strategies, business operations, and long-term financial strategies with variant stakeholders. For example, when a corporation enrolls into business operations, it must hire a number of employees and it will deal with different stakeholders as vendors, sellers, marketing consultants, stockholders, investors, company companies, banks, and financial institutes. Variant stakeholders will be affected positively if corporation achieves profits, this what economic scholars named as Win-Win theory. As a result, stakeholders will make profits, money circulation process will improve and a corporation will successfully achieve its CSR economic responsibility. (Mohamad Nassif, 2019)

Legal responsibility

The next responsibility is the legal concern which describes about legal compliance and playing by "rules of the game". So that, the society looks for organizations to accomplish the economic responsibility within the legal requirements of the society system and stated that "Society has not only sanctioned business to operate according to the profit motive; at the same time business was expected to comply with the laws and regulations. (Caroll ,1991).

According to Carroll's Pyramid theory, Legal Responsibility placed in the second level of the CSR Pyramid. A responsible corporation is a corporation that accepts rules of a fair business game. A responsible corporation adheres to law because it believes that fair business reflects positively on the whole economy and society. If a corporation makes tax evasion process, or deals with money laundering activities, or even produces a toxic product, it is illogical to consider it is sharing in CSR values. (Mohamad Nassif, 2019)

Caroll and Shabana, (2010) described the legal responsibility as law and regulation of society which can be positive and negative, obligation of business on its operation. In addition to that legal responsibility in different countries possibly will incorporate conformity with different legal requirements like keeping safety of workers, environmental standard and compliance of tax law and regulations. (Ramasamy and Yeung, 2009)

Ethical responsibility

Corporations must behave as a good citizen in its society. Such responsibility allows corporations to make what is good for society even if the law didn't require it. Carroll mentioned that corporations must be responsive to the spirit of the law, not just to the letter of law. In other words, ethical responsibility embraces fair activities done by a corporation and expected by society. (Mohamad Nassif, 2019)

Entails those activities which cannot be stated by the law but that are expected to fulfil by the members of the society like averting social harm, forbidding social injury and honouring elders and peoples around them. This kind of responsibility can only be found on human right commitment and human principles of religious convictions. (Novac, 1996). But it is known of its unclear definition and trouble to deal about it. (Caroll, 1979).

Philanthropic responsibility

Also known as discretionary responsibility, merely it is responsibility which is voluntary and the decision to implement depends on the business willingness rather than forced by the law, which indirectly means that the business was not taken as unethical if not applied on the firm (Caroll, 1991). philanthropic responsibility is a pure giving for society, it’s an activity or project created by a corporation and purely dedicated to community expectation. At the philanthropic level, the business corporations could satisfy what is desired by their society. To fulfil in philanthropic responsibility, corporations engage in various giving forms, as sponsoring sports activities like an annual marathon or volunteering employees in donation campaigns, etc. The value behind philanthropic activities is to reveal a good citizenship image of the company and increase its reputation. (Mohamad Nassif, 2019) Some of them responsibilities are solving societal problems, activities like going in-house training for drug abusers, increasing rate of literacy (Caroll, 1991). This type is known for its contentiousness of all due to the fact that its implication might result in conflict on the economics and profit-making activity of firms.

2.2.3.1 Justification for Choosing Carroll's CSR Model

In the evolving landscape of corporate social responsibility (CSR), Carroll's CSR model stands out as a foundational framework that provides a comprehensive understanding of the multifaceted nature of corporate responsibility. Developed by Archie B. Carroll in the early 1990s, this model categorizes CSR into four distinct yet interrelated dimensions: economic, legal, ethical, and philanthropic responsibilities. The justification for selecting Carroll's model for my thesis work is grounded in its theoretical robustness, practical applicability, and relevance to contemporary CSR challenges.

Theoretical Robustness

Carroll's model offers a well-structured approach to understanding CSR, integrating various dimensions of corporate responsibility into a cohesive framework. By distinguishing between economic, legal, ethical, and philanthropic responsibilities, Carroll provides a nuanced perspective that allows for a deeper exploration of how organizations can balance their obligations to different stakeholders. This framework is particularly useful for analyzing the motivations behind corporate behaviors and the trade-offs companies must navigate in fulfilling their responsibilities. By employing Carroll's model, my research will contribute to a richer theoretical discourse on CSR, addressing the complexities and interdependencies inherent in responsible business practices.

Practical Applicability

The practical relevance of Carroll's CSR model is evident in its widespread adoption by scholars and practitioners alike. The model serves as a guiding framework for organizations seeking to implement effective CSR strategies. By categorizing responsibilities, Carroll's model assists companies in identifying and prioritizing their CSR initiatives, making it easier to communicate their efforts to stakeholders. This practicality is vital for my research, as it will allow me to assess real-world applications of CSR and evaluate the effectiveness of various strategies employed by organizations.

Relevance to Contemporary Challenges

In today’s globalized business environment, companies are increasingly confronted with complex social and ethical dilemmas. Carroll's model is particularly relevant in this context, as it encourages organizations to consider not only their economic performance but also their ethical and philanthropic contributions to society. As issues such as climate change, social inequality, and corporate governance gain prominence, Carroll's framework provides a lens through which to analyze how businesses can address these challenges while maintaining profitability. My thesis will explore how companies can leverage Carroll's model to enhance their CSR initiatives and respond effectively to stakeholder expectations in a rapidly changing world.

In conclusion, the choice to rely on Carroll's CSR model for my thesis work is justified by its theoretical robustness, practical applicability, and relevance to contemporary CSR challenges. By utilizing this framework, my research aims to contribute valuable insights into the effective implementation of CSR practices that align with the evolving expectations of stakeholders and the broader societal context.

2.3 Empirical reviews

China's rapid economic growth and the global expansion of its construction industry have led to increased scrutiny of the corporate social responsibility (CSR) practices of Chinese construction firms operating around the world, particularly in developing regions like Africa (Yin & Jamali, 2016). This detailed review examines the empirical literature on the CSR activities and impacts of Chinese construction companies globally, with a focus on their operations in Africa.

2.3.1 CSR Practices of Chinese Construction Companies

Chinese construction firms have expanded aggressively into global markets in recent decades, driven by the government's "Going Global" strategy (Huang & Quibria, 2013). However, this rapid internationalization has raised concerns about the social and environmental impacts of Chinese companies, which are often perceived as prioritizing economic interests over sustainability and local community engagement (Zhao, 2014).

Empirical studies have found that the CSR practices of Chinese construction firms vary widely, both across companies and in different host countries (Yin & Jamali, 2016). Some firms have adopted comprehensive CSR programs that address labor rights, community development, and environmental protection, while others engage in more limited or symbolic CSR activities (Zhao et al., 2012). Factors such as the company's size, international experience, and home country regulations appear to influence the extent and nature of CSR implementation (Zhao, 2014).

A study by Zhao et al. (2012) developed a corporate social responsibility indicator system for construction enterprises, which includes dimensions such as employee rights and benefits, occupational health and safety, environmental protection, community engagement, and ethical business conduct. The researchers found that larger Chinese construction firms with more international experience generally scored higher on these CSR indicators, suggesting that scale and global exposure can enhance CSR adoption.

In contrast, Yin and Jamali (2016) observed that the CSR practices of Chinese multinational construction company subsidiaries in emerging markets were often influenced more by local stakeholder pressures and the parent company's global CSR strategy than by the firm's own internal capabilities. This highlights the complex and context-dependent nature of CSR implementation for Chinese construction companies operating internationally.

2.3.2 Chinese Construction Companies in Africa

Chinese construction companies have become major players in Africa's infrastructure development, with a strong presence in sectors like transportation, energy, and real estate (Shen & Wu, 2017). However, the social and environmental impacts of these projects have raised concerns among local communities, civil society organizations, and international observers.

Empirical research has documented various CSR-related issues associated with Chinese construction firms in Africa, including:

Labor rights and working conditions: Studies have found instances of poor labor practices, such as unsafe working environments, long work hours, and inadequate compensation for local workers (Baah & Jauch, 2009; Lee, 2017). For example, a report by the African Labour Research Network (Baah & Jauch, 2009) documented cases of Chinese construction companies in Africa failing to provide adequate personal protective equipment, forcing employees to work excessive overtime, and paying below minimum wage.

Community engagement and displacement: Some Chinese construction projects have been linked to the displacement of local communities without adequate consultation or compensation, as well as limited engagement with affected stakeholders (Tan-Mullins & Mohan, 2013). Tan-Mullins and Mohan (2013) found that Chinese state-owned enterprises in Africa often failed to properly consult with local communities, leading to tensions and conflicts over land rights and resource use.

Environmental impact and resource extraction: Chinese construction activities in Africa have been criticized for their environmental footprint, including deforestation, pollution, and the exploitation of natural resources without sufficient mitigation measures (Tan-Mullins, 2014). Tan-Mullins (2014) observed that Chinese companies in Africa frequently prioritized economic growth over environmental protection, leading to negative impacts on local ecosystems and natural resources.

Corruption and lack of transparency: There are concerns about the lack of transparency and potential corruption in the awarding of contracts and the implementation of Chinese construction projects in Africa (Grimm, 2014). Grimm (2014) noted that the opaque nature of China-Africa cooperation, including in the construction sector, has fueled perceptions of corruption and undermined the credibility of Chinese companies in the region.

While some Chinese construction companies have made progress in adopting more comprehensive CSR programs, the overall evidence indicates that the sector still faces significant challenges in addressing the social and environmental impacts of its operations, particularly in developing regions like Africa. Continued research and policy efforts are needed to promote responsible and sustainable practices among Chinese construction firms operating worldwide.

2.3.3 CSR practices of Chinese construction companies in Ethiopia

The rapid economic growth and global expansion of Chinese companies have led to an increased presence of Chinese construction firms in developing countries like Ethiopia (Oya & Pons-Vignon, 2010). As these companies engage in large-scale infrastructure projects, it is essential to examine their corporate social responsibility (CSR) practices and the impacts on local communities.

Workforce Management

Chinese construction companies in Ethiopia have been criticized for poor working conditions and labor rights violations. Studies have reported issues such as long working hours, inadequate safety measures, and discrimination against local employees (Mohan & Tan-Mullins, 2019). However, some companies have implemented training programs and skills development initiatives to improve the employability of Ethiopian workers (Brautigam & Xiaoyang, 2011).

Community Engagement

The engagement of Chinese construction firms with local communities in Ethiopia has been mixed. Some companies have invested in community development projects, such as building schools and healthcare facilities (Chen, 2016). However, there have also been reports of limited consultation with affected communities and a lack of transparency in decision-making processes (Giannecchini & Taylor, 2018).

Environmental Practices

The environmental impact of Chinese construction projects in Ethiopia has raised concerns. Studies have highlighted issues such as improper waste management, lack of environmental assessments, and disruption to local ecosystems (Oya, 2019). While some companies have implemented environmental management systems, the enforcement and monitoring of environmental regulations remain a challenge (Brautigam & Xiaoyang, 2011).

2.4 Research Gap

Stakeholder Engagement and Grievance Mechanisms
Chinese construction firms in Ethiopia have been criticized for their limited engagement with local stakeholders, including government agencies, civil society organizations, and affected communities (Mohan & Tan-Mullins, 2019). Effective grievance mechanisms to address community concerns are often lacking, leading to tensions and conflicts (Giannecchini & Taylor, 2018).

Summary

The empirical literature suggests that the CSR practices of Chinese construction companies operating globally and in Africa are diverse and often inadequate, with significant room for improvement in terms of labor rights, community engagement, environmental protection, and ethical business conduct. Strengthening the regulatory environment, improving corporate governance, and enhancing stakeholder engagement are crucial for ensuring that the expansion of Chinese construction firms aligns with sustainable development goals.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

In this chapter, an elaborate discussion is provided regarding the framework of the research methodology that was employed to conduct the study. The chapter shed light on various components including the research design, population, sampling design and sample size, as well as the data collection methods utilized and the subsequent data analysis procedures.

3.2 Research Design

There are three fundamental research approaches mixed, quantitative and qualitative approaches. These approaches have been used by researchers depending on the type of research, nature of the problem, and data employed. Kothari (2004) distinguishes has made as stark contrast between quantitative and qualitative research approaches. The former involves gathering quantitative data for rigorous analysis, while the latter involves subjective assessment of attitudes, opinions, and behavior.

The primary aim of this study was to assess existing practices of CSR at one of the Chinese construction and engineering company operating in Ethiopia. In order to achieve this objective, the researcher selected exploratory methodology to help address the research questions. In addition, descriptive statistical quantitative technique was relied upon.

Exploratory study is a valuable means of finding out ‘what is happening; to seek new insights; to ask questions and to assess phenomena in a new light’ (Robson, 2002:59). Is appropriate where there is little or no prior knowledge about the issue under investigation or when the problem is not well understood. The major emphasis is on the discovery of ideas and insights.

Therefore, descriptive based quantitative analysis was employed to analyzed questionnaire collected data..

3.3 Data Type and Source

Primary data were incorporated into the study, collected through structured questionnaires. These questionnaires were designed to gather the perspectives and experiences of company managers and employees directly involved in CSR-related activities and other employees Participated included from all various departments such as finance, marketing, customer service, and other relevant areas within the company. Moreover, the research instrument was consisted of some closed-ended questionnaire and five likert scale questionnaires.

3.4 Population, Sample size and Sampling Techniques

Insofar the research was aimed at exploring CSR practices at the target company which is CSCEC as case study. While doing so, the researcher opted to assess CSR practices targeting both current management and non-management staff members from different departments, employees of as a unit of analysis. The target population of this research was head office employees of CSCES using probability sampling technique particularly simple random sampling technique. In the course of the investigation, the workforce size stood at 185.

3.5.1 Sample technique

A random probability sampling method was used to select the participants from the population. In probability sampling, all people within the research population have a specifiable chance of being selected. These types of samples are used if the researcher wishes to explain, predict or generalize to the whole research population (Dawson, 2002). Consequently, the researcher decided on personnel in all departments of understanding that allows you to make the take a look at entire. The organization's personnel had been decided on primarily based on simple random Sampling technique to collect the applicable data.

3.5.2 Sample population

In order to determine the sample size from the population, the researcher used Slovin's formula statistics Canada (2010) as cited by (Kebite, 2018) as well as Yamane's (1967) formula as cited in Dereje (2020). He provided a simplified formula to calculate the sample size. This formula is based on a 95% desired confidence level and a 5% desired level of precision. Determining sample size is a very important issue because if samples are too large may waste a lot of time, resource and money, while samples that are too small may lead to in accurate results. So, from the data acquired from the company the organization has 185 staff members from them sample size for this research was randomly selected 126 participants, employees, who have interaction with the company. This has been done by using Yamane (1967) formula stated as follows.

So the formula is: n = N/ 1+ N (e) 2

n= total sample size,

N=total population (drivers) in the study area,

e=precision degree/ error (5%=0.05). Therefore, the sample size is: Example to estimate the total sample size N=185

n = 185/1+185(0.05)2 n= 126

Based on the above formula a sample of 126 employees were selected from the target population..

3.6 Data Collection Techniques

The study employed a combination of primary and secondary data, deemed necessary to achieve its objectives. Quantitative secondary data were gathered from published annual financial reports of the period of a five-year period from 2018 to 2022. These reports served as a valuable source of reliable and relevant information regarding CSR practices at CSCEC.

In addition to secondary data, primary data were collected through the use of structured questionnaires. The questionnaires were designed to elicit responses from participants using a five-point Likert scale, ensuring a standardized approach to data collection. Participants were provided with self-administered questionnaires to complete at their convenience.

The data obtained from the questionnaires were coded, captured and edited. The Statistical Package for Social Sciences (SPSS version 20) was used to analyze the results.

3.7 Methods of data Analysis

For this study an analysis occurred within the quantitative approach, and be collected from the target population and the quantitative data was analysed using SPSS, qualitative data was collected through questioner and secondary documents review. As an analysis technique, a correlation research design is considered appropriate for this study.

In this research, demographic characteristics of respondents were analysed and presented using descriptive statistics such as frequencies and percentages. These statistical tools were appropriate for visualizing the numbers and proportions of respondents at each level of demographic and responded-related variables (gender, education, work experience, etc.). In addition to these, by using SPSS different descriptive statistics was generated to help the researcher to make inferences and generalizations.

3.9 Ethical Considerations

The research will adhere to ethical guidelines regarding data confidentiality, anonymity, and informed consent. The use of secondary data will ensure compliance with relevant legal and ethical requirements.

Informed consent: Regarding the questionnaire itself, the cover page will outline the goal of the research and advise respondents of their right to request further information on any topics related to the study.

Confidentiality: The respondents will be guaranteed that their answers will be kept private and that they won't be misinterpreted. The data they supplied will be private and solely utilize for academic purposes.

Organizational approval– the researcher will get approval and will obtain a written recommendation letter from AAU. The letter will explain the idea and purpose of the research with a request for cooperation. And of course, the research will be based on the full consent and highest cooperation of the plant.

CHAPTER FOUR

DATA PRESENTATION, RESULT AND DISCUSSION

4.1 Response Rate

The data collected through questionnaire is presented in this section using tables and graphical formats. As stated in chapter three i.e. research methodology, 126 questionnaires were to be distributed. After distribution a total of 110(87%) surveys were returned. Out of the total questionnaires distributed 16 questionnaires were unreturned due to various problems.\

In this section, various statistical data analysis tools such as mean, standard deviation, frequency, and percentile were used to analyse the collected data from respondents. The analysis showcases evidences of CSR practice pattern as perceived by the respondents of the research. The data collected from the questionnaires were analyzed quantitatively. Statistics of mean score and standard deviation were used.

The standard deviation measures how concentrated the data are around the mean; the more concentrated, the smaller the standard deviation and according to Zaidaton & Bagheri (2009), *the mean score below 3.45 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high.*

The summary of descriptive statistics of all variables that are evaluated based on a 5-point Likert scale ("1" being "strongly agreed" to "5" being "strongly disagreed") indicators whereby "1" point was accorded to 'Strongly agree', 2 point as 'agree', 3-point as 'Neutral', 4-point as 'Disagree', and 5-point as 'Strongly Disagree'. Thus, detail of the analysis was presented as follow.

Table 4.1 Response Rate

Questionnaire	Frequency	Percentage
Distributed	126	100%
Returned	110	87.3%
Unreturned	16	12.6%
Response rate	(110/126) *100	87.3%

Source own survey 2024

4.2 Demographic Profile of Respondents

The first section of the survey questionnaire provides the demographic profile of the respondents which serves as a building frame for the interpretation of the results. The respondents' profile is organized in terms of gender, age, level of education, total years of experience. The result of this demographic presentation is stated below using descriptive statistics analysis. The respondents' demographic profile was captured and analysed below.

Table 4.2 Respondents' profile

No.	Item		Response	
			No	%
1	Gender of Respondents	a) Male	59	53.6%
		b) Female	51	46.4%
		Total	**110**	**100.0**
2	Education level	a) Diploma	8	7.3%
		b) Degree	54	49.1%
		c) Masters	48	43.6%
		Total	**110**	**100**
3	Job position	Office managers and engineers	30	27.2 %
		Project managers and site workers	80	72.8%

		Total	**110**	**100%**

The demographic data for gender obtained from questionnaire shown above table 4.2 reveals that out of 110 respondents 59 (53.6%) were males respondents formed the majority of the target population and the remaining 51 (46.4%) were females. This explains that the number of male respondents were greater than female respondents who participated in the study.

CSCEC employees are qualified from Diploma to Masters. Although for this study the majority of respondents 54 (49.1%) were Degree holders. The next group would be master's which represent 48 (43.6%) while the remaining are diploma holders which are 7.3% of the total with 8 respondents.

Moreover, the survey result revealed that 27% of the respondents were office holders who were positioned at the head office and other project offices. While the remaining which are the majority are project workers and engineers.

4.3. CSR policy status

Table 4.3 indicates that about 73.6% of responses indicated that they are familiar with the concept of CSR, with only about 26.4% stating the otherwise. With this significant difference between the proportions of responses agreeing or disagreeing to familiarity with the concept of CSR respectively that it can be concluded that a majority of the surveyed individuals have some level of knowledge or awareness about CSR.

Table 4.3 CSR Policy

Items		**Response Category**	**Frequency**	**Percent**
Are you familiar with the concept of Corporate Social Responsibility (CSR)?	Group 1	Yes	81	73.6%
	Group 2	No	29	26.4%
	Total		110	100%
		yes	72	65.5%

Does your company have a CSR policy?	Group 1			
	Group 2	No	38	34.5%
	Total		110	100
Does your company disclose his its CSR policy to stakeholders?	Group 1	Yes	53	48.2%
	Group 2	No	57	51.8%
	Total		110	100

On the issue of availability of policy of CSR, 65.5% of respondents agreed on the existence of CSR policy and 34.5% respondents contradicted with the rest of the respondents.

Having pondered about the availability of written CSR policy, respondents were requested to express their opinion about the transparency of CSCEC's CSR policy. The result as indicated in table 4.3 above, 48.2% of the respondents agreed on the disclosure of CSR policies. While 51.8% agreed on the contrary suggesting that the company's CSR policy has not been sufficiently transparent for various stakeholders.

Table 4.4 CSR policy awareness level

What is one is the source of knowledge about CSR?		Frequency	Percent
	Through formal education	42	38.2
	Through my own reading	18	16.4
	Through training provided by the Company	15	13.6
	Your company's code	6	5.5
	none	29	26.4
	Total	**110**	**100.0**

The above table elucidate that 38.2% of respondents agreed that their understanding about CSR concept came from their educational background; whilst the remaining 16.4% of the respondents stated their knowledge about CSR originated from previous readings. The study revealed that only 5.5% and 15% of the respondents stated that they became aware of CSR through the company's code and trainings. This indicates that the company have made limited effort on the creation of awareness about CSR through training and development programs.

Table 4.5 The nature of CSR at CSCEC

What is the nature CSR engagement in your company?		Frequency	Percent
1	Philanthropy,	32	29.1
2	Community involvement	35	31.8
3	Ethical responsibilities	29	26.4
4	Economic responsibility	14	12.7
	Total	110	100.0

Respondents were requested to delineate the nature of their company's CSR engagement. As per the data presented by Table 4.5, 31.8% of the respondents agreed, the company's CSR engagement is related with fulfilling its community development responsibilities. By basing respondents' opinion, the company's 29.1 %, 26.4%, 12.7% CSR engagement is related with fulfilling philanthropic responsibility, ethical responsibility, and economic contribution respectively..

4.4 Descriptive statistics: Analysis of CSR practices

The following section attempted to analyze CSCEC discharges of its CSR , focusing on the domains of: ethical conduct, community development, philanthropy, and economic responsibilities. By examining these key areas, an attempt was made to assess separately how the company discharges its philanthropic, ethical, economic and community development responsibilities as viewed by the researches' participants. On a Likert scale of 1 to 5, respondents were asked to indicate the extent to which the company is engaged in various domains of CSR activities. To help give deep insight, an item-by-item mean value analysis was made under each CSR domains.

4.4.1 Ethical responsibility

Descriptive statistic that revealed respondents' perspective about the company's tendency to discharge its responsibility over the CSR domains.

Table 4.6 Respondents opinion about Ethical responsibility practice

No.	ITEM	N	Mean	SD
1	The company has well developed ethical business principal practice.	110	3.027	1.384
2	The company upholds high standards of integrity and ethical conduct in its business dealings.	110	3.063	1.349
3	The company operates in a manner consistent with expectations of societal and ethical norms and consistently complies with relevant laws, regulations, and industry standards	110	2.509	1.002
4	The company encourages a culture of social responsibility and ethical decision-making among its employees.	110	2.772	1.193
5	The company values and respects its employees' rights and well-being.	110	2.618	1.172
6	The company aims to work towards improving working conditions to its employees.	110	2.918	1.188
7	The company facilitates various training opportunities for its employees in order to make them capable for ethical decision.	110	2.890	1.198
8	The company motivates/stimulates its employees through recognition, appreciation, and reward.	110	3.027	1.266
9	The company has policies in place to prevent conflicts of interest and ensure fair treatment of customers	110	2.636	1.352
10	The company is transparent in its communication and disclosure of information.	110	3.190	1.330
	Grand mean	**110**	**2.826**	**1.243**

Source: own questioner Survey, 2024

The above table portrays findings in regards to the ethical responsibility practices at CSCEC. In relation to "ethical business principal practices" CSCEC has engaged a little lower than expected (M=3.07, SD=1.38). It was asserted by the respondents that CSCEC is far from "upholding high standards of integrity and ethical conduct in its business dealings" (M=3.06, SD=1.35). As asserted by the respondents, the company was not found "to operate in a manner consistent with expectations of societal and ethical norms and consistently complies with relevant laws, regulations, and industry standards" (M=2.509,SD=1.002). As indicated by the respondents' it was found that "the company doesn't as such encourages a culture of social responsibility and ethical decision-making among its employees" (M=2.772, SD=1.193). As agreed by the respondents, the company doesn't "values and respects its employees' rights and well-being" much (M=2.61, SD=1.17). It was indicated that "the company doesn't aim to work towards improving working conditions to its employees" (M=2.91, SD=1.18). As viewed by the respondents, "the company doesn't much facilitate various training opportunities for its employees in order to make them capable enough to handle ethical issue" (M=2.89, SD=1.19). As noted by the respondents, " the company doesn't motivates/stimulates much its employees through recognition, appreciation, and reward" (M=3.07, SD=1.26). As responded by the respondents, the company doesn't have well placed policies in place to prevent conflicts of interest and ensure fair treatment of customers (M=2.63,SD=1.36). As noted by the respondents, "the company is not that much transparent in its communication and disclosure of information" (M=3.19, SD=1.33). Overall, CSCEC's dedication in sticking to ethical standards in business dealings was found to be quite minimal (M=2.82,SD= 1.24).

4.4.2 Economic responsibility practices

Economic responsibility, as one dimension of CSR, that pertains to a company's commitment to fulfilling its economic obligations and contributing to the overall economic well-being of the company and the society at large.

Table 4.7 Respondents opinion on Economic responsibility dimension

	Items	**N**	**Mean**	**SD**
1	The company has good risk management policies and strategies.	110	2.990	1.070
2	The company effectively manages costs and expenses to maximize profitability	110	3.654	1.136
3	The company is paying decent wage comparing with others	110	2.709	1.043

4	The company provides reasonable benefits for employees (medical services, performance bonuses, holiday pay, transport allowances etc.)	110	2.900	1.048
5	The company engaging in Economic CSR initiatives have a competitive advantage over those that do not.	110	2.854	1.090
	Grand Mean	**110**	**2.911**	**1.139**

The above table portrays findings in regards to the ethical responsibility practices at CSCEC. It was found out that, CSCEC's risk management policies and strategies a little below the bar (M=2.99. SD=1.07). It was found out that the company is doing well in managing its costs and expenses towards meeting its profit target (M=3.65,SD=1.13). It was asserted that, company's wage scale is far from satisfactory (M=2.7,SD=1.04). In relation to the company's compensation policy, benefit plans are far less than the expected amount (M-2.9. SD=1.04). Respondents do not believed that the company's CSR policy hasn't rendered sufficient leverage towards seizing competitive advantage (M=2.84,SD=1.04). Generally, CSCES's CSR policy with regard to economic responsibility is far less than the threshold level .

4.4.3 Philanthropic responsibility

Economic responsibility, as one dimension of CSR, that pertains to a company's commitment to fulfilling its ethical duties and moral responsibilities.

Table 4.8 Respondents opinion on Philanthropic responsibility dimension

No.	Items	N	Mean	Standard deviation
1	The company provides contributions and donations to charitable organizations, and community activities or events.	110	2.6545	1.28817
2	The company donates a significant portion of its profits to philanthropic initiatives.	110	2.6545	1.17650
3	The company engages in partnerships with nonprofit organizations to address societal challenges	110	2.6000	1.10212
4	The company responds to natural and man-made disasters by helping victims with food and shelter.	110	2.5091	1.32544
5	The company promotes volunteerism among its employees for community service	110	2.8455	1.28639
	Grand Mean	**110**	**2.65**	**1.23**

The above table portrays findings in regards to the philanthropic engagements of CSCEC. Per the findings obtained, it was asserted that CSCEC do not provide donations to charitable organizations, and community activities or events (M=2.65, SD=1.28). It was further discovered that the company hasn’t made effort to allocate its profit for charity works outside the scope of the company’s business (M=2.65, SD=1.17). It was found out that the company doesn’t pursue much partnerships with nonprofit organizations to address societal challenges (M=2.60, SD=1.10). in another finding, respondents believed that the company is not take active part in responding to natural and man-made disasters by helping victims with food and shelter in Ethiopia (M=2.5, SD=1.32). respondents agreed that the company doesn’t that much facilitate for its employees to partake in volunteerism targeted towards community service (M=2.84, SD=1.28). Overall, it was found out the CSCEC’s level of engagement in philanthropic activities is quite limited (M=2.65, SD=1.23).

4.4.4 Community Development practices

Economic responsibility, as one dimension of CSR, that pertains to a company's commitment to fulfilling its community development responsibilities both locally and nationally.

Table 4.9 Respondents opinion on community development responsibility dimension

s.no	**Items**	**N**	**Mean**	**Standard deviation**
1	The company has actively engages/ regularly in initiatives that contribute to the development of local communities.	110	3.74	1.14
2	The company provides job opportunity to the local community.	110	4.53	1.14
3	The company encourages employee involvement in community service activities.	110	4.23	1.24
4	The company implemented any community development initiatives in the past 5 years	110	4.82	.917
	Grand Mean	110	4.33	1.11

The above table portrays findings in regards to the community development contributions of CSCEC. As per the notion of the respondents, the company regularly engages in wide range of community development initiatives targeted towards local community development (M=3.74, SD=1.14). respondents agreed that the company's contribution interms of creating job opportunity for the local people is significant (M=4.53, SD=1.14). Per the account of the respondents, the company has a supportive mechanism of encouraging workers to engage in various kinds of charitable activitie (M=4.82, SD=0.91). It was asserted by the respondents that the company has implemented community development initiatives over the past 5 years. Overall it was discovered that CSCEC's has taken active role in the avenues of community development (M=4.33, SD=1.11).

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

- A significant portion of the individuals surveyed demonstrated a degree of knowledge or awareness regarding Corporate Social Responsibility (CSR), indicating that CSR concepts have made some impact on public understanding.

- Despite this awareness, 51.8% of respondents expressed concerns that the company's CSR policy lacks sufficient transparency for various stakeholders, suggesting a gap in communication and clarity surrounding the company's initiatives.

- These findings highlight that the company has made only minimal efforts to promote awareness of CSR through training and development programs, which may hinder the effective dissemination of CSR principles among employees and stakeholders.

- The company's engagement in CSR appears to be closely tied to its commitment to fulfilling community development responsibilities. This suggests that CSCEC prioritizes the development and implementation of initiatives specifically aimed at addressing local community needs.

- The dedication of CSCEC to maintaining ethical standards in its business dealings is notably low, with an average score of 2.82 (SD = 1.24), indicating potential areas for improvement in ethical practices.

- Respondents generally do not believe that the company's CSR policy has provided significant leverage for gaining competitive advantage, reflected in a mean score of 2.84 (SD = 1.04). This suggests that CSCEC's approach to economic responsibility is not meeting industry standards.

- Overall, the engagement of CSCEC in philanthropic activities is relatively limited, with an average score of 2.65 (SD = 1.23), highlighting a need for greater involvement in charitable efforts.

- In contrast to its philanthropic efforts, CSCEC has been actively engaged in community development initiatives, as evidenced by a higher mean score of 4.33 (SD = 1.11), indicating a strong focus on supporting local communities.

5.2 Recommendations

Here are some recommendation statements based on the conclusions and gaps in CSR practices of CSCEC:

- Enhance Transparency: It is recommended that the company implement more transparent communication strategies regarding its CSR policies. Regular updates and reports should be shared with stakeholders to foster trust and clarity about ongoing initiatives.

  - Issue quarterly and annual CSR reports detailing initiatives, outcomes, and future goals.
  - Include metrics, financial investments, testimonials, and case studies.
  - Make reports available on the company website and distribute via newsletters.
  - Organize meetings with stakeholders to discuss CSR initiatives, gather feedback, and address concerns.
  - Host open forums for community members and employees to ask questions and provide input on CSR efforts.
  - Create a dedicated section on the company website for CSR initiatives, allowing stakeholders to interact and provide feedback.

- Increase Training and Development: To improve awareness of CSR among employees, the company should invest in comprehensive training and development programs. These programs should focus on the principles of CSR and the specific initiatives undertaken by the company.

- Develop training modules that cover CSR principles, ethical practices, and specific company initiatives.
- Organize biannual workshops with external experts to enhance employee knowledge and engagement.

- Strengthen Ethical Standards: The company should prioritize the enhancement of ethical standards in its business dealings. Establishing a robust ethical framework and providing training on ethical decision-making can help improve the company's reputation and stakeholder trust.

  - Code of Ethics: Draft a comprehensive code detailing expected behaviors and ethical decision-making processes.
  - Involvement: Engage employees in creating and refining the ethical framework to ensure relevance and buy-in.
  - Whistleblower Protection: Confidential Reporting System: Establish a secure, anonymous reporting mechanism for unethical behavior.
  - Awareness Campaign: Promote the existence of this system through internal communications and training sessions.

- Develop a Competitive Advantage through CSR: The company should explore ways to leverage its CSR initiatives as a competitive advantage. This could involve aligning CSR efforts with business goals and highlighting the positive impacts of these initiatives in marketing strategies.

  - Brand Messaging: Incorporate CSR efforts into marketing campaigns, showcasing the company’s commitment to social responsibility.
  - Customer Stories: Share testimonials and success stories from beneficiaries of CSR initiatives in promotional content.

- Expand Philanthropic Activities: To address the limited engagement in philanthropic efforts, the company could develop a structured philanthropy program that focuses on community needs. Collaborating with local organizations can enhance the effectiveness and reach of these initiatives.

- Volunteer Programs: Organize employee volunteer days, allowing staff to participate in community service during work hours.
- Recognition: Recognize and reward employees who actively participate in philanthropic activities.
- Partnership Development: Establish partnerships with local NGOs to enhance the effectiveness of philanthropic initiatives.
- Joint Projects: Develop joint projects that address specific community needs, leveraging the strengths of both organizations.

▪ Focus on Community-Centric Projects: The company should continue to prioritize community development projects, ensuring that they are tailored to the specific needs of local populations. Engaging with community members for input can enhance the relevance and impact of these initiatives.

- Advisory Councils: Form community advisory councils to provide ongoing input and guidance on projects.
- Feedback Mechanisms: Establish channels for community feedback throughout project implementation.

▪ Regular Impact Assessment: Implementing a system for regular assessment of CSR initiatives will help identify strengths and areas for improvement. This could involve collecting feedback from stakeholders and measuring the social and environmental impacts of projects.

- Regular Feedback: Conduct surveys at regular intervals to gather feedback on CSR initiatives from stakeholders.
- Focus Groups: Organize focus groups to gain deeper insights into the effectiveness of CSR efforts.
- Review Findings: Hold annual meetings to review impact assessment findings, inviting stakeholders to participate.

- Foster Partnerships with Local Organizations: Building partnerships with local NGOs and community groups can enhance the effectiveness of CSR initiatives. Collaborative efforts can lead to more sustainable outcomes and strengthen community ties.

    - Community Events: Host events that bring together local organizations, businesses, and residents to foster collaboration and networking.
    - Capacity Building: Provide training and support to local organizations to enhance their ability to address community needs.

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ANNEX : Questionnaire (English)

Section One – **Background Information**

1. Gender

Male [ ] Female [ ]

2. Age [ ]

3. Level of education

Diploma [ ] B.A. Degree [ ] Masters and above [ ]

II. Awareness & Practice of CSR in your company

Please Tick only one box for the following questions

6. Are you familiar with the concept of Corporate Social Responsibility (CSR)?

A. Yes [ ] B. No [ ]

7. If you know the concept of CSR, how do you come to know about CSR?

A. Through formal education [ ]

B. Through my own reading [ ]

C. Through training provided by the Company

D. Your company’s code

8. Does your Company have a CSR policy?

A. Yes [ ] B. No [ ]

9. Does your company disclose his corporate social responsibility policy?

A. Yes [ ] B. No [ ]

Section two :Attribute related to corporate social responsibility and profitability

The following statement relate to your opinion about basic facts related to corporate social responsibility attributes and profitability. For each item indicate the extent to which you agree or disagree with feature described by the statement.

1= strongly disagree (SD) 2= Disagree(D) 3 = Neutral(N) 4= Agree(A) 5= strongly agree(SA)

Put a check mark (√) in the column corresponding to one of the five points following the particular items to show the degree to which it relates to the company.

No	**Statement**	**SA**	**A**	**N**	**D**	**SD**
	Ethical Responsibility					
1	The company has well developed ethical business principal practice.					
2	The company upholds high standards of integrity and ethical conduct in its business dealings.					
3	The company operates in a manner consistent with expectations of societal and ethical norms and consistently complies with relevant laws, regulations, and industry standards					
4	The company fosters a culture of social responsibility and ethical decision-making among its employees.					
5	The company values and respects the rights and well-being of its employees.					
6	The company works towards improving working conditions to its employees.					
7	The company facilitates various training for its employees as to make them capable for ethical decision.					
8	The company motivates its employees through recognition, appreciation, and reward.					
9	The company has policies in place to prevent conflicts of interest and ensure fair treatment of customers					

10	The company is transparent in its communication and disclosure of information.					
	Economic Responsibility					
1	The company has good risk management policy and strategy					
2	The company effectively manages costs and expenses to maximize profitability					
7	The company is paying decent wage comparing with others					
8	The company provides reasonable benefits for employees (medical services, performance bonuses, holiday pay, transport allowances etc.)					
10	The company engaging in Economic CSR initiatives have a competitive advantage over those that do not.					
	Philanthropic Responsibility					
1	The company makes contributions and donations to charitable organizations, and community activities.					
2	The company donates a significant portion of its profits to philanthropic initiatives.					
3	The company engages in partnerships with nonprofit organizations to address societal issues					
4	The company responds to natural and human made disasters (E.g. providing food and shelter for victims)					
5	The company promotes volunteerism among its employees for community service					
Community Development						
1	The company actively engages/ regularly in initiatives that contribute to the development of local communities.					
2	The company provides job opportunity to the local community					
3	The company encourages employee involvement in community service activities..					
4	The company implemented any community development initiatives in the past 5 years					

Questionnaire (Chinese)

以下是问卷的中文翻译:

自我管理问卷

对……公司的企业社会责任(CSR)评估

第一部分 - 个人信息

1. 性别 男 [ ] 女 [ ]
2. 年龄 [ ]
3. 教育程度 学士学位 [ ] 硕士及以上 [ ]
4. 工作年限 ________年
5. 你是否熟悉企业社会责任(CSR)的概念?
   A.是 [ ] B.否 [ ]
6. 如果你了解CSR概念,是通过以下哪种方式得知的?
   A. 通过正式教育 [ ]
   B. 通过自己的阅读 [ ]
   C. 通过公司提供的培训[ ]
   D. 通过公司的行为准则[ ]
7. 你认为你的公司有没有承担过企业社会责任?
   A. 是 [ ] B. 否 [ ]
8. 你的公司是否公布其企业社会责任（CSR）政策?
   A. 是 [ ] B. 否 [ ]
9. 以下哪些企业社会责任（CSR）实践是你公司针对社会开展的?
   请勾选所有适用选项
   [ ] 给弱势群体和慈善非营利组织捐赠
   [ ] 赞助文化或其他活动
   [ ] 环境保护活动
   [ ] 企业义工活动
   [ ] 灾难管理
   [ ] 教育

[ ] **其他**
[ ] 没有采取任何实践

10.**你**认为你公司最主要参与的CSR**活**动是:

A) 环境可持续性[ ]
B) **慈善公益**[ ]
C) **社区**发展[ ]
D) **道德**责任[ ]
E) 经济责任[ ]
F) **其他活**动[ ]

第二部分: CSR维度相关属性

对于每个项目,请表示您对该声明描述的特征的同意或不同意程度。

1=强烈反对(SD) 2=**反**对(D) 3=**中立**(N) 4=**同意**(A) 5=强烈同意(SA)

在与该公司相关的特定项目后的五个点之一下方打勾(√)**以表示您的同意程度。**

No 陈述 SA A N D SD

I **道德**责任

1 **公司有完善的道德商**业原则实践。

2 **公司在**业务往来中秉持高标准的诚信和道德操守。

3 **公司以符合社会和道德**规范的方式运营,**并始**终遵守相关法律、法规和行业标准。

4 **公司培养**员工的社会责任感和道德决策能力。

5 **公司重**视和尊重员工的权利和福祉。

6 **公司致力于改善**员工的工作条件。

7 **公司**为员工提供各种培训,**以提高他**们的道德决策能力。

8 **公司通**过认可、表扬和奖励来激励员工。

9 **公司有政策防范利益冲突**,**确保公平**对待客户。

10 **公司在沟通和信息披露方面保持透明。**

II 经济责任

1 **公司有良好的**风险管理政策和策略。

2 **公司有效管控成本和**费用以最大化利润。

3 与竞争对手相比,公司的财务状况非常良好。
4 公司开发新产品,重塑现有产品,并基于客户需求创造新渠道。
5 公司持续实现其财务目标和指标。
6 公司投资研发以推动创新和获得竞争优势。
7 公司给予员工体面的薪酬。
8 公司为员工提供合理的福利(医疗服务、绩效奖金、带薪假期、交通补贴等)。
9 公司在财务决策中体现长远眼光。
10 参与经济CSR举措的企业相比那些未参与的企业有竞争优势。
11 经济CSR活动对企业的财务绩效和盈利能力有积极影响。
12 经济CSR举措对企业整体可持续性和抗风险能力有积极影响。
III 慈善责任
1 公司向慈善机构和社区活动提供捐赠和捐助。
2 公司将大部分利润用于慈善公益事业。
3 公司与非营利组织合作,共同解决社会问题。
4 公司应对自然和人为灾害(如为受害者提供食品和住房)。
5 公司鼓励员工参与社区服务义工活动。
6 公司测量和报告其慈善公益的影响和结果。
7 慈善责任增强了公司的声誉和良誉。
8 公司的慈善公益努力为社会做出积极贡献,产生积极影响。
9 公司支持教育、医疗或环境可持续性等倡议。
IV 社区发展
1 公司积极参与/定期开展有助于当地社区发展的倡议。
2 公司为贫困学生提供奖学金。
3 公司通过支持中小企业来推动国民经济发展。
4 公司倾听并考虑当地社区的需求和关切。
5 公司在当地社区提供就业机会,带动经济增长。
6 公司鼓励员工参与社区服务活动。

7 **公司的社区**发展努力对社区产生积极持久的影响。

8 **公司在**过去5**年内**实施了任何社区发展项**目**