

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN MANUFACTURING FIRMS: THE CASE OF SENDAFA INDUSTRIAL ZONE

BY

FEKER DINKESSA-------GSR/9298/17

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ADDIS ABABA, ETHIOPIA

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FEKER DINKESSA DERRESSA

ADVISOR: GEMECHIS TERFE (PhD)

A THESIS SUBMITTED TO THE COLLEGE OF BUSINESS AND ECONOMICS OF ADDIS ABABA UNIVERSITY, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF SCINCE (MSC) IN MANAGEMENT

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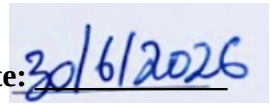
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Asmamaw Argeta, PhD		**04/07/2026**

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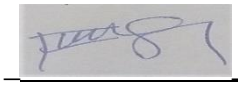
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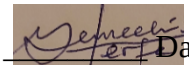
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Name: FEKER DINKESSA DERESSA Signature  Date of submission 06/07/2026

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Advisor

Dr. Gemechis Terfe Signature:  Date: 10/06/2026

ABSTRACT

Manufacturing firms drive economic growth in developing countries, yet their relationship with the communities and environments they operate in remains deeply unresolved. This study assessed corporate social responsibility practices among manufacturing firms in the Sendafa Industrial Zone, examining how companies perform across economic, social, and environmental dimensions and whether the people most affected actually experience any meaningful benefit.The study used a descriptive mixed-methods design, combining structured questionnaires with semi-structured interviews. Three stakeholder groups participated: employees, company managers, and surrounding community members. Quantitative data were analyzed using SPSS descriptive statistics, while qualitative responses from kebele administrators and investment office officials were interpreted thematically. Purposive and systematic sampling techniques were applied across the groups. The findings reveal a consistent and troubling gap between how managers perceive their companies and how employees and community members actually experience them. Managers rated their firms positively across all three CSR dimensions, while employees and community members told a different story one of partial awareness, irregular engagement, and limited benefit. A significant portion of community respondents reported no involvement in any CSR activity, and many employees remained unaware of efforts made on their behalf. Activities that do exist environmental cleaning, school support, health contributions, and worker welfare tend to be ad hoc and event-driven rather than structured or sustained. Major implementation challenges include weak firm commitment, inadequate government oversight, and financial constraints. Two context-specific barriers rarely captured in Ethiopian CSR literature were also identified: chronic electricity interruptions that force firms to prioritize basic production survival, and localized peace and security concerns that discourage long-term social investment. The study concludes that CSR in the Sendafa Industrial Zone remains largely philanthropic and reactive rather than strategic and inclusive. Firms are recommended to develop formal CSR policies with dedicated budgets and genuine stakeholder participation, while government must establish enforceable monitoring mechanisms and address infrastructure gaps as foundational preconditions for sustainable corporate responsibility.

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DEDICATION

This thesis is lovingly dedicated to my father, **Dinkessa Deressa (PhD),** who believed in me long before I believed in myself. Your belief in my potential has been the greatest gift of my life, and your support throughout my lifetime has shaped everything I have become. This work is for you.

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LIST OF ACRONYMS

CSR: corporate social responsibility

TBL: Triple Bottom Line Theory

SPSS: Statistical Package for Social Science

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Chapter one

Introduction

1.1 Background of the study

Manufacturing companies are growing to provide more jobs, bring in more money from outside the country and sell more products on international markets. CSR (Corporate Social Responsibility) has not been growing along with manufacturing (Asfaw et al., 2023; Belay et al., 2024). Data has shown that there is a growing amount of products produced by manufacturing companies but CSR is not developing as fast. Evidence has shown that the actual CSR of manufacturing companies has not yet developed enough and is poorly implemented. For instance, industrial development zones such as the Sendafa Industrial Zone will create pollution, little labor protection for workers and create tensions with surrounding communities due to the new manufacturing plants that will be in these areas.

Ethiopia is developing a range of industrial parks and zones throughout the country, which have been built with the intention of grouping together different types of business and utilizing similar types of state and social infrastructure, including transport (Gebre, 2023). This type of development is not new; early 20th-century Britain was already recognising the benefits of clustering businesses away from the central city (Litwin, 2012). By grouping businesses together, they have a potential to create efficiencies when sharing services and infrastructure. The concentration of businesses in close proximity to each other therefore leads to sharing similar issues such as waste, wage stability, and environmental impact (Lund-Thomsen & Pillay, 2016) within that one defined region.

There are examples of plenty of industry clusters in the developing world participating in corporate social responsibility (CSR), especially where environmental management or poverty alleviation is concerned, but impeded by poor enforcement (Lund-Thomsen, 2012). One such site is Bac Ninh province, Vietnam, where companies within industrial parks are utilizing their CSR efforts as a method to support their communities, provide training for employees, conduct themselves ethically and comply with laws in order to achieve long-term sustainability financial goals-related to reducing emissions and developing confidence from the public (Thang et al., 2025). Another example can be found in Ethiopia’s industrial parks, where there are large social sustainability gaps; therefore, the need exists for developing better governing regulations on CSR implementation (Assefa, 2023).

Research suggests that in developing countries, Corporate Social Responsibility (CSR) is often considered to be an activity, such as charity, or as being incorporated into the fabric of how business is done, both a charitable activity and a "fabric" (Wolniak, 2023, cited Dzage, 2024). In manufacturing, this results in donations at the time of creation and not much adherence to the rules; while carrying out the more difficult, yet significant work to reduce pollution; developing actual health systems for workers, and developing real partnerships with other stakeholders/interest groups is often not conducted as well. This demonstrates that there exists

a substantial gap between growth of the industrial sector and socially responsible business practices.

Over time, Corporate Social Responsibility has changed. It has become a legitimate strategic tool that organizations incorporate with their primary operational activities of integrating social, environmental, and economic factors (Carroll, 1991 cited McWilliams & Siegel, 2001). This is particularly important for manufacturing businesses such as Sendafa Industrial Zone because they produce more pollution, consume more resources and directly impact both their employees and their nearby communities.

The development of international corporate social responsibility (CSR) began as a voluntary practice; however, due to various factors, including the rising levels of global industrialization by the mid-to-late 20th centuries, it has now also become a business necessity. The growing level of criticism aimed at corporates for their unethical business practices, including environmental-related pollution, labour exploitation, and ethical shortcomings, has increased pressure on companies to ensure accountability so that they can comply with the demands of governments, local communities, and international agencies for corporate accountability.

As industrialization has continued to increase throughout Africa, there has also been a corresponding rise in the level of pressure on companies for accountability to their stakeholders. Similarly, studies show that most companies in Africa still practice CSR informally, due to the lack of effective regulations and the tendency of many companies to provide resources in a charitable manner rather than as part of an integrated strategy to achieve sustainability (E. Timankou, 2008).

In Ethiopia, CSR is still in the early stages; however, some of the larger manufacturing companies are integrating CSR policies into their operations through various initiatives marketed as their employee welfare initiatives and/or community support activities. Yet, the vast majority of the larger manufacturing companies operating in Ethiopia have yet to implement formal environmental management systems or have established a structured strategy for the implementation and monitoring of CSR activities. As indicated by a recent study conducted of certain Ethiopian manufacturing companies (e.g., breweries, cement companies, and others), they are implementing CSR in an ad hoc, reactive manner that is generally not aligned with sustainable development principles (Legesse & Wondwossen Jerene, 2023 and Bekele, 2023).

A number of companies in Sendafa Industrial Zone have taken major actions to hire workers and support small-scale community events, as well as strive to meet basic environmental standards. All of these changes are definitely positive signs. However, serious issues still exist, such as insufficient environmental protection, inadequate waste disposal, limited conservation activities, and very little interaction with the surrounding community. Additionally, there is no long-term strategy for sustainability in the vast majority of Sendafa's manufacturing facilities.

In order to better understand the CSR initiatives of manufacturing companies within the Sendafa Industrial Zone, this study will analyze the contributions made to society and the economy by manufacturing firms, from both an employee and local community viewpoint, identify how stakeholders view these contributions, provide examples of various types of CSR programs that exist, and identify potential barriers to implementing successful CSR initiatives. By doing so, this research intends to enhance the current body of knowledge about CSR in Ethiopia and provide valuable evidence for policymakers, administrators within the industrial zone, and manufacturers in Sendafa who wish to further advance the concept of sustainable industrial growth.

1.2 Statement of the Problem

Corporate Social Responsibility (CSR) has changed from a charitable concern into a framework for linking business sustainability. With environmental and social considerations through strategic planning. Companies that manufacture have a basic understanding of the importance of CSR but engage in it very sporadically and in an unstructured like donations (Bayisa 2013). (Wakuma 2020) used a similar study in Bishoftu to evaluate CSR practices in manufacturing and found few records/documentations of CSR activity conducted by companies, as well as no connection to any long-term strategy.

These findings have now been confirmed through more recent studies done in Ethiopia. (Beyene and Kide 2021) reported three major common barriers to the success of CSR in Ethiopia such as a lack of knowledge on the part of management,a lack of available funds and a lack of guideline from the government. (Legesse 2022) points out that CSR can help improve the reputation of a company and strengthen relationships with its stakeholders. However, it is difficult to determine how much CSR affects a company's financial performance, as the implementation of CSR in manufacturing companies has been so sporadic.

A review by (Belay et al 2024) identified and compared Ethiopian homegrown firms with multinational firms that operate in Ethiopia. (Belay et al. 2024) found that the multinational firms have established frameworks to train and implement CSR programs and the homegrown Ethiopian firms have virtually no institutional framework or reporting system for CSR. (Mamo 2024) contributed to the comparison by stating that while there is a growing awareness and interest in CSR within Ethiopia, initiated CSR projects that are socially-focused and show no effort or system put in place to see if those projects are successful. there is also little consideration of how such initiatives will contribute to a sustainable future for the local community. In Ethiopia there is a tendency for businesses to respond quickly to disasters and to provide a variety of services to the public by completing short-term, Therefore, making it very difficult for CSR initiatives to contribute to sustainable development (Tadele 2024).

Carroll's CSR framework is one of the most comprehensive models used at the international level to understand corporate social responsibilities. According to (Carroll 1991), there are four main elements to corporate social responsibilities. These four elements are economics, law, ethics, philanthropy. Even though Carroll's (1991) model is accepted, researchers have raised

concerns about how to measure corporate social responsibilities across different nations and industry sectors. (Masoud 2017) found that the assessment of corporate social responsibilities is not consistent and varies significantly from each industry.this making it difficult to compare the corporate social responsibilities level of one organization with another company or region. (Fourati 2021) states further that a standard approach to assessing corporate social responsibilities could enhance corporate accountability. However approach has yet to be adopted by many developing nations. Conversely, (Wolniak 2023) and (Lin et al., 2023), have shown that by using best practices for corporate social responsibility, companies can encourage innovation, build productive relationships with their stakeholders and improve their overall performance.). Nonetheless, (Dzage 2024 cited in Campos Velarde 2025), mentions that a company's ability to succeed with their CSR will be heavily determined by specific firm and/or contextual factors and that there is no way to have a universal measurment

The number of studies available about corporate social responsibility (CSR) in Ethiopia has grown significantly over the past several years. Despite this growing of research, very little is known about how CSR operates or is perceived at the operational level in industrial zones in Ethiopia, such as the Sendafa Industrial Zone.previous studies have focused on larger enterprises generally, while small and medium-sized enterprises that constitute the vast majority of the companies established in Ethiopian industrial industrial zones ignored.. Industrial zones, such as Sendafa, also have virtually no empirical studies related to pollution, worker safety, and their impact on local communities despite increasing concern about these subjects in Ethiopia. Thus, this study is designed to address these in the research literature, and by doing so, evaluate the degree to which manufacturers in both Sendafa and its surrounding communities fulfill their environmental and social obligations to their employees, the community, and the economy.

This study was motivated by a personal observation of the growing industrial activity in Sendafa and the visible gap between what firms claim to do and what the surrounding community actually experiences. As a researcher based in the same region, the researcher noticed that despite the rapid expansion of the Sendafa Industrial Zone, very little structured evidence existed about how these firms handle their responsibilities toward workers and the local community. Most available studies were conducted in larger cities like Addis Ababa, Bishoftu, and Adama, leaving smaller but growing industrial zones like Sendafa largely invisible in the academic literature. This study was therefore undertaken to fill that specific geographic and contextual gap to generate evidence directly from employees, managers, and community members who interact with these firms daily, and to give voice to stakeholders who have rarely been included in Ethiopian CSR research.

The results of this study will contribute to existing academic literature, and will also assist policymakers and industrial zone administrators, as well as the manufacturers located within these zones, in their pursuit of sustainability and socially responsible industrial development.

1.3 Research questions

Based on these facts, the following research questions will be answered at end of this work.

1. How effectively do manufacturing firms address environmental, social, and economic dimensions of CSR?
2. What is the level of employees and community awareness regarding CSR practices?
3. How they engage the community in their CSR activities?
4. What type of CSR activities implemented in manufacturing firm?
5. What are the challenges to implementation CSR initiatives?

1.4 Objectives of the study

General Objective

To Assessing corporate social responsibility practices in manufacturing firms in sendafa industrial zone

Specific Objectives

1. To assess the extent to which firms address environmental, social, and economic responsibilities.
2. To assess the level of stakeholder awareness regarding CSR practices.
3. To assess the engagement of stakeholders in there CSR practice
4. To identify the CSR practices currently implemented by manufacturing firms
5. To identify the challenge's to implement CSR in the firm.

1.5 Significance of the Study

A company's success or failure often hinges on smart strategic planning and genuine commitment to social responsibilities. The primary purpose of this research is to provide the base for understanding the current practice regarding CSR in sendafa industrial zone, In doing so, the research provides the basic framework to understand and assess CSR based on the employee, company managers and community perspective. This study will guide the management of companies in the Sendafa Industrial Zone by highlighting specific areas where manufacturing firms can improve their CSR efforts, helping them redirect resources more effectively. For government bodies, the findings will reveal the extent of CSR participation among these companies. This data can inform policies to encourage better involvement, push underperforming firms, and refine national CSR guidelines. The research also serves as a practical reference for similar studies or companies elsewhere. It offers actionable

recommendations on implementing CSR in manufacturing firms. Plus, it lays groundwork for future research on related topics, building a stronger body of knowledge in the field.

1.6 Delimitation/Scope of the Study

This study narrows in on CSR practices at selected manufacturing firms in the Sendafa Industrial Zone. It examines three core dimensions: environmental responsibility (like waste management and pollution control), social responsibility (such as community engagement and employee welfare), and economic responsibility (including job creation and local supply chain support).The scope is strictly limited to companies physically located in the zone. Data comes from employees, managers, and nearby community members who interact with these firms, ensuring the focus stays relevant and contained.

1.7 Limitations of the Study

Data collection hit several real-world roadblocks. Many companies in the zone weren't fully operational or had shut down entirely during my fieldwork. Some companies are not willing to give their opinion on the topic. Which made it tough to line up interviews or distribute questionnaires? As a result, I struggled to reach enough respondents for a bigger sample. A lot of people I approached hesitated some feared speaking out, others just didn't want to fill out forms. The topic's sensitivity around confidentiality played a big role too, firms guard their info closely, and I couldn't always access key documents or offices despite trying. On top of that, there's a shortage of prior studies zeroed in on Sendafa, and recent literature on CSR in Ethiopian industrial zones is pretty thin. These gaps limited my ability to benchmark findings or draw deeper comparisons. Still, I worked with what was available to keep the study solid

1.8 Organization of the Study

This final paper was organized into five main chapters, and each chapter has been divided in different sub topics. The first chapter: dealt with background of the study, statement of the problem, research questions, research objectives, significance of the study, scope (delimitation) and limitation of the study, and organization of the thesis report. Chapter two: talks about the review of related literature which was more explaining of the idea of the role and participation of Private Organization in the scope of corporate social responsibility, with a theoretical validation of the study as well. Chapter three: has also dealing with research methodology and procedures, which was indicated the method that how to study in the research implementation, social science research technique and way of approach. Chapter four: was talking in terms of data collection and general explanation of the study area and also the issues of data display,

describe, analyze and interpret of data in detail. The last part of this report was Chapter five. In this chapter the conclusion and recommendation of the study has been included

CHAPTER TWO

Review of Related Literature

Introduction

The theoretical literature on Corporate Social Responsibility (CSR) in manufacturing firms focused on understanding the frameworks that explain CSR practices and their role within organizations. CSR involved voluntary actions by businesses to address social, environmental, and economic issues, contributing to sustainable development. In the manufacturing sector, CSR was seen not only as fulfilling ethical obligations but also as a strategic approach that enhances reputation, customer loyalty, and competitive positioning. Manufacturing firms increasingly adopted CSR practices aligned with stakeholder expectations, believing these practices contributed to trust-building, customer retention, and an improved public image (Porter & Kramer, 2006).

This section explores key theoretical frameworks relevant to CSR in manufacturing firms and their implications for understanding CSR practices. These frameworks provide the foundation for examining CSR in manufacturing firms within Sendafa Industrial Zone, especially regarding environmental, social, economic, and responsibilities.

2.1 Historical Development of Corporate Social Responsibility (CSR)

The notion of CSR has progressed through different stages in developing the present forms of it. CSR's rise is a result of changes in society's expectations, corporate misbehavior, limits, and over time, a genuine want for moral progress. To grasp the evolution of CSR into its present form, it would be good if we looked at its history.

In the 1920s, Oliver Sheldon argued that businesses should not only make a profit but also promote ethical behavior and justice (Sheldon, 1923; cited in Bichta, 2003). Smilarly Howard R. Bowen gave Sheldon's idea a more concrete form by saying that businesses need to take social values into account when making policies. It is something that is still discussed and argued about now (Bowen, 1953; cited in Quang et al. 2025). Along the way, CSR added a conversation about more kinds of business accountability. Harold Johnson pointed this out socially responsible company is one that meets the needs of its shareholders workers suppliers, community, and society overall while not solely concentrating on profitability (Johnson, 1971; cited in Quang et al. 2025).

Davis meanwhile stated that a company has to reflect on the social consequences of its behavior and make sure that the operation's gains do not just generate the value of their operation (Davis, 1973). This means company must take responsibility for their negative actions. In 1991, Archie Carroll came up with a corporate social responsibility (CSR) model that outlined four levels of responsibility: economic legal ethical, and philanthropic. This model give shape for CSR implementaion.So, being a socially responsible company means: making a positive impact on society through ethical behavior and providing financial support (Carroll, 1991).

Still, CSR started to be integrated into the corporate objectives and annual reports of some companies during the 1990s. a study at the Fortune 500 list showed that a number of companies were disclosing their CSR activities in their existing reports (Lee, 2008; Moura-Leite & Padgett, 2011)

Between the late 2000s and early 2010s, there was a major turning point when corporate social responsibility (CSR) got institutionalized in many parts of the world, Mainly in Europe. In this process, governments and regulators took leading roles in encouraging responsible corporate behaviours (Agudelo et al. 2019). As a result, through CSR activities, developing countries in Asia, Latin America and Africa were also reached (Carroll, 2015; Belay et al. 2024). Using extensive data, Amin-Chaudhry (2016) has shown how CSR focus has grown from less to more over a period of around 100 years, increasingly mapping the ever-changing expectations of the society.

In fact, the 2010s CSR move from being an external aspect of corporate strategy to becoming central to it.companies were required to not only disclose their CSR commitments and projects but also to embed them in their governance structures and stakeholder communication activities (Fatima & Elbanna, 2023). In addition, (Porter and Kramer 2011) pointed out that CSR, if carried out effectively, can cause the creation of shared value. it should not be regarded as a mere expenditure or a way to reduce costs but a source of competitive advantage. The recent introduction of environmental, social, and governance (ESG) standards has offered CSR entities a format that is more objective and quantifiable with which to integrate these efforts (Ishwarya & Poornima, 2026).Old conceptions of it as a mere instrument of doing charity have been radically changed.

Nowadays, CSR is regarded as a way of effectively handling major issues like climate change, pollution, and depletion of resources. Besides, linking CSR to global sustainability goals has become a common theme in present-day literature. In their portrayal of modern CSR, (Quang et al. 2025) claim that it is the strategic alignment of corporate practices with the UN Sustainable

Development Goals in areas like ethical supply chain management, responsible labor practices, and the use of digital accountability reports. The notion that businesses adopting CSR in line with global sustainability policies not only perform better but besides, many ways technology is carrying out a great role in the practice of CSR. For instance, (Ishwarya and Poornima 2026) mention how technology-related "inclusive CSR 4. 0" has been quite a bit encouraging. the flexibility and the renovation of the mechanisms of the different types of organizations establishing CSR programs with the help of AI, automated monitoring devices, and transparency systems. Such technologies are the main drivers for facilitating the decisions of responsible behavior, monitoring the environment, accountability, and more inclusively shared value (Ishwarya & Poornima, 2026; Dwivedi et al. 2026).

No doubt, the CSR has long been changing in different aspects. Initially, the charitable activities were the focus of business responsibility towards the society but, this has diversified to a strategic practice of the business activities. CSR, in fact, has changed from being a voluntary activity to an integral one placing emphasis on accountability and sustainable development. This is also the case of manufacturing companies in developing nations such as Ethiopia. As industries are growing, it is enough to require such companies to reconcile economic growth with environmental safety, sustainable development, and capacity of local communities to be positively impacted.

2.2 Extent of Economic, Social, and Environmental Responsibilities

2.2.1 The Economic Dimension

The economic aspect of CSR connects a firm's role in the society with using its resources for the social and economic prosperity of all. In other words, a firm should aim to make adequate profits for itself. But it should ensure that workers receive the proper compensation, products quality and the prices are reasonable, all dealings with stakeholders are done in good faith and in general, a firm helps the economy by paying taxes and more (Nasrullah & Rahim, 2014; Gonzalez-Rodrguez, 2015).A major observation made while reviewing literature recently is that making profit and behaving responsibly in business are not mutually exclusive they are, closely related.

Enterprises that incorporate responsible behavior in the very nature of their business strategies usually demonstrate higher performance level.as responsible business behavior results in a reputation, customer loyalty, and investor trust, which are all essential elements of sustainable development (Ajoc, 2024; Mensah & Amankwah, 2025). Similarly Khan and Ali (2024) point out that among the economically responsible business practices are job creation, provision of

quality goods and services, and maintaining a stable relationship with partners and investors. these elements are necessary for running a business successfully, we cannot be separated from one another. In addition, Ahmed and Rahman (2025) believe that, in this case, proper pricing policies, good financial management, and balanced remuneration systems will have positive implications for organizational sustainability and the level of trust between businesses and stakeholders.

2.2.2 The Social Dimension

Although Mainly focused on business, corporate social responsibility (CSR) acknowledges the need to consider the social impacts of a company's decisions and activities on people and communities (Nasrullah and Rahim, 2014; Szczuka, 2015). A company can be seen not just as an entity but as a part of the local society it is within and depends on society. As a natural consequence, a firm has certain obligations towards the people not only through business transactions but also beyond these (Nasrullah and Rahim, 2014; Szczuka, 2015).

social responsibility encompasses the areas of fair workers' rights, safety measures at workplace, contribution to community prosperity, and dealing with social issues such as health and education which are of concern to the population around the business (Garcia and Martinez, 2024; Davis and Kim, 2025). As (Mensah et al. 2024), besides being acts of kindness, such undertakings are instrumental in creating and sustaining corporate legitimacy while also enabling businesses to keep their stakeholder relations over time.

Research supports really being socially responsible leads to tangible positive outcomes. For example, (Wang and Zhao 2024) demonstrated through their investigation that companies that direct resources towards social projects usually achieve higher worker contentment and increased loyalty towards the company. This means CSR activity increase employee motivation. Whereas (Kumar and Singh 2025) stated that those organizations which put a premium on their social responsibility side develop strong and lasting relationships with local communities resulting in real public trust eventually.it means increase the community and companies relationships.

2.2.3 The Environmental Dimension

Environmental issues associated with CSR include the expectations for companies to properly deal with wastes, minimize carbon emissions, preserve natural resources, and make their production process environmentally friendly. Climate change, resource depletion, and environmental degradation are no longer potential threats but have become business risks today

(Lopez & Garcia, 2025). Also they are global concerns regarding to global warming increasing. Besides, (Cheng and Wu 2024) point out that companies that behave environmentally in line with CSR hardly only enhance their corporate image but also effectively increase the loyalty of their customers. Costumers attract for companies doing on environmental CSR activates. Also, (Patel and Shah 2024) actually demonstrate that investing in environmentally friendly technology and production not only impacts on the environment positively but at the same time it is also an economically wise decision with lower costs of operations.

Porter and van der Linde argue that if environmental issues are dealt with adequately, besides innovation and cost reduction being natural consequences, the obtaining of a competitive advantage will also be realized (Arsi et al. 2017). In fact, (Ahmed and Chowdhury 2025) and (Mensah and Ofori 2025) share the opinion that environmental responsibility brings more benefits than the profits maximization could ever give.

2.3 Stakeholder Awareness of CSR Practices

corporate social responsibility (CSR) doesn't run on its own. Even the top CSR initiative in the world couldn't bring about its full potential if the target beneficiaries -the employees, community members, or consumers of the organization are not aware of it. Awareness among stakeholders can be considered, in a lot of ways, as the connection between intent and execution. In fact, when the stakeholders become fully aware of the CSR projects that a company is involved in, they will not only get more interested but will also do their part (Khan & Fatima, 2024). similarly (Mensah and Ofori (2024) point out that a heightened awareness results in a corporation becoming more answerable and at the same time, it gets much easier for the community members and employees to check if the organization is really making good on its promises. or if it is somehow neglecting its CSR commitments. Good and clear communication about social responsibility can bring about more harmonious relationships with stakeholders and a more profound connection soon (Nguyen & Tran, 2025).

How a company communicates its CSR efforts is just as important. There are different channels used to communicate CSR such as sustainability reporting, social media engagement, and community meetings which not only have different functions but also allow a company to get its message to different groups of stakeholders (Rodriguez & Lee, 2024). Also, good communication will not just raise awareness but will lead to higher levels of stakeholder engagement. As stated by (Bhatia and Singh 2025), stakeholders with adequate knowledge and information are not only in the best position to evaluate but can also make organizations

accountable for their operations and ethical standards. Besides, the company's employees should also be made aware of the CSR. Through an empirical study, (Kim and Park 2024) revealed that employees with knowledge of the company's CSR tend to show a greater degree of organizational citizenship behavior. This simply means that employees will willingly perform extra tasks as part of their contribution toward the organization, even if these tasks are not part of their job description. (Osei and Boateng 2025) have, in fact, indicated that the consciousness of the community for the role of companies in CSR has led to the development of a sense of loyalty among community members towards such organizations.

2.4 Community Engagement in CSR

Community engagement is where corporate social responsibility really goes to the people. It is no longer only about the policies and strategies of the organization but actually doing the work in the localities where the company is based. (Ahmed & Rahman 2024) consider community engagement as a way through which members of a community are involved not only in the recognition of community problems but also the development of programs to resolve these problems. This is why why (Lopez & Santos 2025) argue that it is only by collaborating with the community members while doing the planning that the firms will be able to come up with and implement the initiatives that are socially and environmentally sustainable. They also note that it is the people in the localities who know best what it will take to solve the social problems that the development interventions aim at meeting. (Bekele & Tadesse 2024) even went on to explain that not only are participatory approaches an incredibly effective means of community engagement, but if used properly, can also help generate community trust which is difficult to achieve through other methods. On the contrary, as (Tsegaye & Alemu 2025) also pointed out, if an approach is adopted which results in the locals feeling the projects as their own. it is not only that the projects will show greater sustainability but the communities will also be able to deliver better results.

It is also very sensibly argued that there are solid reasons for which business alone can justify engagement with the community. Engaging continually in open discussions with community leaves companies with a better chance of managing social expectations and avoiding conflicts (Hernandez & Cruz, 2024). As demonstrated by (Singh and Arora 2024), efforts aimed at community development do not only help in the improvement of one's brand reputation but also contribute Quite a bit to higher levels of stakeholder loyalty. Besides that, (Brown and Taylor 2025) are highlighting community engagement as a form of equity, i. e. it is a way of overcoming the exclusion of those underrepresented most in development narrative

2.5 Challenges to CSR Implementation

So even though many studies have identified the significance of CSR not only to the firms but also for society in general, CSR implementation is among the most problematic issues in contemporary organizations. Despite the intention of a large number of firms to act as responsible corporate citizens on social, environmental and economic issues, actually implementing the responsibilities though is quite difficult.Limited financial and human resources is one of the most significant barriers to the implementation of CSR. What comes next needs to be considered- for any CSR to be successfully implemented, adequate money, human resources and time are required.

Still, most firms face issues providing the right resources to implement CSR programs, Mostly small and medium firms (Ali & Hussain, 2024; Kumar & Sharma, 2025). Failure of effective communications among involved party is another important barrier that need to take into account. Such failure would causes many undesirable effect, involving poor attendance from the individuals during the stage of the processes (Garca, 2025). It is still an issue that including CSR into the business strategy.

As pointed out by (Chen and Wang 2025), for many companies, CSR is an add on function and perceived by the firms as an activity outside of firm strategy and decision-making. CSR will be side-lined in economic downturn if its perceived as an additional activity and not a strategic goal. Also, issues of regulation and institutions may impact a company's CSR programmers. For instance, in many developing countries, there is weak regulation, ambiguous policy instruments and no CSR standards for companies (Alemayehu & Desta, 2024).

When it comes to CSR performance there are numerous significant challenges and one of them is how to assess the effects of such activities. In (Hassan and Malik 2024) researches were reported that many businesses do not have correct procedures for assessing the impact of their activities. Also, when the organization is culture-sensitive, and its employees resist the change of the process may also prevent from implementing the concept of corporate social responsibility. The personal that form the organization and/or the administration of the company will be less willing to use the new concepts which alter the current activities.

2.6 Theoretical Literature Review

2.6.1 Stakeholder Theory

In 1984, Freeman unveiled Stakeholder Theory. This theory posits that a business is accountable not just to its shareholders but to a broader group of stakeholders as well. Per R. Edward Freeman and Reed, these stakeholders are elements or people who have a stake in a business's assets and can even influence the meeting of the company's main objectives (Freeman and Reed, 1983; Jonek-Kowalska et al. 2023). These stakeholders can be shareholders, senior management employees clients suppliers distributors partners, local communities, future generations, past generations scholars competing firms, non-governmental organizations, labor unions, and other financers excluding the stockholders (Friedman and Miles, 2002; Freeman and Dmytriyev, 2017; Friedman and Miles, 2024). company cannot limit its efforts to maximizing profits only as it needs to factor in the interests of other stakeholders as well. From Freeman's viewpoint, embracing diversity and inclusion not only helps organizations build stronger communities but also enables them to deliver better results to their businesses and other stakeholders (Freeman, 1984).

This concept, which among other ways is also seen by a recent literature as being one of the biggest influences on the development of corporate social responsibility. CSR stands today as the touchstone of business success as it lays emphasis on the consideration of interests of several stakeholders (Jonek-Kowalska et al. 2024).based on Freeman and Dmytriyev, rests upon the moral guideline that businesses have to value all people involved not only pursue shareholders' wealth creation (Dmytriy, 2024). Actually, involving stakeholders is a surefire way to boost performance and at the same time get an organization's reputation (Preeti, 2024).

In the wake of the stakeholder approach to business, empirical evidence suggests that the emphasis on stakeholders leads to effective changes for sustainability and resilience of the companies. (Zhou & Li 2025) believe that those organizations that integrate stakeholder interaction in their strategies will, most probably, continue to be more capable of identifying risks and adapting to societal changes. Like that, engagements with stakeholders are thought to foster innovations and responsible corporate behavior (Garcia & Santos, 2025). background that scholars suggest that stakeholder theory serves as an effective theoretical basis for integrating CSR into corporate governance.

On the CSR, Stakeholder Theory suggested that production firms making CSR that the deliver the value to all stakeholders concerned. Through environmental activities, ensuring employee welfare, responsible sourcing of materials, and community development, manufacturing

companies would forge strong ties their local communities and other stakeholders. This would develop loyal customers, high employee morale, and positive company image. Per the model proposed by Freeman (1984), in line with interests of all stakeholders, the CSR initiatives of organizations are the major sources of loyalty and competitiveness

2.6.2 Triple Bottom Line Theory

The concept of the Triple Bottom Line (TBL) was first proposed by John Elkington in the 1990s. It was a theory that extended the thoughts on profit of the past, giving a totally new touch to the social and environmental sides of using the performance of a business as a measurement (Elkington, 1997). The TBL system led to the introduction of three big aims to the companies: People, Planet, and Profit. Still, a firm also must attain social sustainability to successfully implement the CSR setup based on the TBL perspective. The top managers of the company should take steps to fulfill social demands as much as possible right after they have identified the societal priorities. That means, to ensure the continuous existence of the enterprises, their social initiatives should do the utmost to satisfy the needs of the local community (Neuman, 2014).

The Three Ps: People, Planet, Profit

The Triple Bottom Line framework organizes corporate performance into three dimensions, often summarized as the "three Ps": People, Planet, and Profit (Elkington, 1997).

People (Social Bottom Line)

The social dimension includes impacts on labor practices, human rights, community development, product responsibility, and social investment (Elkington, 1997; Ajoc, 2025).

Planet (Environmental Bottom Line).

The environmental dimension addresses impacts on natural resources, emissions, biodiversity, and ecological systems (Figge et al., 2002; Schaltegger & Wagner, 2006; Gray, 2010).

Profit (Economic Bottom Line).

The economic perspective is the traditional performance of an enterprise, which is redefined in terms of sustainability (Elkington, 1997; Hubbard, 2009).

recent empirical works present strategic that triple bottom line (TBL) is a very important concept for business world nowadays. To this end, as the research of (Garcia and Lopez 2025), companies which have integrated all three pillars of sustainability in their business activities are not only more capable of meeting the expectations of their stakeholders but are also successful

in compliance with the requirements of the regulatory authorities. Also, empirical evidence suggests that companies which carry out the notion of TBL show improvements in achieving targets of transparency and accountability as well as gaining corporate legitimacy (Rahman & Karim, 2025). In this view, recent studies highlight that the TBL system has become a major point of reference in the research on the CSR and sustainable development linkage.

Besides this, TBL served as a warning for companies that they need to investigate ways to harmonize their financial, social and environmental interests. It is true that, For one thing, this can mean very tough challenges for manufacturing companies; But, it will deliver results like a stronger brand name, product differentiation and customer loyalty.

2.6.3 Carroll's Pyramid

Scheme has been put up by Archie Carroll's to demonstrate the Pyramid of Corporate Social Responsibility. The initial version of the model was written in 1991 and has since been updated.

Carroll's Pyramid highlights that corporate responsibility is not one thing. It is a bundle of different things, which one by one along the ladder add up their respective influences. All the levels are equally important while at the same time no one can stand alone.

Economic responsibilities are at the bottom of the pyramid. It is a must for a business to be profitable if it wants to produce the kind of goods and services that people need, be able to work efficiently, provide jobs, and generate income for investors. (Carroll 1991) decided that no other responsibilities can stand without the foundation of economic performance.

Responsibility to the law is on the second step. Besides respecting the labor market, protecting consumers, operating in compliance with environmental laws, and abiding by the codes of criminal and civil law, businesses must also be keen to the legislation of the places where they operate. Legal responsibilities reflect the formal and codified expectations of corporate behavior set by society (Carroll, 1991). In countries where legal structures are still at the developing stage, going beyond the letter and also the spirit of the laws becomes even more of a necessity (Visser, 2006).

the third level ethical responsibility. Ethical responsibilities include fairness, honesty, and justice. Often times these are the things that no one is regulating but companies still do them. Firms are So expected to uphold stakeholder rights, refrain from doing harm, and show authentic moral judgments in cases where the rules are forgetful or ambiguous (Carroll, 1991;

Trevio and Nelson, 2016). Integrating ethics into the business model has consistently been linked to the achievement of a sustainable competitive advantage (Porter and Kramer, 2006).

Philanthropic duties are at the top of the pyramid. Philanthropic responsibilities are Donations, educational sponsorships, employee volunteer programs, and community development initiatives (Carroll, 1991). In developing economy, community investment is often a social expectation rather than merely an option, and the delineation between discretionary goodwill and genuine obligation can blur considerably (Visser 2006). Philanthropic investment is being aligned with strategic business objectives to create what (Porter and Kramer (2011) famously called shared value outcomes that are good for society and good for the business at the same time.

2.6.4 Institutional Theory

DiMaggio and Powell developed the Institutional Theory in 1983. They observed that organizations are not separate entities that act on their own. Instead, they are shaped by their social, regulatory, and cultural environments. It is not enough for organizations to be efficient and productive if they want to survive. Organizations also need to be legitimate in the eyes of both societies and governmental bodies (DiMaggio and Powell, 1983).

For the CSR issue, this theory helps to understand why organizations carry out socially or environmentally responsible actions. At times organizations are compelled to implement CSR due to regulators and communities placing pressure on them. This kind of pressure-induced implementation is the one that DiMaggio and Powell would term as institutional isomorphism.

The direct parallel could be drawn to the case of manufacturing companies in Sendafa Industrial Zone. If there is no regulation and community pressure, organizations would have very little institutional reason to do anything other than minimum compliance.

2.7 Empirical Review

CSR Practices in Manufacturing Firms

We cannot ignore the importance of CSR in manufacturing companies because the processes going on in these companies impact the environment and the local community. In fact, these manufacturing units carry out their operations in residential areas and use local water supplies As such, the different manufacturing companies emits either one or the other pollution in the surrounding and get the local people hired. The social responsibility of manufacturing firms can’t get neglected since affected the lives of the people of that region.In the past,

manufacturing companies attempted to address the issue of social responsibility through charitable actions. They would make a financial donation to local schools, participate in community activities and make a one-time donation. So, these activities would be a part of the CSR of the agencies. These activities, as we can see, were unrelated to the manufacturing processes of the company.

According to Porter and Kramer, CSR is a trade-off between intention and action. The majority opinion among people is that CSR, a conscious business effort, may fulfill the intention to correct and avoid social harm. Nevertheless, we believe that the approach does not quite work now. Stakeholders from different segments expect manufacturing firms to be caring to environment, fair to workers and contributive to community, in their operations and practices. This activity is considered a normal activity of the manufacturing company by them. According to (Porter and Kramer, 2011; Jamali and Karam, 2018), it can no longer be viewed as an act of charity.

Global CSR Practices in Manufacturing Firms

The manufacturing sector of an economy is a significant part of a country's economic and social development. Developing countries certainly help their economies to specialize in the production of goods. CSR is a composition of principles and practices that is key to improving the welfare of companies and society in regard to the manufacturing sector. In addition, the degree of sustainability of the sound environment and economy and socially beneficient environment will also be improved. Manufacturing CSR states that proper resource commitment can fulfil the application of CSR principles.

CSR practices aid the manufacturing sector in addressing the increasing public concerns in connection with the societal, environmental, and economic issues on the rise in CSR. In addition, the CSR strategies can be used for developing the policies or activities of the organisation. Manufacturing organizations have an extremist orientation, enabling them to take vital choices to straightforwardly incorporate the social and administrative targets of CSR into the basic philosophical principles of the government

Environmental responsibility has emerged as a significant issue that is attracting the attention of global manufacturers. Through the adoption of clean production technologies, energy efficiency, and waste management, corporations have been addressing these points. Though, their main driving force for following the regulations has been the economic benefits of doing

so for reduced costs and enhanced productivity (Revell et al. 2010). Also, data shows firms which are committed to environmental management are at the same time capable of achieving superior environmental performance and higher organizational effectiveness (Henri and Sharma 2012).

From social aspects, manufacturing companies in general have been implementing occupational health and safety measures, training personnel, and practicing labor ethics as their CSR initiatives.

CSR Practices in African Manufacturing Firms

The CSR approach followed by African countries has diverged from that of the rest of the world. In many African nations, CSR activities have been less about sustainability reporting and more about meeting the immediate social and economic needs of the local communities where businesses are present. Providing employment, educational support, community welfare, and infrastructure development are some of the common areas where CSR activities are undertaken in Africa.(Idemudia 2011) has also stated that the main reason why many manufacturers in Africa have adopted CSR practices is their desire for good relations with the community and for gaining their social license to operate. The manufacturers often depend on the resources of the local communities and such places are the common site of environmental degradation. So the last is the question of good relations between the manufacturer and the communities. Environmental CSR among manufacturing firms unfortunately remains a rarity in most parts of Africa due to the lack of sufficient funding, technological capacity, regulatory mechanisms, and competitive business environment, among others.

Research conducted in South Africa's manufacturing sector offers important lessons for understanding CSR in comparable African industrial contexts. Hamann and Acutt (2003) found that manufacturing firms in South Africa tended to frame CSR primarily as a risk management and reputation tool rather than as a genuine commitment to stakeholder welfare. Their study showed that firms operating near vulnerable communities invested in visible social programs such as school support and infrastructure donations — largely to manage community relations and avoid conflict, rather than out of ethical obligation. This instrumental approach to CSR, where social investment is driven by business interest rather than genuine responsibility, has been widely documented across African manufacturing contexts and reflects a pattern that mirrors what has been observed in Ethiopia (Idemudia, 2011; Visser, 2008).

CSR Practices in Ethiopian Manufacturing Firms

Industrially, Ethiopia has witnessed rapid changes and growth. The government's strategy to create industrial parks and attract investment has resulted in a bigger footprint of manufacturing companies. this has led to opening up of job opportunities, introduction of new technologies, and overall economic development of the country. Alongside these changes, the demand for companies' involvement in CSR (Corporate Social Responsibility) has also grown.

Earlier studies show that manufacturing companies' performance in CSR activities in Ethiopia is very diverse. A big proportion of these companies do their part economically and legally such as job creation, tax payments, and obeying regulations (Tefera and Hunde, 2023). This ensures their survival but it is just meeting the minimum requirements.

Still, there are some promising signs. For instance, some manufacturing companies in Ethiopia are gradually employee training, workplace safety, social responsibility initiatives, and waste disposal systems (Alemu, 2022). Industrial parks like Bole Lemi and Adama have also introduced employee welfare measures that include providing transportation and accommodation of workers. Besides, a few large enterprises have begun energy saving and recycling programs as part of their environmental remediation plans (Assefa et al. 2024). Although limited and not meeting the international ISO norms, these are Yes positive developments. Within the Ethiopian context specifically, a study by Asfaw, Gebreegziabher, and Aregawi (2023) examining CSR practices in Ethiopian manufacturing firms identified a persistent disconnect between the CSR commitments stated in company policy documents and the actual experiences of workers and surrounding communities. Their findings revealed that while many firms acknowledged environmental and social responsibilities in principle, implementation was largely confined to one-time charitable acts with no formal monitoring or follow-up mechanisms in place. The study concluded that without binding institutional frameworks and regular third-party evaluation, CSR in Ethiopian manufacturing will continue to be driven by individual manager discretion rather than organizational obligation a conclusion that directly informs the present study's focus on the Sendafa Industrial Zone (Asfaw et al., 2023).

In going through the list of Ethiopian studies included here, the researcher observed that the majority of them were carried out in the bigger towns like Addis Ababa, Bishoftu, Adama. Sendafa is relatively new and smaller industrial zone in which companies are only starting to

get established in. Hence, some of the CSR issues faced there may be because of immaturity and lack of experience**.**

2.8 Research Gap

The current literatures on Corporate Social Responsibility (CSR) practices in manufacturing firm

The first gap in the current literature is the absence of a detailed study on the combined effect of different corporate social responsibility (CSR) dimensions, like environmental, social, and economic, within manufacturing companies. It is well known that CSR elements like environmental sustainability or community support have been individually researched. but any research has been carried out to figure out how these CSR activities not only interact but also support each other. Manufacturing companies that are active in multiple CSR dimensions could have interconnected benefits that are not limited to individual efforts only.

Most research on CSR in manufacturing firms has concentrated mainly on traditional, easily quantifiable indicators, thereby neglecting the wider organizational and stakeholder-related factors. CSR is a complex, its scope extends to include employee engagement and community relationships and awareness. These non-financial aspects greatly influence organizational strength and sustainability. Leaving them out has led to an incomplete understanding of the expansive consequences of CSR.

One of the literature gaps was the very limited discussing if and to what extent industrial zones are implementing CSR practices. Most of the research available has been concentrated on large corporations. small and medium manufacturing companies have been largely ignored.

Despite the growing body of CSR literature in Ethiopia, no study to date has specifically examined CSR practices within the Sendafa Industrial Zone. The majority of existing Ethiopian studies have concentrated on large-scale enterprises in established urban centers such as Addis Ababa, Dire Dawa, and Bishoftu, leaving smaller but rapidly expanding industrial zones entirely outside the scope of academic inquiry. This geographic blind spot is significant because firms operating in emerging zones like Sendafa face a distinct set of institutional, infrastructural, and community dynamics that differ substantially from those studied in urban-centered research. The absence of zone-specific evidence means that policymakers and

industrial administrators currently lack the empirical foundation needed to design context-appropriate CSR frameworks for these areas (Wakuma, 2020; Belay et al., 2024).

existing Ethiopian CSR studies have rarely examined community engagement as a standalone variable measured from the community's own perspective. Most studies either ignore community respondents entirely or treat community impact as something that can be inferred from manager and employee responses alone. This methodological gap produces an incomplete and often misleading picture of CSR outcomes, because the communities living adjacent to industrial zones are both the primary intended beneficiaries of CSR activities and the group least represented in the research. Without direct community data, it is impossible to assess whether CSR efforts are reaching the people they are designed to serve or simply circulating within the firm itself (Jamali and Karam, 2018; Ahmed and Rahman, 2024).

Filling these gaps in the literature would offer insights on CSR in manufacturing firms. Research should be extended to include context-based studies, wider views of CSR, and intensive examination of CSR dimensions and external factors. This will greatly add to academic as well as practical knowledge.

2.9 Conceptual Frame Work

The conceptual framework of this study is to assess Corporate Social Responsibility (CSR) practices in manufacturing firms in sendafa industrial zone. Industrial zones which have emerging industries from small to large size of industries.it focusing on three key dimensions. these are environmental responsibility, social responsibility, economic responsibility activities. Environmental responsibility is expected to reduce environmental impact, improve resource utilization, and enhance the firm's public image through practices such as waste reduction, pollution control, and efficient use of energy and raw materials.

Social responsibility programs are anticipated to strengthen relationships with employees, customers, and local communities by improving working conditions, supporting community development, and promoting social well-being.

Economic responsibility practices, such as fair business practices, ethical sourcing, and support for local suppliers, are expected to contribute to stable and responsible business operations.

The study also considers employee awareness and engagement as well as community awareness and engagement in CSR activities. It evaluates how employees understand and participate in CSR practices within the organization. And also study how the local community is informed about it and involved in the company's social responsibility initiatives. Furthermore, the study incorporates the company's perspective through its managers to understand how CSR activities are planned and implemented. By integrating the perspectives of employees, community members, and company management**,** the study aims to provide a comprehensive assessment of CSR practices and their effectiveness in the study area.

Chapter Three

Research Design and Methodology

3.1. Introduction

Research design and methodology refers to the overall plan and systematic procedures for collecting and analyzing data to address a research problem, encompassing philosophical assumptions, strategies of inquiry, and specific methods (Creswell, 2003). Hence, this chapter presents the research design and methodology. It covers the research method, the sources of data, the sample size and sampling technique, the instruments and procedures of data collection, the methods of data analysis, and ethical considerations

3.2 Research Design

A descriptive research design is employed in this study to provide an accurate and detailed description of CSR practices within manufacturing firms in sendafa industrial zone. The descriptive design allows the researcher to describe and analyze existing CSR activities. Also evaluate extent to which firms address environmental, social, and economic responsibilities, the level of stakeholder awareness, engagement of the community in there CSR practice and challenge's to implement CSR.

3.3 Research Approach

This study adopts **a** mixed-method research approach. combines both quantitative and qualitative methods to obtain a comprehensive understanding of CSR practices among manufacturing firms. The qualitative measurement helped to interpret ideas which will gathered through interview and open ended questions. while the quantitative measurement method helped to interpret ideas which was gathered through close ended questions.

3.4 Data Sources

The study utilizes both primary and secondary sources of data to ensure triangulation and validity: Both primary and secondary sources of data were used. Based on the above

assumptions, selected employees, managers and community member were considered as major sources of the primary data. Whereas secondary sources such as information from various published and unpublished materials, books, working papers, articles, journals, reports, and statistical documents were used and consulted.

3.5 population and Sampling Technique

3.5.1 Target Population

The target population refers to the complete group of individuals or elements that the study aims to investigate, forming the foundation for drawing meaningful conclusions.

For this research on CSR practices in the Sendafa Industrial Zone, the target population includes all employees and managers working across 10 selected manufacturing companies in the zone. Totally around 1,000 employees are working in industrial zone. These employees are part of daily operations, so their insights on environmental efforts, social programs, and economic impacts make perfect sense to capture.

The Community members living near industrial zone, who deal directly with things like pollution, job opportunities, or community projects from these factories. This broader group helps paint a fuller picture how CSR plays out beyond the factory gates, affecting real lives in the surrounding areas. In total, this setup keeps the focus on those most connected to the industrial zone while ensuring diverse perspectives.

3.5.2 Sampling Technique

The sample size is determined using standard statistical formulas for descriptive studies, taking into account population size, desired confidence level, and margin of error. the study ensures that the views of different organizational levels and external community are adequately represented in the data collection process.

To select a sample for the study, sampling frame is required for selection of different sampling units. Since one of the characteristics of CSR include different bodies, the sample frame should be appropriate that can host several units of respondents in the study.

The researcher shall use purposive sampling for the community since large number of communities is living in sendafa town. The researcher incorporate community member using purposive sampling technique. The researcher include community like teachers, health station,

workers and community living near the industrial zones total of 60 community were participated.

And for managers the researcher took one from each company and a total of 10 managers were participate

For employee the sample size of the study was determined from 1000 employee of the companies. The sample size was calculated with referencing Yamne Taro, (1967) sample determination. The formula is large enough to determining effective sample respondents.

n=N/1+Ne2

n=Sample Size

N= Sample Frame

e= margin of errors Level

e=for this study 0.05 were chosen for the confidence interval level at 95%. Using the above formula a sample size of the study were.276 employees

Firm	Participated factory	Participant employee
Metal and Aluminum	2	92
Wood and furniture	2	74
Food and drink	2	55
Garment an leather	1	19
Plastic	1	18
Cork	1	18
Sponge	1	18

Table 1 list of participated manufacturing firm

For the factories the researcher use purposive sampling based on the level of companies. According to sendafa investment office total of 120 firms take investment licenses. Currently 71companys were operating and the other 49 firms are not operating on different reason. From 71 companies 30 are factories licensed under manufacturing firms. From these companies the researcher chooses 10 factories based on the level of the companies and checking how organized they are.

3.6 Data Collection Tools

The researcher used two of the basic data collecting instruments appropriate for the study which are questionnaire and interview. Primary data was collected from employees, managers and community member. Through questionnaires and interview were used for kebele and municipal office managers.

- **Questionnaires:** Closed-ended, questions with Likert scales, semi closed and open end questionnaire were prepared for employee, managers and community in English, Amharic and afan oromo languages
- **Semi-Structured Interviews:** Open-ended questions to explore the experiences and practice of companies in the industrial zone from governmental offices like kebele and the town investment office.

These tools are carefully designed to align with the research objectives and capture information

3.7 Data Analysis Techniques

This study employed a mixed-methods approach, integrating both quantitative and qualitative data. Therefore, the data analysis process was conduct in two phases: quantitative analysis using statistical techniques and qualitative analysis using thematic procedures. The purpose of integrating both types of data is to provide a richer and more comprehensive understanding of Corporate Social Responsibility (CSR) practices in manufacturing firms. Once the required data was collected, descriptive statistical tools were applied using statistical software (SPSS) for the purpose of processing and analyzing the collected data. Since the nature of the collected data was nominal and ordinal and the results that the research is looking for are simple descriptive statistics, the appropriate analysis technique would be measure of central tendency like frequency distributions, percentiles and mean value and standard deviation to understand, group and find patterns

3.8 Validity and Reliability

3.8.1 Validity

Validity of an instrument is how accurate the instrument is in obtaining the data it intends to collect (Mugenda and Mugenda 2003).Content validity is the extent to which a measuring

instrument provides adequate coverage of the topic under study (Kothari, 2004). The validity of the study, therefore, checked through the content validity method by taking advice from the advisor and adopting questionnaires from previous researchers would increase its validity.

3.8.2 Reliability

The study checked the satisfaction of reliability test using Cronbach's alpha test another, the study used Cronbach's alpha (a measure of the internal consistency of the questionnaire items) using data from all the respondents. Separate reliability tests for each of the variables were computed. The key statistic in interpreting there liability of the scale was the alpha listed under the reliability co-efficient section at the end of the output. Bruin (2006) explains that the value of coefficient alpha ranges from zero (no internal consistency) to one (complete internal consistency). (Note that a reliability coefficient of 0.70 or higher is considered "acceptable" in most social science research situations).

The measurement scales for the variables in this study were based on a 5-point likert scale ranging from "strongly disagree" to "Strongly agree". The questionnaire had 47 statement questions which are from the three dimensions and three (managers, employee and community) perspective

From employee perspective

CSR Dimension	Cronbach's Alpha	Number of item
Economic	0.713	5
Social	0.758	5
Environmental	0.783	5

Table 2 Cronbach's Alpha for employee perspective

Company manager's perspective

CSR Dimension	Cronbach's Alpha	Number of item
Economic	0.840	6

Social	0.917	7
Environmental	0.931	6

Table 3 Cronbach's Alpha for company managers perspective

Community perspective

CSR Dimensions	Cronbach's Alpha	Number of item
Economical	0.817	5
Social	0.709	5
Environmental	0.831	4

Table 4 Cronbach's Alpha for community perspective

The results show that all three CSR dimensions from three perspectives have Cronbach's Alpha values greater than 0.70, which indicates acceptable internal consistency. This confirms that the questionnaire items used to measure each CSR dimension are reliable.

CHAPTER 4

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

The data collected from companies in sendafa industrial zone, and the community living around using questionnaires and interview questions from the sendafa town investment office and kebele administration are presented and analyzed in this chapter.

This section of the study deals with the statistical testing and interpretation of the result using SPSS.

As stated in the previous chapters of this paper, a questionnaire was designed and distributed to a total of 276 employees working in industrial zone from 10 companies, 10 questionnaires for top managers and 60 questionnaires were distributed for the community located around sendafa industrial zone. a total of 346 questionnaire were distribute and all are fill and return properly from ten company's and community

Therefore, this chapter has two parts: the primary part deals with the demographic characteristics of the respondents and the second part presents descriptive analysis and interpretation of the collected data. The target of this study is to assess the practices of corporate social responsibility mainly companies in the sendafa industrial zone

4.2 Demographic Characteristics of Respondents

The first part of the questionnaire consist items about the demographic information of the respondents. It covers the personal data of respondents. There are three types of respondents in this study employee, managers and community members. Personal data are included in this section, such as gender, age, educational level, and year of service and resident live. The following tables, graphs, and figures depicted each demographic characteristic of the respondents.

4.2.1 Demographic characteristics of employee

4.2.1.1 Gender of Respondents

Table 5: Gender Distribution of Employee Respondents

Category	Frequency	Percent (%)

Category	Frequency	Percent (%)
Male	168	60.9%
Female	108	39.1%
Total	**276**	**100%**

Source: Sample Survey march 2026

Table5 shows gender distribution of employee respondents. The data shows that out of the 276 respondents there were 168 (60.9%) males and 108 (39.1%) female employee.

Indicates considerable proportion of female respondents shows that both genders were adequately represented in the study

4.2.1.2 Age of Employee Respondents

Table 6: Age Distribution of Employee Respondents

Category	Frequency	Percent (%)
18 – 25 years	110	39.9%
26 – 35 years	141	51.1%
36 – 45 years	19	6.9%
Above 45 years	6	2.2%
Total	**276**	**100%**

Source: Sample Survey march 2026

Table 6 shows age distribution of employee respondents. The data shows the largest group of respondents are between 26 – 35 years old covering 141 (51.1%). The next highest group was 110 (39.9%) under age categories of between 18- 25. The remaining are Respondents aged 36–45 years represent 19 respondents (6.9%), while those above 45 years constitute only 6 respondents (2.2%).This indicates that most respondents are relatively young employees indicate that the workforce of the organization is dominated by youngest employee.

4.2.1.3 Educational Qualification of Respondent

Table 7: Educational Qualification of Employee Respondents

Category	Frequency	Percent (%)
Grade 9 – 12	85	30.8%
Level 1 – 4 (TVET)	83	30.1%
BA/BSc Degree	101	36.6%
Masters & Above	7	2.5%
Total	**276**	**100%**

Source: Sample Survey march 2026

Table 7 shows that employees' education background from grade 9 to Master's Degree and above. The results show that the largest group 101 respondents (36.6%) hold a BA/BSc degree. Respondents from grade 9–12 are 85 respondents (30.8%), while 83 respondents (30.1%) have from Level 1–Level 4 qualifications. Only 7 respondents (2.5%) possess masters level and above.

These indicate a relatively educated workforce and understand the concept of questionnaire

4.2.1.4 Service year (Work Experience) of Respondents

Table 8: Work Experience of Employee Respondents

Category	Frequency	Percent (%)
Less than 1 year	62	22.5%
1 – 5 years	125	45.3%
6 – 10 years	75	27.2%
More than 10 years	14	5.1%
Total	**276**	**100%**

Source: Sample Survey march 2026

Table 8 shows that the respondents' service year from 0 to more than 10years in the current company. In terms of work experience, 125 respondents (45.3%) have between 1–5 years of experience which is the largest group. Employees with 6–10 years of experience represent 75 respondents (27.2%), while 62 respondents (22.5%) have less than one year of experience. Only 14 respondents (5.1%) have more than 10 years of work experience.

This indicate that most employees work more than one year which will have good understands on their company CSR activities

4.2.2 Demographic characteristics of company Managers

4.2.2.1 Gender of managers respondents

Table 9: Gender Distribution of Manager Respondents

Category	Frequency	Percent (%)
Male	7	70.0%
Female	3	30.0%
Total	**10**	**100%**

Source: Sample Survey march 2026

Table 9 shows the gender distribution of company managers. Out of the 10 managers who participated in the survey**,** 7 respondents (70%) were male**,** while 3 respondents (30%) were female**.**

This indicates that male managers constitute the majority of respondents in the study, although female managers are also represented

4.2.2.2 Age of manager respondents

Table 10: Age Distribution of Manager Respondents

Category	Frequency	Percent (%)
25 – 34 years	1	10.0%
35 – 44 years	4	40.0%
45 – 55 years	2	20.0%
Above 55 years	3	30.0%
Total	**10**	**100%**

Source: Sample Survey march 2026

Table 10 shows the age distribution of company managers. The result shows largely dominated age group is from 35 – 44 years old with 4 respondents (40%). The next highest group was 3 respondents (30%) fall under age categories of above 55. The remaining are Respondents aged 45–55 years represent 2 respondents (20%), while those 25-34 years constitute only 1 respondent (10%).

This indicates that most respondents are experienced professionals who are likely to have a good understanding of corporate social responsibility practices within their organization

4.2.2.3 Educational Qualification of company managers

Table 11: Educational Qualification of Manager Respondents

Category	Frequency	Percent (%)
BA/BSc Degree	7	70.0%
MA/MSc & Above	3	30.0%
Total	**10**	**100%**

Source: Sample Survey march 2026

Table 11 shows that respondents educational back ground. From BA/BSC to Ph.D. The results show that 7 respondents (70%) hold a BA/BSc degree and Respondents with MA and above education level account for 3 respondents (30%),

This indicates that all managers possess higher education qualifications, which may positively influence their understanding and implementation of CSR practices in their organizations

4.2.2.4 Company managers service year (work experience)

Table 12 : Work Experience of Manager Respondents

Category	Frequency	Percent (%)
1 – 5 years	4	40.0%
6 – 10 years	3	30.0%
11 – 15 years	3	30.0%
Total	**10**	**100%**

Source: Sample Survey march 2026

Table 12 shows that the respondents service year from 1 to more than 20 years in the current company.4 respondents (40%) have between 1–5 years of experience, making it the largest

group. managers with 6–10 years of experience represent 3 respondents (30%), also managers from 11-15 years' experience represents 3 respondents (30%). no managers fall within the 16–20 years of experience category

This indicate most of mangers have between 6-15 years and good understanding on the companies CSR activity

4.2.2.5 Ownership of companies

Table 13 ownership of companies

	Number of company	%
Domestic	5	50.0%
Foreign	5	50.0%

Table 5 shows the ownership structure of the manufacturing firms that participate in this study. 5 firms (50%) are domestically owned and the other 5 firms (50%) are foreign owned.

This indicates an equal representation of domestic and foreign manufacturing firms in the study, allowing for a balanced view of CSR practices from both ownership types.

4.2.2.6 Level of organization

According to sendafa town investment biro the level of organization are depend on there working capital based on this they divided in to three levels.

s.n	Level	Capital in (birr)
1	Small	≤10,000,000
2	Medium	Above 10,000,000 to 90,000,000
3	Large	More than 90,000,000

Table14 requirements to group in size organizations

level of organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Large	2	20.0	20.0	20.0

	medium	6	60.0	60.0	80.0
	Small	2	20.0	20.0	100.0
	Total	10	100.0	100.0	

Table15 the level of organization participates in this study

Source: Sample Survey march 2026

Table7 shows the level of organization participates in this study. The result shows that majority of firms 6 (60%) are medium-sized companies, and 2 firms (20%) are large-scale industries and the remaining 2 firms (20%) are small-scale industries

These indicating that majority of the companies in this study are medium-scale manufacturing companies

During the interview with the investment office in the area majority of the factories are medium levels.

4.2.3 Demographic characteristics for community

4.2.3.1 Gender community of respondents

Table 16: Gender Distribution of Community Respondents

Category	Frequency	Percent (%)
Male	42	70.0%
Female	18	30.0%
Total	**60**	**100%**

Source: Sample Survey march 2026

Table 16 shows gender distribution of the community members .which shows that out of the 60 respondents 42 respondents(70%) males and the remaining respondents 18(30%) are female. This indicates that male respondents are constitute the majority of respondent in the study, although female members are also represented

4.2.3.2 Age of respondents in the community

Table 17: Age Distribution of Community Respondents

Category	Frequency	Percent (%)
18 – 25 years	8	13.3%
31 – 40 years	23	38.3%
41 – 50 years	19	31.7%
51 – 60 years	2	3.3%
Above 60 years	8	13.3%

Source: Sample Survey march 2026

Table 17 shows the age distribution of respondents from community.as it shows largely dominated age group is from 31 – 40 years old with 23 respondent (38.3%). The next highest group was 19(31.7%) under age categories of between 41- 50. The third highest age groups are aged between 18–25 years and above 60 represent each 8 respondents (13.3%), while those between 51-60 years constitute only 2 respondents (3.3%).

This indicates that most respondents are relatively economical active adults majority of which strengthens the reliability of their perceptions regarding CSR activities in the area.

4.2.3.3 Education Qualification of community respondent

Table 18: Educational Qualification of Community Respondents

Category	Frequency	Percent (%)
Grade 9 – 12	8	13.3%
Level 1 – 4 (TVET)	16	26.7%
BA/BSc Degree	25	41.7%
Masters & Above	11	18.3%
Total	**60**	**100%**

Source: Sample Survey march 2026

Table 18 shows that education backgrounds of respondents from grade 9 to Ph.D. the results show that 25 respondents (41.7%) hold a BA/BSc degree, which represents the largest group.

Respondents from level1–4 are 16 respondents (26.7%), while 11 respondents (18.3%) have Master Degree and above qualifications. Only 8 respondents (13.3%) possess high school from grade 9-12.

This indicate that the majority of community member have diploma or undergraduate qualifications, indicating a relatively educated community are participate

4.2.3.4 years of living around the industry zone

Table 19 years live around the industrial zone

living years around

Living years	Number of respondents	Respondent in %
5-10	8	13.3%
6-10	27	45.0%
11-15	10	16.7%
16-20	9	15.0%
more than 20	6	10.0%

Table 19 length of residence in the industry zone

Source: Sample Survey march 2026

Table 8 shows the length of residence in the around the industry zone. the majority respondent 27(45.0%)are lived from 6-10years the next higher residence 10 respondent(16.7%) lived from 11-15 years.in the third place there are 9 respondents (15%)lived 16-20 years and the remaining residence 8respondant(13.3%) lived from 5-10 years and lastly 6 respondent (10%)live for more than 20 years.

This indicating that most participants have sufficient experience with the community and its development, enabling them to provide informed opinions about CSR activities

4.3 Descriptive Statistics

In this section, various statistical data analysis tools such as mean, standard deviation, frequency, and percentile are used to analyze the collected data. The summary of descriptive statistics of all variables that are evaluated based on a 5-point Likert scale (“1” being “strongly disagreed” to “5” being “strongly agreed”).

In order to interpret the mean scores obtained from the five-point Likert scale instrument used in this study, the equal interval method proposed by Alkharusi (2022) was adopted.

Accordingly, a mean score ranging from 1.00 to 2.33 was classified as low, indicating a low level of the measured construct. A mean score ranging from 2.34 to 3.67 was classified as moderate, reflecting an average level of the construct. A mean score of 3.68 and above was classified as high, suggesting a strong level of the measured construct. This classification framework provided a systematic and objective basis for describing and interpreting the findings of the study.

4.3.1 Economic responsibility

Economic responsibility can be described in terms of creating job opportunities for the local community, staff capacity building, policy paying decent wage comparability with other companies provides reasonable benefits for employees, and strives to deliver high value and quality products that meet and exceed the expectations of their customers.

4.3.1.1 Employees response in economical questions

Table 20 employees' responses regarding the economic responsibility

Item	strongly agree		agree		Neutral		dis agree		strongly disagree		mean	standard deviation
	F	%	F	%	F	%	f	%	F	%		
The company provides fair and adequate wages to employees.	58	21.0	38	13.8	59	21.4	62	22.5	72	26.1	2.6123	1.25556
The company provides financial support to employees during personal emergencies	58	21.0	38	13.8	59	21.4	62	22.5	59	21.4	2.9058	1.43407
The company provides additional financial benefits such as allowances or bonuses	21	7.6	66	23.9	89	32.2	43	15.6	57	20.7	2.8225	1.22445
The company provides performance-based financial rewards or incentives to employees	46	16.7	90	32.6	76	27.5	30	10.9	34	12.3	3.3043	1.22761

The company provides regular salary increments or financial benefits to improve employees' economic stability	50	18.1	96	34.8	77	27.9	33	12.0	20	7.2	3.4457	1.13488

Source: Sample Survey march 2026

Table 20 presents employees' responses regarding the economic responsibility of the company toward its employees, particularly in relation to wages, financial support, benefits, incentives, and salary increments.

The first item assessed whether the company provides fair and adequate wages to employees. The results show that 21.0% of respondents strongly agree and 13.8% agree with the statement. However, 21.4% remained neutral, while 22.5% disagree and 26.1% strongly disagree.

The mean score for this item is 2.61 with a standard deviation of 1.26, this indicating this implies that the company provides fair and adequate wages present to some extent but requires further enhancement

The second item evaluated whether the company provides financial support to employees during personal emergencies. According to the results, 21.0% of respondents strongly agree and 13.8% agree with the statement. Meanwhile, 21.4% reported neutral opinions, 22.5% disagree, and 21.4% strongly disagree.

The mean value of 2.91 and a standard deviation of 1.43 This indicate that employees have mixed opinions, but a considerable number of employee feel that such kind of financial support is not adequately provided.

Regarding additional financial benefits such as allowances or bonuses, only 7.6% of respondents strongly agree and 23.9% agree that the company provides such benefits. A larger proportion, 32.2%, reported neutral responses. Meanwhile, 15.6% disagree and 20.7% strongly disagree.

The mean score is 2.82 with a standard deviation of 1.22. Indicate that employees generally perceive additional financial benefits as moderate but not highly satisfactory.

For the statement that the company provides performance-based financial rewards or incentives, 16.7% of respondents strongly agree and 32.6% agree. Additionally, 27.5% were neutral, while 10.9% disagree and 12.3% strongly disagree.

The mean score of 3.30 and standard deviation of 1.23 Indicate representing a relatively higher positive perception compared with other items. Those employees tend to agree that the company offers performance-based rewards.

Finally, respondents were asked whether the company provides regular salary increments or financial benefits to improve employees' economic stability. The findings show that 18.1% strongly agree and 34.8% agree with the statement, representing the highest level of agreement among the items. Furthermore, 27.9% are neutral, 12.0% disagree, and 7.2% strongly disagree. The mean score of 3.45 with a standard deviation of 1.13 this indicate that employees generally agree that the company provides regular salary increments and financial benefits to support their economic stability.

Overall, the results indicate that while employees recognize the company's efforts in providing economical CSR activities, with certain areas requiring improvement

4.3.1.2 Managers response in economic questions

Table 21 managers' response to economical questions

Item	strongly agree		Agree		Neutral		dis agree		strongly disagreed		Mean	Std. Deviation
	F	%	F	%	F	%	F	%	f	%		
The company creates employment opportunities for the local community.	3	30.0	3	30.0	3	30.0	1	10.0			3.8	1.0328
The company helps employee in difficulties	3	30.0	2	20.0	5	50.0					3.8	0.91894
The company pays fair wages to employees.	3	30	6	60	1	10					3.6	0.96609

The company supports local suppliers and businesses.	4	40	1	10	4	40	1	10			4	0.94281
The company allocates sufficient budget for CSR activities.	1	10.0	5	50.0	3	30.0	1	10.0			3.6	0.84327

Table 21 presents the responses of managers regarding the company's economic responsibility toward employees and the local community.

The first statement was whether the company creates employment opportunities for the local community. The results indicate that 30% of managers strongly agree and 30% agree with the statement, while 30% reported neutral responses and 10% disagree. The mean value of 3.8 with a standard deviation of 1.03 indicates that managers generally agree the company contributes to job creation for the local community.

The second item examined whether the company helps employees in difficulties. The findings show that 30% of respondents strongly agree and 20% agree however, 50% of managers reported neutral opinions. The mean score of 3.8 with a standard deviation of 0.92 indicates that managers mostly agree that the company supports employees during difficult situations.

The third item was whether the company pays fair wages to employees**.** The majority of managers**,** 60%**,** agree, while 30% strongly agree and 10% remain neutral. The mean value of 3.6 and a standard deviation of 0.97 indicate that managers moderately agree that the company provides fair wages to employees.

The fourth item assessed was weather the company supports local suppliers and businesses**,** 40% of managers strongly agree with the statement, 10% agree, 40% remain neutral, and 10% disagree. The mean score of 4.0 with a standard deviation of 0.94 indicates managers mostly agree in that the company supports local suppliers and businesses.

Finally, managers were asked whether the company allocates sufficient budget for CSR activities. The results reveal that 10% strongly agree and 50% agree with the statement, while 30% remain neutral and 10% disagree. The mean score of 3.6 with a standard deviation of 0.84

suggests that managers moderately agree the company allocates adequate financial resources for CSR activities.

Overall, the results indicate that managers have mostly agreed on company's economic responsibility.

4.3.1.3 Local community response of economic questions

Table 22 community response of economic questions

Item	strongly agree		agree		Neutral		dis agree		strongly disagree		mean	Std. Deviation
	F	%	F	%	f	%	F	%	F	%		
Manufacturing firms create employment opportunities for people in the community.	16	26.7	28	46.7	12	20.0	2	3.3	2	3.3	3.9	0.95136
Manufacturing firms contribute to local economic development.	19	31.7	23	38.3	10	16.7	6	10.0	2	3.3	3.85	1.08651
Manufacturing firms support local businesses and suppliers	8	13.3	25	41.7	17	28.3	6	10.0	4	6.7	3.45	1.06445
Manufacturing firms provide financial support for community in need.	13	21.7	20	33.3	17	28.3	8	13.3	2	3.3	3.5667	1.07934

Manufacturing firms provide training or skill development programs that improve community income opportunities	2	3.3	16	26.7	24	40.0	18	30.0			3.0333	0.84305

Table 22 shows community responses regarding the economic responsibility of manufacturing firms toward the local community.

The first question assessed was whether manufacturing firms create employment opportunities for people in the community. The results indicate that 26.7% of respondents strongly agree and 46.7% agree with the statement. 20.0% of respondents remain neutral, while 3.3% disagree and 3.3% strongly disagree.

The mean score of 3.9 with a standard deviation of 0.95 this indicate that the majority of community believe manufacturing firms significantly contribute to job creation for the local community.

The second question assed was whether manufacturing firms contribute to local economic development. The findings show that 31.7% of respondents strongly agree and 38.3% agree with the statement. In addition, 16.7% reported neutral responses, while 10.0% disagree and 3.3% strongly disagree. The mean value of 3.85 and a standard deviation of 1.09 this indicate that respondents mostly agree that manufacturing firms positively contribute to the economic development of the local area.

The third item examined whether manufacturing firms support local businesses and suppliers. According to the results, 13.3% of respondents strongly agree and 41.7% agree with the statement, while 28.3% remain neutral. 10.0% disagree and 6.7% strongly disagree. The mean score of 3.45 with a standard deviation of 1.06 this indicates that respondents moderately agree that manufacturing firms support local businesses and suppliers.

The fourth item assessed whether manufacturing firms provide financial support for communities in need. The findings reveal that 21.7% of respondents strongly agree and 33.3% agree with the statement. Additionally, 28.3% remain neutral, 13.3% disagree, and 3.3% strongly disagree. The mean score of 3.57 and a standard deviation of 1.08.This indicate that respondents mostly agree that manufacturing firms provide financial assistance or support to the communities in need.

Finally, respondents were asked whether manufacturing firms provide training or skill development programs that improve community income opportunities. The results show that 3.3% strongly agree and 26.7% agree with the statement. Larger proportions, 40.0%, neutral responses, while 30.0% disagree and there is no strongly dis agree responses. The mean score of 3.03 with a standard deviation of 0.84

This indicates that respondents are moderately agreed that manufacturing firms provide sufficient training or skill development programs for the community.

Overall, the results indicate that community generally believe manufacturing firms are contributing positively to economic responsibility in their area but

Interview questions

What are the economic benefits do manufacturing firms provide to the local community?

Sendafa town Investment office and kebele administrators answer that from an economic dimension pointed to job creation as the most visible and meaningful contribution to the local community. Some firms also support the local economy indirectly by sourcing raw materials and services from nearby suppliers and small business. Also they provide financial support for community a member, which helps circulate income within the community. The number of local residents seeking work continues to outpace the opportunities that firms provide.

4.3.1.4 Discussion on Overall Perception of Economic Responsibility

By Comparison of the attitudes of employees, managers, and community members on economic responsibility yields much better results than by any other single category. The three groups have described the same organizations, but from different perspectives, and their response differs considerably.

The community members have awarded the highest scores for employment-related questions. Specifically, they have evaluated the creation of employment as 3.90, local economic development as 3.85, and the financial assistance for those in need as 3.57. Hence, the people residing within the industrial zone realize that the corporate social responsibility of manufacturing companies is there.

In addition, the managers also received good results in these ratings. They have estimated the creation of employment opportunities as 3.8, financial assistance for local suppliers as 4.0 and

fair remuneration for the staff as 3.6. Judging by the given evaluation results, the managers consider their firms economically responsible enough.

Nevertheless, the employees have provided much lower results for all the factors. For instance, fair and adequate payment was evaluated as 2.61, additional financial benefits – as 2.82 and financial support in case of emergency – 2.91. Only the financial bonuses, i.e., performance-based pay (3.30) and salary increase (3.45), scored relatively well.

The differences between the responses of the manager and employees on the same practices at the same firm were used to establish the gap between manager and employee responses. Fair wages scored 3.6 from the management perspective while workers rated fair wages as 2.61. A one-point rating difference here shows that employee views his/her wages as being unfair. Another area where the gap is evident includes financial help during tough times. The management scores 3.8 while the employees score only 2.91 for the same practice. The manager thinks that the financial support exists whereas the employees do not feel that they got it fully.

Overall, Community respondents who have the outside experience with the organization scored the highest. Similarly, Managers who have an understanding of what is going on within the organization also scored high. On the other hand, Employee respondents who have firsthand experience with the organization being evaluated as workers scored the least by far.

The average community score with respect to economic items stood at about 3.52, the average score for managers was 3.76, and the average employee score was 2.97. These three scores show that economic CSR in Sendafa industrial zone is more evident outside the firm than within it as experienced by the employees themselves.

These findings align with prior literature regarding economic CSR activities undertaken by manufacturing firms in Ethiopia. (Bayisa 2013), for example, identified job creation as the most acknowledged economic CSR activity conducted by manufacturing firms in Ethiopia. In this current research, the community report agrees with the finding with a score of 3.90. (Wakuma 2020) made similar findings in the case of Bishoftu. (Belay et al. 2024) noted the occurrence of managerial self-reporting bias among Ethiopian firms. This study gives that bias a numeric measure. (McWilliams and Siegel 2001) suggested that job creation and creating fair value for employees were two separate duties. Furthermore, (Fourati 2021) indicated that self-

reported economic performance would be subject to overestimation without external criteria for evaluation.

this research goes beyond confirmation and demonstrates a difference in employee, manager, and community perceptions that cannot be found in studies limited to a single perspective on the same concept.

Firms operating in the Sendafa Industrial Zone show that manufacturing firms make economic contributions to the local community while failing to fulfill employee wage and financial expectations.

4.3.2 Companies Social responsibility

This section presents the analysis regarding the social responsibility practices of manufacturing firms in the industrial zone. The analysis focuses on issues such as workplace safety, fair treatment, employee training and development, provision of necessary materials, and medical or health-related support. The responses were measured using a five-point Likert scales ranging from strongly disagree to strongly agree.

4.3.2.1 Employees response for social responsibility

Table 23 employee perceptions of social responsibility

Item	strongly agree		agree		neutral		dis agree		strongly disagree		Mean	standard deviation
	F	%	f	%	F	%	F	%	f	%		
The company ensures workplace safety.	77	27.9	82	29.7	59	21.4	35	12.7	23	8.3	3.5616	1.25039
Employees are treated fairly and equally.	59	21.4	81	29.3	82	29.7	46	16.7	8	2.9	3.4964	1.09045
The company supports employee training and development.	49	17.8	107	38.8	64	23.2	43	15.6	13	4.7	3.4928	1.09708
The company provides necessary materials or equipment that employees may also use for personal safety or well-being.	55	19.9	76	27.5	72	26.1	44	15.9	29	10.5	3.3043	1.25109

The company provides medical assistance or health-related support for employees.	56	20.3	60	21.7	66	23.9	60	21.7	34	12.3	3.1594	1.31147

Source: Sample Survey march 2026

Table 23 Employees' Perception of Social Responsibility

Table 23 shows employees' responses regarding the social responsibility practices of manufacturing firms.

The first item assessed whether the company ensures workplace safety. The results show that 27.9% of respondents strongly agree and 29.7% agree with the statement. 21.4% of respondents remain neutral, while 12.7% disagree and 8.3% strongly disagree. The mean score is 3.56 with a standard deviation of 1.25.This indicates employees believe the company makes reasonable efforts still there is a gaps in safety practices.

The second item evaluated whether employees are treated fairly and equally within the company. The findings reveal that 21.4% strongly agree and 29.3% agree with the statement. In addition, 29.7% reported neutral responses, while 16.7% disagree and 2.9% strongly disagree. The mean value is 3.49 and a standard deviation of 1.09. This suggest that employees believe fair treatment within the organization, but it is moderately satisfactory still need to improve

The third item examined was whether the company supports employee training and development. According to the results, 17.8% of respondents strongly agree and 38.8% agree, while 23.2% remain neutral. However, 15.6% disagree and 4.7% strongly disagree. The mean score of 3.49 with a standard deviation of 1.09.This indicates that employees moderately agree that the company provides opportunities for training and professional development. But it is not fully satisfactory

The fourth item assessed was whether the company provides necessary materials or equipment that employees may use for personal safety or well-being. The findings indicate that 19.9% strongly agree and 27.5% agree. Additionally, 26.1% remain neutral, while 15.9% disagree and 10.5% strongly disagree. The mean score of 3.30 and a standard deviation of 1.25.This suggest that employees perceive the provision of safety materials as moderate but still needing improvement.

The final item assed was whether the company provides medical assistance or health-related support for employees. The results show that 20.3% strongly agree and 21.7% agree, while 23.9% remain neutral.21.7% disagree and 12.3% strongly disagree. The mean score of 3.16 with a

standard deviation of 1.31this indicates moderate agreement among employees regarding health-related support provided by the company.

Overall, the result indicates that employees generally perceive the company as practicing social responsibility toward its workforce still these areas require further improvement.

4.3.2.2 Managers' Response on Social Responsibility

Table 24 Managers' Perception of Social Responsibility Practices

Item	strongly agree		Agree		neutral		dis agree		strongly disagree		Mean	Std. Deviation
	f	%	F	%	F	%	f	%	f	%		
The company supports social programs such as education and health.	1	10.0	4	40.0	5	50.0					3.6	0.69921
The company regularly communicates CSR activities to stakeholders.			7	70.0	3	30.0					3.7	0.48305
The company integrates CSR into its business	1	10.0	7	70.0	2	20.0					3.9	0.56765

strategy.												
The company maintains good relationships with the local community.	3	30.0	6	60.0	1	10.0					4.2	0.63246
CSR improves the reputation of the company.			7	70	3	30					3.7	0.48305

Source: Sample Survey march 2026

Table 24 shows managers' responses regarding the social responsibility practices of manufacturing firms.

The first item assessed whether the company supports social programs such as education and health. The findings show that 10.0% of respondents strongly agree and 40.0% agree with the statement, while 50.0% remain neutral. The mean score of 3.6 with a standard deviation of 0.70 this indicates that managers moderately agree that the company supports social programs, although some respondents remain uncertain about the level of involvement.

The second item assessed was whether the company regularly communicates CSR activities to stakeholders. The results reveal that 70.0% of respondents agree, while 30.0% remain neutral. The mean score of 3.7 with a standard deviation of 0.48 this indicate that managers mostly believe the company communicates its CSR initiatives to stakeholders.

The third item examined was whether the company integrates CSR into its business strategy. According to the findings, 10.0% strongly agree and 70.0% agree, while 20.0% remain neutral. The mean score of 3.9 with a standard deviation of 0.57 this indicates that managers largely agree CSR as being integrated into the company's strategic planning.

The fourth item assessed was whether the company maintains good relationships with the local community. The results show that 30.0% strongly agree and 60.0% agree, while 10.0% remain neutral. The mean score of 4.2 with a standard deviation of 0.63 this indicates that a managers believe that the company maintains positive relationships with the surrounding community.

Finally, respondents were asked whether CSR improves the reputation of the company. The findings reveal that 70.0% agree, while 30.0% remain neutral. The mean score of 3.7 with a

standard deviation of 0.48 this indicates that managers mostly believe CSR activities contribute positively to the company's public image and reputation.

Overall, the results indicate that company managers believe manufacturing firms as actively practicing social responsibility, particularly in maintaining strong community relationships and integrating CSR into business strategy

4.3.2.3 Community Response on Social Responsibility

Table 25 Community Perception of Social Responsibility

Item	strongly agree		agree		neutral		dis agree		strongly disagreed		mean	Std. Deviation
	f	%	F	%	f	%	F	%	f	%		
Manufacturing firms support local education programs.	6	10.0	14	23.3	23	38.3	10	16.7	7	11.7	3.0333	1.13446

Manufacturing firms support local health services.	4	6.7	14	23.3	17	28.3	18	30.0	7	11.7	2.8333	1.12245
Manufacturing firms provide financial assistance to the community during emergencies or disasters.	6	10.0	14	23.3	19	31.7	17	28.3	4	6.7	3.0167	1.09686
Manufacturing firms respect community culture and values.	4	6.7	19	31.7	28	46.7	4	6.7	5	8.3	3.2167	0.97584
Manufacturing firms involve community members in CSR programs.	8	13.3	8	13.3	28	46.7	12	20.0	4	6.7	3.0667	1.07146
CSR activities improve the relationship between firms and the community.	13	21.7	16	26.7	16	26.7	11	18.3	4	6.7	3.3833	1.20861

Source: Sample Survey march 2026

Table 25 shows community respondents' views regarding the social responsibility of manufacturing firms

The first item assessed was whether manufacturing firms support local education programs. The results show that 10.0% of respondents strongly agree and 23.3% agree with the statement. 38.3% remain neutral, while 16.7% disagree and 11.7% strongly disagree. The mean score is 3.03 with a standard deviation of 1.13 this indicates that respondents moderately perceive that firms support local education programs.

The second item assessed was whether manufacturing firms support local health services. The findings reveal that 6.7% strongly agree and 23.3% agree, while 28.3% remain neutral. However, 30.0% disagree and 11.7% strongly disagree. The mean score is 2.83 with a standard deviation of 1.12.This indicate moderate agreement regarding firms' contributions to health services.

The third item examined was whether manufacturing firms provide financial assistance to the community during emergencies or disasters. The results show that 10.0% strongly agree and 23.3% agree, while 31.7% remain neutral. In contrast, 28.3% disagree and 6.7% strongly disagree. The

mean score of 3.02 with a standard deviation of 1.10 this indicates moderate perception regarding emergency support.

The fourth item assessed whether manufacturing firms respect community culture and values. The findings show that 6.7% strongly agree and 31.7% agree, while 46.7% remain neutral. Meanwhile, 6.7% disagree and 8.3% strongly disagree. The mean score is 3.22 with a standard deviation of 0.98 this indicates community respondents have moderate agreement that firms respect local culture.

The fifth item evaluated whether manufacturing firms involve community members in CSR programs. The results indicate that 13.3% strongly agree and 13.3% agree, while 46.7% remain neutral. However, 20.0% disagree and 6.7% strongly disagree. The mean score of 3.07 with a standard deviation of 1.07 this indicate community respondents believe there is moderate community involvement in CSR initiatives.

Finally, respondents were asked whether CSR activities improve the relationship between firms and the community. The findings show that 21.7% strongly agree and 26.7% agree, while 26.7% remain neutral. 18.3% disagree and 6.7% strongly disagree. The mean score is 3.38 with a standard deviation of 1.21.This indicates that community believes CSR activities moderately improve relationships between firms and the community.

Overall, the results suggest that community members perceive the social responsibility practices of manufacturing firms at a moderate level, with relatively lower agreement regarding health services, community involvement, and emergency assistance.

Interview questions

How do manufacturing firms contribute to social development in the local community?

Sendafa town Investment office and kebele administrators acknowledged that some firms do engage in socially oriented activities including supporting local schools, participating in community cleaning campaigns, and making small donations during public events. However, administrators believe this activity have limitations, which such activities tend to be irregular and largely dependent on the personal initiative of individual company rather than any formal or structured commitment.

4.3.2.4 Discussion on Overall Perception of Social Responsibility

When the social responsibility ratings of the three sets of respondents are compared side-by-side, these discrepancies go beyond simple difference in opinion or perception. It seems that there really are varying experiences of the companies.

The employees' rating of social responsibility includes a workplace safety of 3.56, fair and equal treatment of 3.50, training and development of 3.49, safety materials of 3.30, and medical/health related of 3.16. All five factors fall under the category of moderate. There is a small difference of 0.40 between the two highest and lowest ratings. Therefore, it appears that the social responsibility of firms perceived by the employees is quite consistent in being moderately present.

The managers, on the other hand, gave higher ratings to their firms' CSR policies. Community relations of the companies got a rating of 4.2, integration of CSR to business strategies at 3.9, CSR communications at 3.7, social program support of 3.6, and reputational impact of 3.7. All ratings are greater than 3.5, while the highest of 4.2 on community relationships is in an area which both employees and communities failed to rate high.

Community respondents assigned the least social responsibility score among the three respondents. They assigned the score of 3.03 for providing support to local education programs, 3.07 for participation in corporate social responsibility projects, 3.02 for giving out financial aid in case of emergencies, 2.83 for providing support to local health facilities, 3.22 for respecting culture and values, and 3.38 for considering whether activities carried out under CSR lead to better relations with the communities. Except for the last item, all social responsibility scores assigned by the community are at or below the value of 3.07. Such trend applies to all items and reflects a definite manifestation of dissatisfaction of the communities towards these corporations. During data collection, the researcher noted at least two instances of active social participation by firms within the industry. The first involved medical expenses of community members being paid by one corporation, while another factory contributed financially to erecting school fences for the community.

If we examine all three respondents together, we see a repeated pattern in relation to social responsibility as well. Here, managers scored highest with a mean score of roughly 3.78. Employees scored moderately, earning an average score of about 3.40. Community respondents scored lowest, with an average score of around 3.09. Through these comparisons, it becomes clear that while manufacturing businesses operating in the Sendafa Industrial Zone rate

themselves highly on social responsibility, in reality, these firms fall far short of expectations set for them.

The alignment of employee and community concerns regarding health is a significant observation. As was mentioned above, both categories of respondents felt that health initiatives were lacking. As (Belay et al. 2024) found occupational health problems to be systemic issues within the Ethiopian manufacturing industry's CSR efforts, while (Legesse and Wondwossen 2023) showed how the delivery of social programs within the sector lacked consistency.

The general observation that employees and community members are more critical of social responsibility compared to managers aligns with (Jamali and Karam 2018), which reported that managers in developing countries' manufacturing sectors measure their CSR performance based on actions taken and not the benefits that accrue to the beneficiaries. According to (Belay et al. 2024), CSR initiatives have been put in place among the manufacturing companies in Amhara Region with the general perception that the business practices are responsible. This particular study, however, used only the perspective of managers. The present study builds on this observation by considering employees and community perspectives.

4.3.3 Environmental

The decisions and activities of organizations have an impact on the Environment no matter where the organizations are located. These impacts may be Associated with the organization's use of resources, the location of the activities of the Organization, the generation of pollution and wastes, and the impacts of the organizations activities on natural habitats.

4.3.3.1 Employees' Perception of Environmental Responsibility

Table 26Employees' Perception of Environmental Responsibilities

Item	strongly agree		Agree		Neutral		dis agree		strongly disagree		mean	standard deviation
	F	%	F	%	F	%	F	%	f	%		
The company actively reduces air, water, and land pollution from its operations	54	19.6	93	33.7	82	29.7	29	10.5	18	6.5	3.4928	1.11679
The company uses energy and water efficiently in its daily activities.	71	25.7	105	38.0	52	18.8	33	12.0	15	5.4	3.6667	1.14310
The company properly collects, sorts, and disposes of industrial	59	21.4	101	36.6	78	28.3	26	9.4	12	4.3	3.6123	1.05747

waste												
The company follows environmental laws, rules, and compliance standards	64	23.2	85	30.8	89	32.2	24	8.7	14	5.1	3.5833	1.09059
The company regularly monitors and evaluates its environmental impact	26	9.4	85	30.8	77	27.9	39	14.1	49	17.8	3.0000	1.24170

Source: Sample Survey march 2026

Table 26 shows employees' responses regarding the environmental responsibility practices of manufacturing firms,

The first item assessed was whether the company actively reduces air, water, and land pollution from its operations. The findings show that 19.6% strongly agree and 33.7% agree with the statement. 29.7% remain neutral, while 10.5% disagree and 6.5% strongly disagree. The mean score is 3.49 with a standard deviation of 1.12.This indicates that employees moderately agree that the company takes measures to reduce environmental pollution. On its operation

The second item assessed was whether the company uses energy and water efficiently in its daily activities. The results reveal that 25.7% strongly agree and 38.0% agree, while 18.8% remain neutral. However, 12.0% disagree and 5.4% strongly disagree. The mean value is 3.67 with a standard deviation of 1.14 this indicates that employees mostly believe the company as making efforts to use natural resources efficiently.

The third item examined was whether the company properly collects, sorts, and disposes of industrial waste. According to the findings, 21.4% strongly agree and 36.6% agree, while 28.3% remain neutral. In contrast, 9.4% disagree and 4.3% strongly disagree. The mean score is 3.61 with a standard deviation of 1.06.This indicates that waste management practices are seeing positively by many employees

The fourth item assessed was whether the company follows environmental laws, rules, and compliance standards. The results show that 23.2% strongly agree and 30.8% agree with the statement. 32.2% remain neutral, while 8.7% disagree and 5.1% strongly disagree. The mean score is 3.58 and a standard deviation of 1.09.This indicates that employees moderately agree the company generally complies with environmental regulations.

The final item evaluated was whether the company regularly monitors and evaluates its environmental impact. The findings reveal that 9.4% strongly agree and 30.8% agree, while 27.9% remain neutral. Meanwhile, 14.1% disagree and 17.8% strongly disagree. The mean score is 3.00 with a standard deviation of 1.24.ths indicates relatively lower agreement among employees regarding the company's environmental monitoring practices.

Overall, the results suggest that employee's believes the environmental responsibility of manufacturing firms is at moderate level.

4.3.3.2 Managers' response of Environmental Responsibility

Table 27 Managers' Response on Environmental Responsibility

Item	strongly agree		agree		Neutral		dis agree		strongly disagree		Mean	Std. Deviation
	F	%	F	%	F	%	F	%	f	%		
The company uses resources such as water and energy responsibly.	5	50	5	50							4.5	0.52705
The company properly manages industrial waste	6	60	4	40							4.6	0.5164
The company follows environmental protection regulations.	4	40	6	60							4.4	0.5164

.The company promotes environmental awareness among employees.	5	50	5	50							4.5	0.52705

Source: Sample Survey march 2026

Table 27 shows managers' responses regarding the environmental responsibility practices of manufacturing firms,

The first item assessed was whether the company uses resources such as water and energy responsibly. The results indicate that 50.0% of respondents strongly agree and 50.0% agree with the statement. The mean score was 4.5 with a standard deviation of 0.53.This indicates that managers strongly believe the company uses natural resources responsibly.

The second item assessed was whether the company properly manages industrial waste. The findings reveal that 60.0% of respondents strongly agree and 40.0% agree. The means score of 4.6 with a standard deviation of 0.52.This indicates that managers strongly perceive that the company effectively manages industrial waste generated from its operations.

The third item examined whether the company follows environmental protection regulations. According to the results, 40.0% strongly agree and 60.0% agree with the statement. The mean score of 4.4 with a standard deviation of 0.52.This indicate that managers believe the company complies with environmental protection laws and regulations.

The final item assessed whether the company promotes environmental awareness among employees. The findings show that 50.0% strongly agree and 50.0% agree with the statement. The mean score was 4.5 with a standard deviation of 0.53.This indicates that managers perceive the company as encouraging environmental awareness among its workforce.

Overall, the results indicate that managers have a very positive perception of the environmental responsibility practices of manufacturing firms.

4.3.3.3 Community Perception of Environmental Responsibility

Table 28 Community Response on Environmental Responsibility

Item	strongly agree		Agree		neutral		dis agree		strongly disagree		Mean	Std. Deviation
	F	%	F	%	F	%	F	%	f	%		

Manufacturing firms take measures to reduce environmental pollution	4	6.7	12	20	22	36.7	20	33.3	2	3.3	2.9333	0.97192
Manufacturing firms properly manage waste from their operations.	4	6.7	24	40.0	19	31.7	11	18.3	2	3.3	3.2833	0.95831
Manufacturing firms protect natural resources such as, water and land	8	13.3	16	26.7	15	25.0	15	25.0	6	10.0	3.0833	1.21141
Manufacturing firms take responsibility for environmental protection.	14	23.3	11	18.3	11	18.3	20	33.3	4	6.7	3.1833	1.30827
Manufacturing firms implement environmentally friendly technologies in their production processes	12	20	23	38.3	10	16.7	11	18.3	4	6.7	3.4667	1.19981
Manufacturing firms follow environmental regulations and standards to minimize environmental damage	17	28.3	16	26.7	13	21.7	11	18.3	3	5.0	3.55	1.22716

Source: Sample Survey march 2026

Table 28 shows community respondents' perceptions regarding the environmental responsibility of manufacturing firms

The first item assessed was whether manufacturing firms take measures to reduce environmental pollution. The results indicate that 6.7% strongly agree and 20.0% agree, while 36.7% remain neutral. 33.3% disagree and 3.3% strongly disagree. The mean score is 2.93 with a standard deviation of 0.97.This indicates community has relatively low agreement regarding pollution reduction efforts.

The second item assessed was whether manufacturing firms properly manage waste from their operations. The findings reveal that 6.7% strongly agree and 40.0% agree, while 31.7% remain neutral. Meanwhile, 18.3% disagree and 3.3% strongly disagree. The mean score is 3.28 with a

standard deviation of 0.96. This indicates moderate agreement regarding waste management practices.

The third item examined was whether manufacturing firms protect natural resources such as water and land. According to the results, 13.3% strongly agree and 26.7% agree, while 25.0% remain neutral. However, 25.0% disagree and 10.0% strongly disagree. The mean score of 3.08 with a standard deviation of 1.21 this indicates community has moderate perception of natural resource protection.

The fourth item assessed was whether manufacturing firms take responsibility for environmental protection. The findings show that 23.3% strongly agree and 18.3% agree, while 18.3% remain neutral. Meanwhile, 33.3% disagree and 6.7% strongly disagree. The mean score is 3.18 with a standard deviation of 1.31.This indicates community has moderate perceptions regarding firms' environmental responsibility.

The fifth item evaluated whether manufacturing firms implement environmentally friendly technologies in their production processes. The results show that 20.0% strongly agree and 38.3% agree, while 16.7% remain neutral. However, 18.3% disagree and 6.7% strongly disagree. The mean score of 3.47 with a standard deviation of 1.20.This indicates community has moderate agreement regarding the use of environmentally friendly technologies.

Finally, respondents were asked whether manufacturing firms follow environmental regulations and standards to minimize environmental damage. The findings reveal that 28.3% strongly agree and 26.7% agree, while 21.7% remain neutral. Meanwhile, 18.3% disagree and 5.0% strongly disagree. The mean score is 3.55 with a standard deviation of 1.23.This suggests that respondents generally perceive manufacturing firms as complying with environmental regulations.

Overall, the findings indicate that community members perceive the environmental responsibility of manufacturing firms at a moderate level.

Interview questions

How do manufacturing firms manage environmental issues such as pollution and waste?

Sendafa town Investment office and kebele administrators answer this on environmental matters, some firms make a genuine effort to comply with environmental regulations and manage their waste responsibly. However, concerns about waste disposal practices and inadequate pollution control persist. The municipality does conduct occasional monitoring of environmental compliance, but administrators acknowledged that supervision is not as consistent or thorough as it needs to be.

4.3.3.4 Discussion on Overall Perception of Environmental Responsibility

The analysis of the scores of environmental responsibilities of the three groups reveals the biggest difference between the scores achieved. The three groups represent one group of firms and one practice.

The analysis of the scores of environmental responsibilities of the three groups reveals the biggest difference between the scores achieved. The three groups represent one group of firms and one practice.

In terms of environmental responsibility of the managers towards firm practices, all managers provided a score for each practice over 4.4. The highest rating of 4.6 was achieved by the managers in respect of waste management. The responsible use of water and energy earned a score of 4.5; the promotion of environmental awareness of employees also a score of 4.5; and environmental protection regulations 4.4. The answers of the managers indicate that they think their firms are doing excellent work in regard to this practice.

All employees estimated their environmental responsibility in relation to firms' practices in the middle range. Energy and water efficiency was assessed at 3.67; waste management at 3.61; environmental compliance at 3.58; pollution reduction at 3.49; and environmental monitoring at 3.00.

Community respondents who live in the immediate environment of the industrial area and face exposure to the environmental impact of the industry recorded the lowest ratings for all six environmental variables. Their responses indicated a rating of 3.55 on environmental regulation compliance, 3.47 on environmentally friendly technology, 3.28 on waste management, 3.18 on environmental responsibility in general, 3.08 on natural resource protection, and 2.93 on pollution reduction. Pollution reduction got the lowest rating by the community on any of the environmental variables, being the sole variable to score below 3.00 in this study.

Considering the three respondent groups as a whole, it is clear that there is the widest three-way difference in relation to the environmental dimension. For instance, the average rating by managers for the environmental variable was approximately 4.50. The average rating by employees was about 3.47. On the other hand, the average rating by community respondents stood at approximately 3.24. This means that there is a wide difference in ratings between managers and community respondents. As noted during observation, there was substantial smoke emission in the two factories within the zone.

In this case, it has been shown how there is a gap between what management and what the society perceives. In this regard, Visser (2008) has referred to it as environmental compliance rhetoric, whereby organizations have adopted the procedures associated with environmental management without implementing any changes in reality. It can be seen from the very low employee monitoring score in this study.

The above findings resonate with earlier literature concerning Ethiopian manufacturing companies. (Bekele 2023) and (Assefa et al. 2024) examine environmental management weaknesses of particular Ethiopian manufacturing firms through issues such as waste disposal, pollution control, and lack of investment in environmental technology. The study proves that all these weaknesses apply to several manufacturing companies in one industrial zone. (Jamali and Karam 2018) claim that managers tend to overestimate environmental performance as they focus on inputs and processes but not outcomes and physical situations. As a result, the current study proves that the managers think highly of their company's environmental performance.

However, the current study differs from the earlier research by presenting a simultaneously conducted survey involving item-matched comparisons of managers', employees', and communities' environmental perceptions. Earlier research focused on individual firms analyzed from one perspective only.

4.4 Comparison of CSR Perceptions across Stakeholder Groups: One-Way ANOVA

To examine whether the observed differences in mean scores across the three stakeholder groups employees, managers, and community members were statistically significant, a one-way Analysis of Variance (ANOVA) was conducted for each of the three CSR dimensions: economic responsibility, social responsibility, and environmental responsibility.

4.4.1 One-Way ANOVA Results

The one-way ANOVA results are presented in Table below. The F-statistic and significance value (Sig.) indicate whether a statistically significant difference in mean perceptions exists between at least two of the three stakeholder groups.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
economic_mean	Between Groups	14.028	2	7.014	10.008	.000
	Within Groups	240.379	343	.701		
	Total	254.407	345			
social_mean	Between Groups	6.753	2	3.377	4.602	.011
	Within Groups	251.647	343	.734		
	Total	258.400	345			

environmental_mean	Between Groups	13.493	2	6.747	9.311	.000
	Within Groups	248.539	343	.725		
	Total	262.032	345			

As shown in Table 29 statistically significant differences in mean perceptions were found across all three CSR dimensions. Economic responsibility yielded $F(2, 343) = 10.008$, $p < .001$; social responsibility yielded $F(2, 343) = 4.602$, $p = .011$; and environmental responsibility yielded $F(2, 343) = 9.311$, $p < .001$. These results confirm that the stakeholder groups did not perceive CSR practices uniformly the differences observed in the descriptive analysis are statistically meaningful and not due to chance.

4.4.2 Post Hoc Analysis: Tukey HSD

Since the ANOVA indicated significant differences, a Tukey HSD post hoc test was conducted to identify specifically which pairs of groups differed from each other. The results are presented in Table below.

Table 30: Tukey HSD Post Hoc Multiple Comparisons

Multiple Comparisons

Tukey HSD

Dependent Variable	(I) for variance	(J) for variance	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
economic_mean	employee	managers	-.68188*	.26948	.032	-1.3162	-.0475
		Community	-.46244*	.11925	.000	-.7431	-.1817
	managers	employee	.68188*	.26948	.032	.0475	1.3162
		community	.21944	.28594	.723	-.4536	.8925
	community	employee	.46244*	.11925	.000	.1817	.7431
		managers	-.21944	.28594	.723	-.8925	.4536

social_mean	employee	managers	-.41710	.27573	.286	-1.0661	.2319
		community	.30528*	.12201	.034	.0181	.5925
	managers	employee	.41710	.27573	.286	-.2319	1.0661
		community	.72238*	.29257	.037	.0337	1.4111
	community	employee	-.30528*	.12201	.034	-.5925	-.0181
		managers	-.72238*	.29257	.037	-1.4111	-.0337
environmental_mean	employee	managers	-1.02899*	.27402	.001	-1.6740	-.3840
		community	.22101	.12125	.164	-.0644	.5064
	managers	employee	1.02899*	.27402	.001	.3840	1.6740
		community	1.25000*	.29075	.000	.5656	1.9344
	community	employee	-.22101	.12125	.164	-.5064	.0644
		managers	-1.25000*	.29075	.000	-1.9344	-.5656

*. The mean difference is significant at the 0.05 level.

Economic Responsibility

Employees rated economic responsibility significantly lower than both managers (Mean Difference = -0.682, p = .032) and community members (Mean Difference = -0.462, p < .001), indicating that workers hold a more critical view of the firms' economic performance. No significant difference was found between managers and community members (p = .723).

Social Responsibility

Employees rated social responsibility significantly higher than community members (Mean Difference = 0.305, p = .034), suggesting that social CSR initiatives are more visible inside the firm than outside. Managers also rated social responsibility significantly higher than community members (Mean Difference = 0.722, p = .037). No significant difference was found between employees and managers (p = .286).

Environmental Responsibility

The largest gaps were recorded in this dimension. Employees rated environmental responsibility 1.029 points lower than managers (p < .001), and community members rated it 1.250 points lower than managers (p < .001) the single largest significant gap in the entire analysis. No significant difference was found between employees and community members (p = .164), indicating both groups share a similarly moderate assessment of the firms' environmental practices.

Overall, managers consistently rated all CSR dimensions higher than employees and community members, with statistically significant differences in most comparisons. This confirms a clear perception gap between internal decision-makers and external stakeholders in the Sendafa Industrial Zone.

4.4 Stakeholders Awareness with Companies CSR Activities (semi closed questionnaire)

4.4.1 Employee Awareness of CSR Activities

The first question directed at employees was to determine the level of internal awareness regarding their company's CSR activities. Out of 276 employees surveyed, 151 respondents (54.7%) confirmed awareness of their company's CSR initiatives.92 respondents (33.3%) indicated they were not aware, and 33 respondents (12.0%) were uncertain.

This indicates that a majority of employees are aware of CSR efforts; the margin is far from convincing.. The findings suggest that the manufacturing firms studied have not yet fully invested in that internal communication culture.

4.4.2 Community Awareness of CSR Activities

The first question sought to establish the extent to which community members are aware of CSR activities carried out by firms operating in their area. Out of 60 respondents, 37 (61.7%) confirmed that they are aware of such activities, while 11 respondents (18.3%) indicated they were not aware, and the remaining 12 (20.0%) were unsure.

These findings suggest that awareness of CSR among community members is moderately high, with nearly two-thirds of respondents recognizing that manufacturing firms in their area engage in some form of social responsibility.

4.4.3 Discussion on stakeholder awareness

The awareness data from this study presents employees and community members approximately 54.7% of employees and 61.7% of community members confirmed that they are aware of CSR activities by manufacturing firms in the Sendafa Industrial Zone. While these figures represent a majority in both groups, a significant portion of the people does not know these exist.

These levels of awareness correspond to the literature on Ethiopian manufacturing firms. (Mamo, 2024) has noted that CSR awareness in Ethiopian manufacturing sector is gradually rising but still very limited and unevenly distributed. Also this research highlights that

manufacturing firms even in Sendafa industrial zone are not communicating their CSR efforts with community and employees.

Alongside, {Alemu, 2022) came to a similar conclusion.observed that in Ethiopian industrial parks even if one can find genuine CSR activities communication with the employees and communities is inconsistent and rarely systematic.

This research was able 1-to compare employee and community awareness within the same area and pinpoint the specific gap between the two.

2 On top of that, article explains that employees are less aware of CSR activities than community members.

The awareness gaps identified through this research reveal that the manufacturing firms of the Sendafa Industrial Zone and community are unlikely to have developed the means of communication. Based on visual observations, for social, economic and environmental activities, these firms appear to be performing at a certain level, but systematically informing their employees and local communities is something that they are not doing.

4.5 Stakeholder Engagement

4.5.1 Community and Employee Participation in CSR Activities

4.5.1.1 Employee Participation

Respondents were asked whether they had personally participated in any CSR activities organized by their company. The result shows 113 respondents (40.9%) reported that they had not participated compared to 102 respondents (37.0%) who had. 61 respondents (22.1%) were unsure whether their involvement counted as participation.

The finding indicates employees who may be aware of CSR programs; do not have involvement CSR activities.

Employees participated in CSR activity included

- tree planting

- road and drainage repair
- dry waste collection
- distribution of school materials to students
- and providing food supplies to those in need

4.5.1.2 Community Participation in Manufacturing Firm CSR Activities

Respondents were asked whether they had personally participated in any CSR activity organized by manufacturing firms in their area. The results show that the majority 36 respondents (60.0%) had not participated, while only 24 respondents (40.0%) confirmed active involvement.

This suggests that firms are not doing enough to create accessible, inclusive participation channels for the broader community.

Community who said participate in CSR activity include

- Tree planting
- environmental clean-up campaigns
- Community health and sanitation drives
- School improvement projects
- Local infrastructure repair initiatives

4.5.2 Frequency of Interaction between Firms and the Community

The third variable examined how frequently manufacturing firms engage with the community on matters related to CSR. The majority of respondents 27respondant (45.0%) reported that firms interact with the community rarely, while 4 respondents (6.7%) stated that interaction never occurs. Only 10 respondents (16.7%) indicated that engagement happens frequently, and 19 (31.7%) said it occurs sometimes.

This is finding, shows as community engagement and interaction is limited.

4.5.3 Community Benefits from CSR Programs

Respondents were also asked whether they or their community had directly benefited from CSR programs conducted by manufacturing firms. A majority 31 respondents (51.7%) responded had produced some benefit for their community. 18 respondents (30.0%) reported receiving no benefit and 11 (18.3%) were uncertain. the finding indicates the CSR activities are not distributes evenly in the community

The community reported that manufacturing firms

- provide access to underground water,
- assist with road construction and electric power line installation,
- and support environmental cleaning activities in their area

4.5.4 Discussion on community engagement

This section examines how much employees and community members actually participate in CSR activities, how often firms communicate with the community and whether community members have directly benefited from them.

In The participation section only 37.0% of employees reported active participation in any CSR activity, while 40.9% reported no participation at all. Among community members 60.0% of community respondents reported zero participation in any firm-organized CSR activity.

the community had directly benefited from CSR programs conducted by manufacturing firms in very few cases, only 45. 0% reported that firm-community interactions occurred. A majority of 51. 7% produced some benefit for their community.18 respondents (30. 0%) said they got no benefit. Taken together, these statistics imply that in the Sendafa Industrial Zone CSR is mostly happening without the substantive participation of the people it is meant to serve.

This is in line with what has been revealed in several other studies carried out in Ethiopia. Bekele (2024) discovered that the same top-down charitable model is employed by multiple companies, where CSR programs are designed and implemented by management without the effective participation of employees or community members. In the same way, the Sendafa Industrial Zone situation As if the firms are deciding what the communities need, organizing activities around their decisions, and delivering them without building a sustained mechanism for community involvement or feedback.

From a theoretical standpoint, these participation rates indicate a major failure of community engagement as recognized in the CSR literature. (Ahmed and Rahman 2024) consider genuine community engagement as the involvement of local people in the recognition of social needs and the development of programs to address them. (Lopez and Santos 2025) demonstrate that

companies that involve communities in their decision-making are much more likely to come up with relevant and sustainable initiatives.

(Bekele and Tadesse 2024) discovered that community trust can only be increased through participatory approaches while top-down programs have limited impact. The participation data of this research reveal that companies in the Sendafa Industrial Zone are developing and implementing projects without community input that explains why many community members say they neither benefit nor are involved even if CSR activities are being done.

The research reveals that CSR in the Sendafa Industrial Zone is mainly a management-led endeavor rather than a community-oriented one.

4.6 Types CSR Practice in the Area (Open end questionnaires)

The three participants in these research was asked the following questions

What CSR activities have manufacturing firms implemented in your community?
Type of CSR Practice in the area

The CSR activities reported by respondents include

- tree planting and environmental cleaning,
- provide drinking water to the community,
- Employee welfare support through financial assistance during hardship, gift giving, and safety provisions.
- Firms also assist with house repair programs,
- Provide startup materials disable people
- support students with school materials,
- And pay health insurance for those in need.

  Additional activities include
- contributions to peace and security programs,
- assistance to people in need,
- support financial and material support for health centers and hospitals,
- Creation of job opportunities for community members.

Most respondents says that company participate mostly when governmental bodies ask to participate

INTERVIEW Question

In what types of CSR activities do manufacturing firms usually participate?

Sendafa town Investment office and kebele administrators described the typical CSR activities of manufacturing firms as largely event-based and reactive rather than planned and strategic. Common activities include supporting community events, providing occasional financial or material assistance, joining environmental cleaning programs, and contributing to minor infrastructure improvements such as roads or public facilities.

4.6.1 Discussion on types of CSR practice in the industrial zone

This research identifies CSR practices in sendafa industry zone are tree planting, environmental cleaning, drinking water provision, school material distribution, house repair program, employee financial assistance, health insurance support, and peace and security contributions. That clearly express a company's characteristic. These are mostly one-time happenings and are largely following government requests. Strategic firm planning is hardly behind them. (Wakuma 2022) has observed a similar event in Bishoftu: CSR activities were mostly free-time ones, and government campaigns, not really a part of long-term planning. The Sendafa zone is following this pattern as well.

While (Galbreath's 2010) asserts that reactive CSR firms mainly do compliance and philanthropy, responsive ones invest in employee welfare and stakeholder engagement. proactive companies even use sustainability innovation as a part of production. Firms in Sendafa are simply reacting to the external government requests and community visibility pressures rather than going for strategic integration. In Ethiopia most of the companies CSR activities are reactive and philanthropic. (Bayisa 2013) discovers that Ethiopian manufacturing CSR is mainly philanthropic. this research concurs that in sendafa industrial zone CSR activities are reactive mainly focus on government campaigns and onetime events.

This finding extends existing literature by showing this behavior across different companies within one industrial zone institutional environment rather than isolated firms.

4.7 Challenges to Implement CSR Activities

What is the main challenges affecting CSR activities in your area?

Challenges to implement CSR activities

The respondents identified several challenges that hinder the effective implementation of CSR activities. The most commonly raised concern was

- Lack of genuine commitment from companies themselves,
- Lack insufficient government supervision and support.
- Lack of consistent electric power supply and raw material shortages, which force them to operate below full production capacity
- Financial limitations
- A general lack of awareness about CSR, both within companies and among government bodies
- Lack peace and Security concerns in the area

Interview questions

Question 5: What are the main challenges in implementing CSR activities?

Sendafa town Investment office and kebele Administrators were particularly when discussing the barriers to effective CSR implementation. Three challenges poor coordination between companies and local government, the absence of long-term CSR planning within firms, and a general lack of awareness about what CSR responsibilities. Many firms view CSR as an optional gesture rather than obligation

4.7.1 Discussion on Challenges of CSR implementation

The major difficult points discussed in this report originated from the employee, manager and community forms, as well as the admin discussion. The issues raised from the different sources, in a major way, are the absence of a real commitment to the firm, the very minor role of the government, lack of funds, and little CSR knowledge in firms and stakeholders. The four constraints are the most frequent ones in the Ethiopian manufacturing CSR literature, and their existence in this study shows that that they are still not resolved in the entire sector. (Beyene and Kide 2021) Managerial awareness, financial pressure, and regulatory weakness have been identified by them as the main obstacles for CSR implementation in Ethiopian manufacturing.

Financial difficulties were a major problem for the company managers and also reflected in the employee and community data. In line with Ali and Hussain (2024) and Kumar and Sharma (2025), resource limitations are most frequently cited barriers to CSR.

Two problems raised in this study Though are rarely reported in the Ethiopian manufacturing CSR literature. The first one is the irregular supply of power. Many interviewees in both the employee and administrator groups pointed to power failures as one of the main factors that cause disruptions of operations which, in turn, has a direct impact on the firms' production consistency (Assefa 2023) recognized infrastructural weaknesses as one of the operational problems of Ethiopian industrial parks, he/she Yet did not draw a direct link between them and CSR implementation.

The second less documented problem is the issue of peace and security in the environment around the industrial zone. Both the administrator interviews and community surveys revealed that the security situation has led to increased uncertainty which in turn, is a deterrent to long-term planning and investment. They also said that CSR comes with disadvantages. Because CSR initiatives require a high degree of planning, community engagement, and operational stability, the unruly security environment in the region has made it difficult for the companies to do so.

This report has brought different dimensions of the people who carry out the business were consulted and their views reflected in the report instead of looking at the management of the business only. The research has Mostly revealed two problem areas (power interruptions and local security concerns) which the cross-sectoral studies, in general, did not focus on before.

CHAPTER FIVE

Summary of Major Findings, Conclusion and Recommendation

This study was carried out with the aim of evaluating corporate social responsibility in manufacturing firms in the Sendafa industrial zone. For that matter, the descriptive research method which included both questionnaire and interview was employed for collecting primary data. The two methods were used respectively through purposeful and systematic sampling techniques. Analysis of quantitative data was done through SPSS utilizing frequencies, percentages, means, and standard deviations. On the other hand, qualitative data from interviews and open-ended questions were analyzed using thematic analysis.

In this particular study, the opinions of employees, managers, and local communities were taken into account in order to get a clear insight on corporate social responsibility practices in manufacturing firms in the industrial zone.

5.1 Major Findings

5.1.1 Economic, Social and Environmental Responsibilities

Economic Responsibility

Perceptions of economic responsibility among employees 40.66% of respondents thought that companies offer economically significant opportunities, but 34.24% disagreed, and 26.08% were uncertain about it. It appears that the economic contribution is not felt equally by all employees. Managers were also more positive about it, as 62% of them thought that the companies are economically responsible. Perceptions of economic responsibility among community members 56.68% of community members believed that the firm offers economically significant opportunities to the community. One of the major consistencies between managers and employees in regard to economics was wage differences.

Social Responsibility

Perceptions of the community regarding social responsibility of the company differed widely, where 50.86% felt that businesses positively impacted society and 24.22% felt that companies

negatively impacted society. The management on the other hand had very positive perceptions towards social programs, with 72% saying that firms positively contributed to society and none of them disagreed. The community had mixed feelings with 35% believing that firms positively impacted society and 36.4% were uncertain. This uncertainty indicates that there is not enough evidence that has been shown in order to form an opinion.

Environmental Responsibility

The dimensions of environmental responsibility had 53.84% of employees agree that firms exhibit good environmental responsibilities. On the management dimension, 100% of managers agreed that firms exhibit excellent environmental responsibility performance. For the community dimension, there was some division among them since 44.71% agreed, 30.21% disagreed, and 25.02% did not have an opinion. Managers gave the best evaluations for all dimensions. Employees and community members gave poor evaluations. The dimension that got high recognition was environmental responsibility while the lowest in terms of social responsibility was given by the community members.

5.1.2 Stakeholder Awareness

Around 54.7% of employees and 61.7% of community stakeholders indicated their knowledge about corporate social responsibility efforts. This implies that around one-third of employees and close to one-fifth of community stakeholders do not know about the efforts being made for their benefit. The above result clearly shows that there is less communication about CSR within organizations compared to outside organizations.

5.1.3 Community Engagement

Community involvement emerged as one of the least impressive components of the study. Approximately 60.0% of the community indicated no involvement in any of the CSR activities offered by the firms. Additionally, about 48% noted that communication between the firm and the community was rare, while only 51.7% claimed to have benefited directly from any CSR program.

5.1.4 Types of CSR Activities

The enterprises in the area participate in various activities such as provision of safe drinking water, welfare activities for workers, safety materials, education materials, contribution in construction of roads, cleaning of the environment, and health care support in the vicinity. Even though the activities are quite varied, they are mainly on an occasional basis. They do not have any consistency or structure that can bring about sustainability in their activities.

5.1.5 Challenges to Implementation

These included lack of commitment from the firms, inadequate government regulation, lack of funds, and poor awareness regarding CSR. Two more challenges that had not been highlighted in previous studies conducted in Ethiopia were also identified. One such challenge is lack of consistent supply of electricity, which affects the smooth running of the business and prompts firms to neglect social and environmental responsibilities due to difficulties in production.Another issue was the lack of peace and security in the zone.

5.2 Conclusion

This study assessed CSR practices among manufacturing firms in the Sendafa Industrial Zone. Include from the perspectives of employees, managers, and surrounding community members.

- Manufacturing firms in the Sendafa Industrial Zone show moderate CSR performance across economic, social, and environmental dimensions, with managers consistently rating their firms far higher than employees and community members. The environmental dimension recorded the widest disagreement, revealing a serious gap between managerial claims and the lived experience of surrounding communities.
- A significant portion of both employees and community members remain unaware of CSR activities being carried out on their behalf. This reflects weak internal and external communication systems rather than an absence of CSR activity.
- Community engagement was the weakest area of the study, with the majority of community respondents reporting no direct participation in any firm-organized CSR activity. Firm-community interaction was rare, and the benefits of CSR programs were unevenly distributed across the community.
- The CSR activities identified in the zone including tree planting, school donations, drinking water provision, and worker welfare support are philanthropic and event-driven rather than strategic and sustained. They lack the institutional structure needed to generate lasting social impact.
- Key challenges include weak firm commitment, inadequate government oversight, financial constraints, unreliable electricity supply, and localized peace and security concerns. Together, these factors confirm that CSR in the Sendafa Industrial Zone remains reactive and fragmented rather than strategic and inclusive.

5.3 Recommendations

The researcher recommended the following major points or recommendations based on the findings of the research:

- Firms should develop formal CSR policies with dedicated budgets and measurable targets across all three dimensions. Independent environmental audits should be conducted regularly to close the credibility gap between managerial claims and community experience.
- Firms must establish consistent CSR communication channels directed at both employees and surrounding communities. Regular staff briefings and community information campaigns should be institutionalized as part of every firm's CSR practice.
- Firms should establish permanent community liaison structures such as joint CSR committees including kebele representatives and community members to ensure programs are designed with genuine stakeholder input. Community participation must shift from incidental to structural.
- Firms should replace one-time donations with multi-year social investments in areas such as vocational training, environmental rehabilitation, and community health. A coordinated approach among firms within the zone would maximize collective impact.
- The government must establish enforceable CSR monitoring frameworks with clear guidelines and real consequences for non-compliance. Infrastructure gaps, particularly electricity supply, must be addressed at the policy level as a direct precondition for sustainable CSR investment.

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Appendixes A

COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT
MSC PROGRAM IN MANAGEMENT
QUESTIONNAIRES ON
THE RESEARCH TITLE ''ASSESMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN MANUFACTURING FIRM''

Dear Respondents, My name is Feker Dinkessa, and I am a Master of Science (MSc) student in Management at Addis Ababa University College of Business and Economics, I am conducting this survey as part of my MSc thesis research entitled. ''**ASSESMENT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN MANUFACTURING FIRM IN THE CASE OF SENDAFA INDUSTRIAL ZONE**''

The questionnaire is developed to collect primary data necessary to achieve the objectives of the study which aims to assess the corporate social responsibility practice of manufacturing firm. Specifically the survey seek to know how manufacturing companies address the economic ,social, environmental dimension of CSR, identify currently implemented CSR , understand the level of stakeholder awareness of CSR activity, the extent of community engagement and challenges faced to implement the CSR programs. The information collected through this questionnaire will support academic analysis and contribute to understanding CSR practices related challenges.

Dear Respondents,

- Your participation in this survey is voluntary.
- You are not required to write your name.
- The information you provide will be used only for academic research purposes.
- Your responses will be treated with confidentiality.

Questionnaires for company's employees

Section 1: Demographic Information

1. Gender: Female ☐ Male ☐
2. Age group: 18-25 ☐ 26-35 ☐ 36-45 ☐ Above 45 ☐
3. Educational level: 9-12 ☐ level1-IV ☐ BA/BSC degree ☐ masters ☐ and above
4. How long have you been working in this factory? _____

5. Which department are you working? _____

Section 2: For each statement in this questionnaire, please tick ☑ only one box **that best represents your level of agreement.**

5 = Strongly Agree 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree,

No.	Statement	5	4	3	2	1
	Economic dimensions					
1	The company provides fair wages to employees.					
2	The company provides financial support to employees during personal emergencies					
3	The company provides additional financial benefits such as allowances or bonuses					
4	. The company provides performance-based financial rewards or incentives to employees					
5	The company provides regular salary increments or financial benefits to improve employees' economic stability					
	Social dimensions					
6	The company ensures workplace safety.					
7	Employees are treated fairly and equally.					
8	The company supports employee training and development.					
9	The company provides necessary materials or equipment that employees may also use for personal safety or well-being.					
10	The company provides medical assistance or health-related support for employees.					
	Environmental dimensions					
11	The company actively reduces air, water, and land pollution from its operations					
12	The company uses energy and water efficiently in its daily activities.					
13	The company properly collects, sorts, and disposes of industrial waste					
14	The company follows environmental laws, rules, and compliance standards					

Section 3: Semi-Closed questionnaire please give your reason on blank space

17 Are you aware of your company's CSR activities?
□ Yes □ No □ Not sure

_____
_____

18 Have you participated in CSR activities?
□ Yes □ No

_____
_____

Section 4: Open-Ended questionnaire please explain your answer

19 What CSR activities have you observed in your company?

_____
_____
_____
_____

20 What challenges affect CSR implementation in your company?

_____
_____
_____
_____

21 What suggestions do you have to improve CSR practices?

_____
_____
_____
_____

Questionnaire for employees in Managerial Position

Section 1: Demographic Information

1. Gender : Female □ Male □
2. Age group: 25-34 □ 35-44 □ 45-54 □ above 55 □
3. Educational level: level 1- 1V □ BA/BSC degree □ MA/masters and above □
4. What is your position? _____
5. How long have you been working in this factory? _____
6. Main Function of your organization? _____
7. Ownership case of the organization?
   The organization is owned by domestic investors □
   The organization is owned by foreign investor □
   The organization is owned/ run by both □
8. Level of the organization: Large □ Medium □ Small □

Section 2: For each statement in this questionnaire, please tick ☑ only one box **that best represents your level of agreement.**

5 = Strongly Agree 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree,

No.	Statements	5	4	3	2	1
	Economic dimensions					
1	The company creates employment opportunities for the local community.					
2	The company helps employee in difficulties					
3	The company pays fair wages to employees.					
4	The company supports local suppliers and businesses.					
5	The company allocates sufficient budget for CSR activities.					
	Social dimensions					
6	The company supports social programs such as education and health.					
7	The company regularly communicates CSR activities to stakeholders.					
8	The company integrates CSR into its business strategy.					
9	The company maintains good relationships with the local community.					
10	CSR improves the reputation of the company.					
	Environmental dimensions					
12	The company uses resources such as water and energy responsibly.					
13	The company properly manages industrial waste					
14	The company follows environmental protection regulations.					
15	.The company promotes environmental awareness among employees.					

Section 4: Open-Ended questionnaire please explain your answer

27 What types of CSR activities does your company implement?

_____

_____

_____
_____

28. What challenges does your company face when implementing CSR?

_____
_____
_____
_____

29. How can CSR practices in manufacturing firms be improved?

_____
_____
_____
_____

Questionnaire For community living around the industrial zone

Section 1: Demographic Information

1. Gender : Female □ Male □
2. Age group: 18-30 □ 31-40 □ 41-50 □ 51-60 □ above 60 □
3. Educational level: 9-12 □ level 1-1V □ BA/BSC degree □ MA and above □
4. How long have you been living around industry zone?

Section 2: For each statement in this questionnaire, please tick ☑ only one box **that best represents your level of agreement.**

5 = Strongly Agree 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree

No	Statement	1	2	3	4	5
	Economic dimensions					
1	Manufacturing firms create employment opportunities for people in the community.					
2	Manufacturing firms contribute to local economic development.					
3	Manufacturing firms support local businesses and suppliers					
4	Manufacturing firms provide financial support for community in need.					
5	Manufacturing firms provide training or skill development programs that improve community income opportunities					
	Social dimensions					
6	Manufacturing firms support local education programs.					
7	Manufacturing firms support local health services.					

8	Manufacturing firms provide financial assistance to the community during emergencies or disasters.					
9	Manufacturing firms respect community culture and values.					
10	Manufacturing firms involve community members in CSR programs.					
	Environmental dimensions					
11	Manufacturing firms take measures to reduce environmental pollution					
12	Manufacturing firms properly manage waste from their operations.					
13	Manufacturing firms protect natural resources such as, water and land					
14	Manufacturing firms take responsibility for environmental protection.					
15	Manufacturing firms implement environmentally friendly technologies in their production processes					
16	Manufacturing firms follow environmental regulations and standards to minimize environmental damage					

Semi-Closed questionnaire please give your reason on blank space

20 Are you aware of CSR activities implemented by manufacturing firms in your area?
□ Yes □ No □ Not sure

_____
_____

21. Have you or your community benefited from CSR programs?
□ Yes □ No □ Not sure

_____
_____

22. How often do manufacturing firms interact with the community regarding CSR activities?
□ Frequently
□ Sometimes
□ Rarely
□ Never

_____
_____

Open-Ended questionnaire please explain your answer

22 What CSR activities have manufacturing firms implemented in your community?

_____
_____
_____
_____

23 What do you thinks the challenges to implements activity would be ?

_____
_____
_____
____

24 What suggestions do you have to improve CSR practices in your area?

_____

APPENDIX B

SEMI-STRUCTURED INTERVIEW GUIDE FOR KEY INFORMANTS

Introduction

This interview guide is designed to collect qualitative data from key informants regarding Corporate Social Responsibility (CSR) practices of manufacturing firms in Sendafa Industrial Zone. The interview is conducted as part of an MSc thesis research entitled "Assessment of Corporate Social Responsibility Practices in Manufacturing Firms: The Case of Sendafa Industrial Zone" submitted to the College of Business and Economics, Department of Management, Addis Ababa University.

Purpose of the Interview

The purpose of this interview is to gain an in-depth understanding of CSR practices implemented by manufacturing firms in the Sendafa Industrial Zone, as observed and experienced from an institutional and administrative perspective. The information gathered will be used solely for academic research and will be treated with strict confidentiality.

Target Key Informants

- Sendafa Town Investment Office Administrators
- Kebele Administrators in the Sendafa Industrial Zone Area

Ethical Considerations

Participation in this interview is entirely voluntary. You may choose to withdraw at any time without any negative consequences. With your permission, the interview will be recorded for accuracy. All information collected will remain confidential and will be used exclusively for academic purposes. No personal identifying information will be disclosed in the final research report.

Part I: Informant Profile

Organization / Office: _____

Position / Title: _____

Years of Service in Current Role: _____

Date of Interview: _____

Place of Interview: _____

Part II: Interview Questions

1. How many manufacturing firms exist and how many of them are operational?
2. How company classify in size small, medium and big?
3. What are the economic benefits do manufacturing firms provide to the local community?
4. How do manufacturing firms contribute to social development in the local community?
5. How do manufacturing firms manage environmental issues such as pollution and waste?
6. In what types of CSR activities do manufacturing firms usually participate?
7. What are the main challenges in implementing CSR activities?