

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

The Effect of Corporate Social Responsibility on Corporate Reputation in Industry Parks Development Corporation of Ethiopia: The Case study of Kilinto and Bole Lemi Special Economic Zone

A Thesis Submitted to the School of Graduate Studies of
Addis Ababa University in Partial Fulfillment of the Requirements for the Master of Art in Business Administration (MBA)

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January, 2026

Addis Ababa, Ethiopia

DECLARATION

I, Seble Teshome, declare that the research project entitled ***—The Effect of Corporate Social Responsibility on Corporate Reputation in Industry Parks Development Corporation of Ethiopia: The Case study of Kilinto and Bole Lemi Special Economic Zone‖*** is my original work that is done under the guidance and advice of Yohannes Workaferahu (PhD). This research project is done as partial fulfillment for a Master of Arts Degree in Business Administration (MBA). This research has not been done before and all sources of material used for the study have been appropriately acknowledged.

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STATEMENT OF CERTIFICATE

This is to certify that **Seble Teshome** has completed her thesis entitled ***—The Effect of Corporate Social Responsibility on Corporate Reputation in Industry Parks Development Corporation of Ethiopia: The Case study of Kilinto and Bole Lemi Special Economic Zone***‖ is her original work and is submitted for examination with my approval as a thesis.

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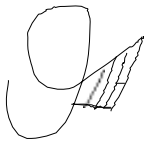
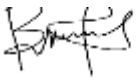
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ACKNOWLEDGEMENTS

First and foremost, I thank Allah (SWT) for granting me strength, and guidance to successfully complete this thesis. Then, I would like to express my deep gratitude and appreciation to my academic advisor Yohannes Workeaferahu (PhD), for his continuous encouragement, respected advice, guidance, collaboration, kind attention of interest and supervision for all stages of this thesis work.

A special gratitude goes to Industry Parks Development Corporation (IPDC), particularly Mr Pawlos Belete, the management and staff of Kilinto and Bole Lemi Special Economic Zones, for their cooperation and for providing the necessary data and assistance during the study. In addition, I thanks to all staff members of MBA Department in Addis Ababa University, Friends, and classmates have all been providing much needed help through my postgraduate sessions. Finally, I would like to express deep felt gratitude to all my family members for their motivation and full dedication support.

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Acronyms

ANOVA: Analysis of Variance

CLRM: Classical Linear Regression Model

CSR: Corporate Social Responsibility

IPDC: Industry Parks Development Corporation

IRT: Image Restoration Theory

RMT: Reputation Risk Management Theory

SD: Standard Deviation

SEZ: Special Economic Zones

TBL: Triple Bottom Line

UNIDO: United Nations Industrial Development Organization

ABSTRACT

The concept of CSR has become a major issue in the modern world. The Industry Parks Development Corporation (IPDC) try to balance profit-making with meaningful contributions to society and the environment by focusing on environmental sustainability, community development, ethical practices, and public engagement. Several surveys report that customers are influenced by the CSR activities of the organization, ethical and philanthropic CSR practices may create and foster customer beliefs that organization adheres to high ethical standards and cares about society's wellbeing, which, in turn, positively impacts consumer assessment of corporate reputation. Due to these facts, this study examined the current practices of corporate social responsibility effect on corporate reputation in IPDC's Kilinto and Bole Lemi SEZs. In order to achieve these objectives, the study used a concurrent mixed research approach with descriptive and explanatory research designs. Data were collected from 110 sample respondents who were selected through stratified random sampling method from three departments (Human Resource, Investor care and Operational team) operating in the selected SEZs. Both descriptive and inferential statistics with linear regression modeling were used to analyze the data. The findings of the study confirmed that the customer, community and employee oriented CSR practices have a positive impact or significant on corporate reputation in the parks. However, the owner/ shareholder, environmental and government oriented CSR have a negative impact on corporate reputation in the parks. The other finding was that employees oriented CSR is less practiced in the SEZs. Based on the findings, the study recommends that the selected IPDC's SEZs should focus on employee oriented CSR within SEZs. Since employees are essential contributors to productivity and service quality strengthening employee-focused CSR practices such as training, welfare programs, health and safety measures is essential. The findings provide practical implications for policymakers, IPDC management, and industrial park administrators in designing effective CSR strategies that enhance corporate reputation and promote sustainable development in the remaining industry parks development corporation

Key Words: Corporate Social Responsibility (CSR), Corporate Reputation, Industry Parks Development Corporation (IPDC), Special Economic Zones (SEZs), Employee-Oriented CSR,

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Corporate reputation can be defined as the collective perception of the organization‘s past actions and expectations regarding its future actions, in view of its efficiency in relation to the main competitors (Fombrun, 1996; Fombrun and Rindova, 2001; Walker, 2010). Corporate reputation is a key competitive advantage in markets where product differentiation is difficult. According to Melo & Galan (2011), this competitive advantage is strengthened through the use of CSR. CSR activities have very important role in what products or services customers choose to purchase. According to Castaldo et al. (2009), several surveys report that customers are influenced by the CSR activities of the organization. Moreover, Park, Lee, & Kim (2014) suggest that ethical and philanthropic CSR practices may create and foster customer beliefs that organization adheres to high ethical standards and cares about society’s wellbeing, which, in turn, positively impacts consumer assessment of corporate reputation. Literature review proves that CSR and corporate reputation are positively correlated. For example, according to Husted & Allen (2007), building customers and stakeholder group‘s awareness of products, CSR value may affect the reputation of the organization positively.

Bayoud & Kavanagh (2012) agrees that CSR reporting enhances corporate reputation and financial performance, with the ability to attract foreign investors and, greater customer satisfaction and employee commitment. Indeed, research of Husted & Allen (2007) demonstrates that good corporate reputation has a significant potential for value creation and is difficult to replicate. Demamu (2020) stated that CSR adoption in Ethiopia is still in its infancy and manifested as community development initiatives such as building schools, health facilities and roads, as well as providing humanitarian aid and disaster relief support (Gulema and Roba, 2021; Esubalew et al., 2018). The critical role CSR in Ethiopia plays in addressing the country's socio-economic challenges (Bekele et al. (2024) and Mamo et al. (2024). Given that Ethiopia is on a path of economic growth, it is anticipated that CSR will play a crucial role in addressing societal challenges (Wirba, 2024). Therefore, Ethiopia presents a compelling case for examining the intersection between government policies and CSR, particularly in the industry park sector where the government has introduced policies to encourage corporate socially responsible practices.

Recognizing that industries must uphold social responsibilities alongside generating profits, Industrial parks in Ethiopian have implemented legal frameworks aimed at safeguarding the environment and ensuring benefits for all stakeholders and the broader community.

Therefore, this study will examine the effect of CSR activities on corporate reputation in Industry Parks Development Corporation (IPDC), specifically in Bole Lemi and Kilinto Special Economic Zones (SEZ). This research seeks to explore the extent to which CSR initiatives affect the corporate reputation of Industry Parks, focusing on factors such as products/services, innovation, workplace, governance, citizenship, leadership, and performance. It will investigate the relationship between the CSR activities of these industry parks. In doing so, the effects of CSR orientations on corporate reputation under this area will be briefly examined.

1.2. Statement of the Problem

In today's rapidly changing business environment, companies of all sizes are under pressure to succeed and engage in ethical behaviour. Corporate Social Responsibility (CSR) is a concept that inspires positive social activities based on volunteerism and responsibility toward the company's stakeholders (Hopkins, Justice, & Ariya Bandu, 2012; Ariya Bandu, 2018). Such social activities, although not directly related to the economy, have an indirect positive impact onbusiness operations (Hopkins et al., 2012; Ariya Bandu, 2018). There is currently a growing body of research on CSR and its relationship to reputation.

According to Hailu and Nigatu (2015), in the Ethiopian context there is lack of empirical research on the concept and practices CSR. In Ethiopia, a country where state is still a key player in business life, the practices of CSR is usually undertaken by multinational companies (Kellow, 2020;Sumeyye Kusakci, 2023). Kellow (2020) indicates that the majority of CSR practices in Ethiopian banking sector are limited to philanthropic CSR initiatives or discretionary. These mainly involve donation to various common companies (local charity organizations, international NGOs, and Government) in response to community development activities, grand projects and relief support in times of natural disasters.

Nowadays, the topic of CSR in Ethiopia has become the major topic in the management of industries like food processing, beverages, textiles and leather (Eyasu & Endale, 2020).In recent years, Ethiopia has positioned industrial parks at the center of its industrialization strategy, aiming to attract foreign investment, create jobs, and stimulate economic growth. Concerns about environmental damage, labor rights, and the social obligations of businesses that operate in these

parks have surfaced alongside these goals, though. Corporate Social Responsibility (CSR) has become a crucial area of focus for businesses looking for long-term legitimacy and success as local and global stakeholders increasingly demand socially responsible business practices.

Despite the growing relevance of CSR, Ethiopia's industrial parks still view it as a side project that is frequently restricted to one-time charitable donations rather than a strategic, stakeholder-centered approach. However, little research has been done in Ethiopia on the impact of corporate social responsibility (CSR) on corporate reputation, a crucial intangible asset that can impact investor confidence, employee retention, community support, and customer loyalty.

Furthermore, the majority of current research on corporate social responsibility (CSR) in Ethiopia concentrates on big businesses or particular industries, paying little attention to the distinct socioeconomic and regulatory context of industrial parks, which are home to a wide range of domestic and international manufacturing companies. The connection between CSR programs which focus on local communities, the environment, employees, customers, and other stakeholders and how these efforts shape or influence a company's reputation has not been thoroughly examined in these industrial zones.

While many industrial parks invest in CSR initiatives—such as employment opportunity, environmental conservation, and community support—the extent to which these efforts actually enhance or protect corporate reputation remains uncertain. There is a lack of empirical evidence linking CSR activities to measurable changes in consumer perception, safe and secure working condition, and community outreach programs in this sector. This study seeks to examine how CSR initiatives impact the reputation of industry parks, and whether these efforts effectively translate into reputational benefits in the eyes of stakeholders.

As per the best knowledge of the researcher, there were previous studies internal and external CSR Practice and Wellbeing in Industrial Parks, Mesay & Chalchissa (2023). It explores how CSR relates to employee and community wellbeing and also identifies specific CSR practices peculiar to the industrial park context (such as dormitory, meal service, transportation, consumer cooperatives) beyond more common CSR dimensions. Tesfaye, Mathewos, Chala (2024), focuses on external CSR (CSR aimed at community/environment etc.) and its effect on the well-being of host communities around industrial parks. It looks at dimensions such as employment, environmental protection, emergency services, and business diversification. The article Heliyon (2024) studies both positive and negative environmental, social, economic impacts of industrial parks, while not always using the term CSR explicitly throughout, it is very

relevant for CSR-related outcomes and stakeholder wellbeing in industrial parks.

Without empirical insight into how CSR efforts impact corporate reputation, companies may underinvest in socially responsible practices, potentially jeopardizing their stakeholder relationships and long-term viability. The study tries to explore how CSR is practiced within Industry Parks Development Corporation how stakeholders perceive these efforts, and whether such activities enhance or hinder corporate reputation. Therefore, this study examines the effect of CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi Special Economic Zone (SEZ). This study attempts to fill the gap in the existing literature from the perspective of covering Owners/Shareholders oriented CSR, Employees oriented CSR, Environment oriented CSR, Community oriented CSR, Customers oriented CSR and Government oriented CSR and the corporate reputation measured through RepTrak™ Reputation Model (Reputation Institute, 2017). The reputation is built on seven (7) dimensions or facets namely, products/services, innovation, workplace, governance, citizenship, leadership, and performance (Reputation Institute, 2017).

1.3. Research Questions

This study tried to address the following research questions:-

- What is the effect of owner/shareholder oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- What is the effect of employees oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- What is the effect of environment oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- What is the effect of community oriented on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- What is the effect of customers oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- What is the effect of government oriented on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- What is the overall effect of CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?

1.4. Objectives of the Study

1.4.1. General Objective

- The general objective of the study is to investigate the effect of corporate social responsibility on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ.

1.4.2. Specific Objectives

- To examine the effect of owner/shareholder oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- To examine the effect of employee oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- To examine the effect of environment oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- To examine the effect of community oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- To examine the effect of customer oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- To examine the effect of government oriented CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?
- To examine the overall effect of CSR on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ?

1.5. Significance of the Study

This study is significant because it provides useful information how CSR practices affect corporate reputation in IPDC's Kilinto and Bole Lemi SEZ. Industrial parks can make well-informed decisions that support sustainable development, good community relations, and long-term business success by comprehending the connection between CSR and reputation in this particular context. Additionally, it provides policymakers with information on industrial development and investment promotion, assisting in the creation of CSR frameworks and guidelines while guaranteeing that social, environmental, and ethical factors are incorporated into the construction of its industrial parks. Finally the study also provides certain directions for other researchers wishing to conduct further research in this area.

1.6 Scope of the Study

Due to unmanageability of collecting data from IPDC‘s 12 SEZs and 2 industrial parks across Ethiopia, the study only focused on Kilinto and Bole Lemi Special Economic Zones (SEZ). The scope of this study is delimited to examining the relationship between Corporate Social Responsibility (CSR) practices and corporate reputation in the context of Kilinto and Bole Lemi SEZ. This research aims to demonstrate how the six CSR oriented dimensions which are owner/shareholders oriented CSR, employee oriented CSR, environment oriented CSR, customer oriented CSR, community oriented CSR and government oriented CSR influences the Kilinto and Bole Lemi SEZ‘s reputation. It covers CSR activities implemented within the last 3 years. Data will be collected from IPDC‘s employees through surveys, interviews and document analysis. The study will not cover other types of businesses or regions outside of the industrial park areas.

1.7 Organization of the Study

The study comprises five chapters. In chapter one, background of the study, statement of the problem, research questions and research objectives, significance of the study, scope of the study, limitations of the study and organization of the study are included. The second chapter covers review of related literature in the area of CSR and corporate reputation. The third chapter deals about research design and methodology of the study. Presentation, analysis and interpretation of date are discussed in chapter four. Finally, summary of major findings, conclusions and recommendations are presented in chapter five.

CHAPTER TWO

2. LITERATURE AND THEORETICAL FRAMEWORK

2.1. Defining Corporate Social Responsibility

CSR was first used and defined as a concept by Bowen (1953): CSR refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society. While corporations today are encouraged to behave socially responsible on a wide array of issues (Welford & Frost, 2006,) there is a confusion in both the corporate and academic world as how to define the concept of CSR (Dahlsrud, 2006).

The term CSR is used to describe how businesses implement the broad societal responsibility of going beyond economic criteria (Khojastehpour & Johns, 2014). CSR comprises a number of corporate activities that focus on the welfare of stakeholder groups, including society and the natural environment (Sprinkle & Maines, 2010). Indeed, CSR is a broad concept that covers a range of environmental, social, and ethical responsibilities, and there have been numerous definitions in the literature over the years (Polonsky & Jevons, 2009). Following the European Commission definition, CSR is understood as the voluntary integration of social and environmental concerns in the enterprises daily business operations and in the interaction with their stakeholders (Benoit-Moreau & Parguel, 2011).

Integration of the interests and business activities of societies needs to be aligned for all organizations operating in society to be beneficial for both organizations and society. According to Crane et al. (2008), ―corporate social responsibility should be considering as a strategic investment form that viewed in establishing or maintaining the corporate reputation,‖ and this suggests that direct and indirect execution of CSR are viewed via resource-based view (RBV) of a company when these types of leads executions and exercises impact the advantages of the firms.

Ethiopia's manufacturing sector experienced dynamic yet uneven transformation from 2015 to 2024, driven by ambitious industrialization policies, surging foreign direct investment (FDI), and large-scale infrastructure development—notably industrial parks and Special Economic Zones (SEZs). Over the past ten years, the Industrial Parks Development Corporation (IPDC) has

played a pivotal role in advancing Ethiopia‘s industrialization agenda through the development and operation of Special Economic Zones (SEZs).

IPDC has long been engaged in socially responsible activities, adopting a formal CSR policy and strategy aims to support the corporation in a more sustainable and structured manner. Between 2015/16 and 2020/21, Ethiopia's Special Economic Zones (SEZs) saw period of significant job growth. These jobs were particularly important in absorbing young labor market entrants and empowering women, as the majority of factory workers were female. The parks further contributed to skills development and offered on-the-job training and technical up skilling for thousands of workers. Ethiopia‘s SEZs are repositioning to attract long-term, technology-intensive foreign investments, technology transfer, workforce training, and environmental sustainability (IPDC, 2025).

2.2 Corporate Social Responsibility Theory

There are various definitions, forms, and theories related to Corporate Social Responsibilities (CSR). Nowadays, most corporations follow different methodologies to implement CSR approach. In this study the researcher used stakeholder theory.

2.2.1 Stakeholder Theory

According to stakeholder theory, organizations succeed when they fulfill the expectations of stakeholders—groups that influence or are impacted by their actions—which explains why institutions participate in CSR (Freeman, 1984). Because CSR focuses on managing a company's social and environmental impacts to benefit stakeholders and society, it is consistent with this idea (Bosch-Badia et al., 2013).

Stakeholder theory states that meeting social and economic obligations improves credibility, reputation, and long-term survival (Carroll, 2009). Because stakeholders—including workers, clients, investors, communities, and regulators—have varying interests, corporate social responsibility (CSR) aids businesses in fostering positive relationships and establishing trust (Miles, 2017; McWilliams & Siegel, 2001). Stakeholder theory thus offers a solid basis for comprehending how CSR generates value beyond profit.

Under the light of evidence that investing in social issues can bring benefit to shareholders, the CSR ‘deniers’, would have no problem in supporting CSR (Jones et al., 2007). Companies are turned into ethical entities because they expect a return from this behaviour (Jones, 1995). This is pure business sense-making as contended by Friedman (1996).

The key points in the operationalization of CSR are its voluntary nature and its ultimate goal of improving business performance. Whether the reasoning comes from the implicit social contract or business pragmatism, the fact is that CSR engagement is assumed to have a positive impact on corporate reputation– here considered as a drive of improved financial performance (Brown and Dacin, 1997; Turban and Greening, 1997; Berman et al., 1999; Lantos, 2001; Porter and Kramer, 2002; Roberts and Dowling, 2002; Orlitzky et al., 2003; Berrone et al., 2007; Brammer and Millington, 2008; Udayasankar, 2008).

A collaboration between stakeholders and the organization enables the organization to reduce the reputational risk, to increase the availability of resources, to solve the arising problems, to achieve the organizational goals, to facilitate certain business processes and to improve the quality of products and services (Krstic,2014).

2.2.2 Institutional Theory

According to institutional theory, organizations are affected by the social, cultural, and institutional expectations around them, as suggested by Scott (2014). Organizations pursue legitimacy by making themselves conform to societal conventions, such as by adopting Corporate Social Responsibility, or CSR. CSR is the efforts made by organizations to ensure a positive fabric of the economy, society, and the natural environment, as discussed by Carroll (1991). Additionally, it is a way by which organizations can improve their image by a commitment to stakeholders, as discussed by Waddock & Bodwell (2004), and Brammer & Pavelin (2006).

The framework for understanding why organizations adopt CSR—to meet societal expectations, comply with regulatory pressures, and legitimize their operations (Alkhawaldeh et al., 2023). Mandatory and voluntary standards, such as labor and environmental laws or international guidelines like ISO 26000, further encourage CSR adoption by defining acceptable responsible practices (Babiak & Trendafilova, 2011). Overall, institutional theory clarifies the motivations behind CSR, while CSR serves as a tool for gaining legitimacy and contributing to sustainable development (Alkhawaldeh et al., 2022).

2.2.3 Green Theory

Green Theory focuses on issues related to the environment, justice, governance, and citizenship (Eckersley, 2010). Green Theory scholars believe that the incorporation of green thought into industrial systems is beneficial not only to the consumer, but to the planet as well (Szuster, 2008). International organizations, such as the UN Global Compact, urge a precautionary

approach to the management of the environment, a shift towards taking up a position of greater responsibility, as well as the use of environmentally friendly technologies (UN Global Compact, 2014). At the same time, scholars point out the existence of a green façade within corporate organizations, which may not necessarily have anything to do with genuine environmental concern, but rather with profit (Szuster, 2008).

2.3 Dimensions of Corporate Social Responsibility

2.3.1 Carroll's CSR Pyramid

Carroll's CSR model (1991) framework provides a holistic and structural conceptualization of the CSR facets. He defines four dimensions of CSR as Economic, Ethical, Legal and Philanthropic. The most important is economic components or responsibility; every company must comply with legal norms. Carroll, 1991, has explained that economic responsibility involves society‘s expectation that companies will produce and sell the goods and services people need at reasonable prices while still generating profit. The next level, legal responsibility, requires businesses to follow all relevant laws and regulations governing their operations. The third level-ethical responsibility-calls for companies to go beyond legal requirements by acting fairly and responsibly, aligning their behavior with societal norms that may not be formally written into law. The final level, philanthropic responsibility, reflects the expectation that companies should act as good corporate citizens by voluntarily contributing their time, resources, and support to benefit society (Carroll, 1991).

Figure 1: Carroll’s Corporate Social Responsibility Pyramid



Source: Carroll, A.B. (1991). The pyramid of corporate social responsibility: towards the moral management of organizational stakeholders. Business Horizons, Vol. 4 No. 3, pp. 42.

2.3.2 Triple Bottom-line Theory of CSR

Elkington (1998) described a triple bottom line for CSR. ―Three P's: profit, people, and planet, our definition reflects our commitment to driving not only economic return but also social responsibility into our business practices. In the field of CSR, a so-called triple bottom line applies. Companies do not maximize profit alone. They are obliged to take into consideration their surroundings (planet), along with people. There has been a marked shift in how performance is assessed in the matter of sustainable development through the application of Elkington's (1998) triple bottom line. There is an ethical point to corporate strategy. Organizations have a duty to their stakeholders and to people in general.

Figure 2: Triple Bottom Line



Source: Marybeth Collins. (2023) Corporate Responsibility in 2023: Triple Bottom Line Sustainability

2.3.3 New CSR Dimensions

In their 2020 study, Eyasu, Anteneh M. & Mamenie E. describe CSR orientation as the way a company directs its CSR activities toward different stakeholder groups. It reflects the focus, priorities, and commitment a firm shows when addressing economic, social, and environmental responsibilities. They explain CSR orientation through six stakeholder-based dimensions: Owners/Shareholders, Employees, Environment, Community, Customers and Government.

Owner/Shareholder Oriented CSR

It is one of the important stakeholder groups that companies must serve (Freeman, 1984) and it can influence important organizational decisions (Lambooy, 2010). Disclosure of CSR plays a vital role in company reputation, value, and shareholder confidence (McBarnet, 2004). Ethical companies that involved in environmentally and socially responsible practices have been shown to serve and benefit the shareholders' interest (Wanderley, Lucian, Farache, & de Sousa Filho, 2008), and a broad range of society and stakeholders (Brown & Forster, 2013). For example, CSR practices (i.e., increasing employee benefit) will lead to enhance employee productivity and morale, which will enhance the company‘s revenue, and in result benefit shareholders.

Employees Oriented CSR

Employee-related CSR focuses on providing a safe and supportive workplace, offering fair pay and benefits, and investing in employees‘ skills, training, and well-being (Wendong et al., 2019). Such practices encourage positive and creative employee behaviors that enhance innovation and organizational performance (Shen & Benson, 2016). Socially responsible companies prioritize employees‘ needs by improving working conditions and well-being (Buciuniene & Kazlauskaite, 2012). When employees perceive CSR positively, their attachment to the company increases (Lee, Park, & Lee, 2013). Employees are more supportive when CSR aligns with the company‘s culture, and their perceptions shape attitudes and behaviors (Aguilera et al., 2007.

Environment Oriented CSR

Industrial operations may also affect the environment, so it becomes important for these organizations to prioritize actions for mitigating these influences (UNDP, 2010). CSR in terms of the environment not only focuses on non-harm but also includes other notions of protection and improvement of natural resources (Turker, 2009). Organizations carry out operations to mitigate pollution, manage their wastes, as well as protect climate, under certain norms and ISO certifications (Farooq et al., 2014; Shahzad et al., 2020).

Organizations are integrating proactive management approaches with the aim of reducing their environmental impact, with stakeholders playing a crucial role in facilitating such efforts (Babiak & Trendafilova, 2011; Montiel, 2008). Apart from environmental conservation, such corporate social responsibilities even have the potential of offering a competitive edge to businesses with a significant impact on economic and environmental performance, especially for developing nations (Madueno et al., 2016; Al-Abdin et al., 2018).

Community Oriented CSR

The involvement of industries with CSR activities revolving around the needs of the

communities is done through socially responsible practices that involve supporting different social causes and contributing to the general well-being of the communities (Kinder & Domini, 1998; Kotler & Lee, 2005). Social responsibility activities usually involve the alleviation of poverty, prevention of human rights abuses, and protection of the environment, mostly by small and medium-scale enterprises, where the communities play a vital role (Idemudia & Ite, 2006). Social responsibility activities improve business reputation, value, performance, and resilience of finances to environmental changes (Wang & Qian, 2011).

On the other hand, different socially responsible activities involve volunteering, protection of the environment, employee engagement, and equity in the workplace, which improve social ties and corporate reputation (Wang & Qian, 2011).

Customer Oriented CSR

In the modern era, CSR has expanded to include a focus on customers. It involves raising social and environmental awareness among consumers, offering eco-friendly products, and labeling products as environmentally safe (Abbas, 2020; Battaglia et al., 2014; Farooq et al., 2014; Shahzad et al., 2020). Government customers typically prioritize domestic and political objectives such as job creation and local development, while foreign customers emphasize environmental and human rights standards aligned with global frameworks like the SDGs.

Prior research shows that CSR improves transparency, earnings quality, and future performance, reduces business risks, and can serve as a competitive advantage, leading customers to prefer socially responsible suppliers even at higher prices, D.S. Dhaliwal, O.Z. Li, A. CSR is now both a moral and business imperative, as socially responsible companies gain consumer loyalty, advocacy, and increased engagement (Cone, 2017).

Government Oriented CSR

Firms are supposed to follow the legal framework in order to ensure proper waste management and a safe working environment for the workers, among others. Campbell (2007) observed that CSR is primarily driven by normative perspectives regarding the state's effective role as a regulator in Europe. On the other hand, Friedman (1962) and Helmig, Spraul, & Ingenhoff (2016) highlighted the fact that government regulation may not be necessary in all circumstances since governmental influence is relatively less when the main pressures emanating from the primary stakeholder groups are taken into consideration. Shahin and Zairi (2007) highlighted that CSR issues have to be incorporated within an organization's management structures and processes in such a way that makes it "anticipate, address through corporate policy and manage

responsibly," hence highlighting the role of corporate governance in driving CSR excellence. Friedman (1970) indicated that the government should set the "rules of the game" with respect to social responsibility through legislation and regulation but in a manner that would enable business operations to be performed with no disadvantage.

2.4 CSR Practices in Ethiopia

CSR was initially practiced in developed countries, but currently it has gained popularity in developing countries. Companies are urged to do more business and take ownership of its employees, customers, community, and the environment and take initiatives voluntarily beyond what the law requires (Grossman, 2005). In Ethiopia, the concept of CSR is slowly being taken into consideration by businesses that have realized the value and benefits of sustainable development and ethical business practices.

CSR in Ethiopia is in a developmental phase, but awareness of its importance in sustainable development is increasing. Although many good examples of CSR are visible in all sectors, more awareness and strategic focus are required to improve CSR in Ethiopia. With advancements in the economy and adoption of global standards practices, CSR is bound to become more prominent in the corporate world.

2.4.1 Industrial Parks Development Corporation’s Growth in Developing and Operating SEZs

Ethiopia's manufacturing sector experienced dynamic yet uneven transformation from 2015 to 2024, driven by ambitious industrialization policies, increasing foreign direct investment (FDI), and large-scale infrastructure development—notably industrial parks and Special Economic Zones (SEZs). Over the past ten years, IPDC has played a siignificant role in advancing Ethiopia‘s industrialization agenda through the development and operation of SEZs. Established in 2014, IPDC has evolved from a park construction into a strategic economic enabler, aligning its mandate with national development goals. Since 2014, the Corporation has developed and currently manages 11 operational SEZs and 2 industry parks.

During the initial phase of SEZ development from 2014 to 2016, the strategic emphasis was placed on building foundational infrastructure, attracting foreign direct investment (FDI), and establishing institutional support mechanisms such as One-Stop-Shop (OSS) services to streamline investor operations. To attract and retain investors, IPDC prioritized the delivery of

high-quality infrastructure within and around SEZs. Comprehensive onsite infrastructure included internal road networks across all SEZs, reliable water supply systems supported by pump stations and boreholes, and wastewater as well as drinking water treatment plants. In addition, reliable power supply systems were established, along with drainage and storm water management networks to ensure operational readiness. Attention was also given to landscaping, greenery, and integrated firefighting and security systems that promote safety and a conductive business environment.

To enhance investor support and improve ease of doing business, One-Stop-Shop (OSS) services have been established within Hawassa and Bole Lemi special economic zones, providing streamlined access to essential government and administrative services. Through the One-Stop Shop (OSS), key service providers such as the Ethiopian Investment Commission (EIC), banks, logistics companies, buyers, and Ethio Telecom are present to support investors.

The period between 2017 and 2021 marked a phase of rapid implementation and operational scale up for the Industrial Parks Development Corporation (IPDC). In 2017, the Kombolcha and Mekelle SEZs became operational, followed in 2018 by Adama, Dire Dawa, and Jimma SEZs. By 2019, three additional SEZs—Kilinto (specialized in pharmaceuticals), Bole Lemi II (an expansion of the pioneering Bole Lemi I), Debre Birhan, and Bahir Dar—were completed and began welcoming investors.

2.4.2 The Role of Industry Parks Development Corporation (IPDC) in Discharging Corporate Social Responsibility (CSR)

Currently, industrial parks in Ethiopia are interested in participating in CSR activities. Most industrial parks are becoming responsible to protect the environment and contribute to the national economy (Bereket Solomon,2022).

By focusing on environmental sustainability, community development, ethical practices, and public engagement, IPDC balance profit-making with meaningful contributions to society and the environment. The corporation plays a significant role in Ethiopia's industrialization process through strategic functions that support not only the industrial sector but also broader socio-economic and sustainable development. One of the most significant impacts of IPDC‘s initiatives is seen through Special Economic Zones (SEZs), which have generated substantial indirect socio-economic benefits in addition to their core industrial output. Indirect employment resulting from SEZs is estimated 2.5 times the number of direct jobs, reaching up to 178,322 jobs.

Furthermore, service providers have earned over 8 million birr, and agricultural linkages have connected approximately 125,995 farmers to SEZ supply chains, underscoring the deep integration of SEZs into Ethiopia‘s wider economic landscape. In terms of local impact, SEZs have fostered strong economic linkages by integrating 5,094 livestock & dairy producers and 53,929 individuals involved in food preparation and supply for SEZ operators. Additionally, 371 local enterprises have directly benefited from SEZ-related activities. The total expenditure on food supply alone by SEZ operators has exceeded 5.1 billion birr, reflecting the scale and significance of the SEZ network within the local economy. Moreover, IPDC‘s Corporate Social Responsibility (CSR) initiatives have contributed 318.5 million birr, benefiting 15,661 individuals, further highlighting the broader social impact of Ethiopia's SEZ development. (IPDC report, 2025)

The industrial companies operating in Bole Lemi SEZ create conducive working environment, design a policy to protect the safety and wellbeing of their employees, and provide training and educational opportunities to build the capacity of their employees (Bereket Solomon, 2022). They are also engaged in voluntary and charitable donations in order to benefit the local community at large.

By 2030 IPDC target to allocate 2% of annual profit towards CSR programs i.e Launch community engagement programs; Partner with local organizations; develop a comprehensive CSR strategy; Promote sustainability practices across the company. To align with global trends in green manufacturing and sustainable industrialization, IPDC adopted a new vision of transforming its SEZs into environmentally responsible economic zones. This included initiatives in waste-to-value programs, water recycling, energy efficiency, and integration of circular economy principles. Industrial parks such as Hawassa began piloting eco-industrial practices, including zero-liquid discharge systems and renewable energy solutions, which are now being scaled across other parks.

2.4.3 Benefits of CSR for Industrial Park Development Corporation

Corporate Social Responsibility (CSR) offers several strategic and operational benefits for Industrial Park, especially given the environmental and ethical concerns. According to Polonsky & Jevons (2009), CSR should not be viewed simplistically as another promotional opportunity to be leveraged, although some firms do mistakenly try to use CSR in a superficial tactical fashion. For Industrial Park, CSR is not just a philanthropic activity but a strategic imperative that

improves brand reputation, operational efficiency, and stakeholder relationships. By addressing environmental and social concerns proactively, these companies can secure long-term sustainability and profitability.

Karmen Dežmar Krainz (2015) conducted a qualitative Study on Corporate Social Responsibility Practice and Wellbeing in Industrial Parks found that CSR practices specific to IPs (meal service, dormitory, transportation, consumer cooperatives) are implemented and there is a positive relationship between most CSR practices and well-being of employees and communities (except for some practices like infrastructure, insurance). In Hawassa Industrial Park, benefits like salary, lunch provision by factories, and transportation service were found to significantly improve food security status of operators (Addishiwot, 2022).

2.5 Corporate Reputation

Corporate reputation can be defined as the collective perception of the organization‘s past actions and expectations regarding its future actions, in view of its efficiency in relation to the main competitors (Fombrun, 1996; Fombrun and Rindova, 2001; Walker, 2010). Scholars and managers believe that a good reputation is an organization‘s most valuable intangible resource, for the following reasons: it reduces stakeholders‘ uncertainty about the organization‘s future performance; it strengthens competitive advantage; and it contributes to the target audience‘s trust and to value creation, maximizing the ability to offer products and services with high added value (Gök and Özkaya, 2011; Vidaver-Cohen, 2007).

2.5.1 Measuring Corporate Reputation

Gotsi and Wilson (2001) explained reputation as an overall evaluation of stakeholders over the corporation over time. The company‘s corporate reputation is built through the company‘s stakeholders‘ personal assessment of the company. Being perceived as credible, reliable, trustworthy, and responsible is the hallmark of a good corporate reputation (Fombrun, 2018). By ensuring a good relationship with its stakeholders, the company‘s good corporate reputation will yield tangible benefits. In a nutshell, corporation's reputation has five (5) significant characteristics, namely: (1) it is based on perceptions; (2) it is the cumulative perception of all stakeholders; (3) it is comparative, (4) it can be positive or negative; and (5) it is stable and enduring (Walker, 2010).

RepTrak™ Reputation Model (Reputation Institute, 2017) RepTrak is the standard measurement

that was developed by Charles Fombrun who provided a measurement of the views of public on the reputation of world's best-known companies. This reputation model provides companies with a standardized framework for benchmarking their corporate reputations internationally and to enable identification of factors that drive reputations. The RepTrak™ model measures on four(4) important core areas which are trust, esteem, admire, and good feeling from the stakeholders perceptions towards the company (Reputation Institute, 2017). Scientists and practitioners from Reputation Institute that created RepTrak tool believe that corporate reputation can be managed through the management of 7 very important dimensions of an organization. These 7 dimensions are internationally tested and proved to be the main aspects for building good corporate reputation. These reputation dimensions or facets namely, products/services, innovation, workplace, governance, citizenship, leadership, and performance (Reputation Institute, 2017).

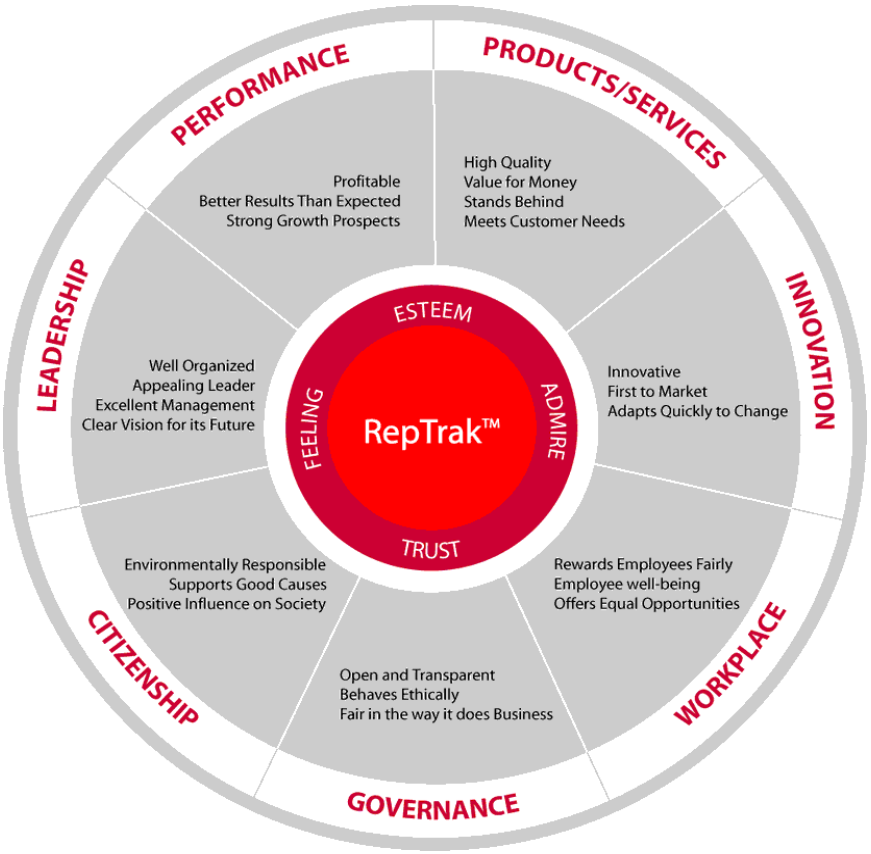


Figure 3: Reputation Dimension

Source: Reputation Institute, (2017)

1. Products & Services – Most stakeholders form their knowledge of a company through its products and services, and its reputation is often shaped by how its brands are perceived (Rao et al., 1999; Smith et al., 2010). The perceived quality and dependability of these offerings are key in influencing overall impressions. Stakeholders evaluate a company‘s reputation based on personal experiences and the value they obtain. Customers, in particular, judge a company by product quality, pricing, perceived value, customer support, and confidence in the company‘s commitment to its offerings (Dawar & Parker, 1994; Lange et al., 2011).

2. Innovation – Innovation is regarded as a valuable asset for companies (Fang et al., 2011), as it involves introducing new ideas or approaches, which can attract admiration and enhance reputation. Research indicates a strong link between innovation and reputation, with positive perceptions often influenced by how effectively innovations are communicated (Courtright & Smudde, 2009). Companies that quickly adapt to changes, launch new products, or generate original ideas are typically viewed more favorably.

3. Workplace - Culture and the work environment within a firm also form a vital part of the perception of not only workers but also the public. Employers reap a dual benefit by enhancing their work environment, which not only ensures the company acquires the brightest minds, but it also portrays a picture of constancy, ethics, and professionalism to the public. Employee satisfaction is linked to a firm‘s image, as workers help create a good image by showing loyalty to the organization (Alniacik et al., 2012; Nolan et al., 2013).

4. Governance - Davis (2005: 143) describes corporate governance as the structures, systems, and processes by which the flow of power and other resources is governed in and around corporations. The rising levels of complexity in transnational corporations mean that corporate governance is an important consideration for the corporate sector in general (Kim et al., 2011; Ghosh & John, 2009). Good corporate governance is regarded as important for managing the reputation of an enterprise (Casado et al., 2014).

5. Citizenship – Qualitative research suggests that stakeholders tend to view companies with considerable respect when the latter perform socially responsible behavior (Orlizky & Swanson, 2012). So, through proper behavior and communication, companies can show the world that they are responsible corporate citizens, which is an important trait in winning the respect and trust of the stakeholder group. Corporate citizenship significance can range with different stakeholders, with those viewing it favorably because it represents a vital form of engagement and others believing that it diverts attention away from business or wastes corporate money (Koschate-Fischer et al., 2012).

6. Leadership – Strong leadership and a clear strategic direction are vital to how a company is perceived by stakeholders. Vision and leadership signal confidence, stability, and long-term success. Chief Executive Officers (CEOs) often play a pivotal role in earning the trust and admiration of stakeholders (Flatt et al., 2013; Halff, 2013). Additionally, evidence shows that executives vary significantly in their strategic capabilities (Goldfarb & Yang, 2009). Charismatic and respected leaders tend to attract positive media attention and investor support, which enhances stakeholder confidence in the company‘s operations and strengthens its reputation.

7. Performance – One of the most influential indicators used by stakeholders to evaluate companies is their financial performance. While stakeholders may have differing expectations of organizations, strong financial results often reflect a company‘s ability to meet these varied demands (Donaldson & Preston, 1995; Waddock & Graves, 1997; Walsh et al., 2003). For investors, both past and present profitability are important indicators of operational efficacy and the possibility of long-term success. Profitability and growth potential have been found to significantly impact rankings of the "world‘s most admired" companies (Fombrun & Shanley, 1990) and are consistently linked with corporate reputation in scholarly research (Lange et al., 2011).

2.5.2 Impact of CSR activities to Corporate Reputation

A key aspect of corporate reputation is stakeholder groups perceptions of organizations CSR, or more precisely, their perceptions of how well the organizations CSR initiatives and outcomes meet stakeholders social and environmental values and expectations. In this context, CSR has the power to influence these perceptions, thereby contributing towards maximising the earning potential of corporate reputation (Unerman, 2008).

Lamberti & Lettieri (2009) agree that if customers become aware of the ethical implications of the organizations behaviour, they assure that the organization will maintain certain quality standards and maintain, or improve, its corporate reputation.

Melo & Garrido (2012) supplements to authors by stating that CSR is a heterogeneous construct and that, when broken down into qualitative areas, each of its dimensions affect corporate reputation differently. A. Perez (2015) agrees that overall reputational impact of CSR is likely to be jointly contingent upon which CSR dimension is under consideration. For example, a strong record of environmental performance may influence corporate reputation differently depending on whether the corporate activities fit with stakeholders environmental concerns.

2.6 Empirical Review and Hypotheses Development

Effect of CSR on Corporate Reputation

Several research studies in recent years proved a positive relationship between CSR and corporate reputation. Many companies have used CSR as strategic tool to respond to expectations of various stakeholders to maintain and build reputation (Lai et al., 2010). When companies continuously act in socially responsible and ethically sound methods, they create a favorable image that enhances consumer confidence and enhances brand preference.

CSR is an organizations obligation to engage in activities that protect and contribute to the welfare of society, including general communities, customers, shareholders, the environment and employees (Davis & Frederick, 1984). Safdar, B.; Habib, A (2020) organizational reputation helps firms gain the confidence of various stakeholders, including customers and suppliers. Stakeholders have high expectations for companies that engage in socially responsible activities. Many stakeholders make decisions based on these organizations‘ positive reputations Song, M (2020). Creating value for stakeholders and respecting their rights fosters their confidence in the company Shakoor, F (2021). Positive perceptions of an organization‘s overall assessment and reputation are encouraged by the trust built through companies‘ observance of stakeholder rights (2019). Corporate reputation can be improved when CSR activities are practiced by the firm.

Owner/Stakeholder Oriented CSR and Corporate Reputation

CSR engagement can result in better chances for the company‘s long-term survival (Zaid, M.A.; Abuhijleh, 2020). Government ownership often aligns with long-term investment goals that integrate ethical, social, and environmental considerations and also enhances a firm's reputation among stakeholders (Rees W & Rodionova T, 2013). By communicating their CSR efforts effectively, companies can appeal to consumers' emotions and values, creating a sense of connection and attachment to the brand (Escalas & Bettman, 2003).

H1: Owner oriented CSR has a positive effect on corporate reputation of selected IPDCs.

Employee Oriented CSR and Corporate Reputation

Vigorous CSR activities influence employees‘ perceptions and attitudes toward the company R.S. Yadav (2018). Enhancing workplace trust between employees and managers can lead to better outcomes for both parties A.B. Carroll (1991). Many companies use CSR practices to build employee trust. Employees prefer to work for organizations that exhibit responsible

behavior, increasing employees‘ confidence in their firms. Kazmi and Abbas (2012) stated that if a firm is committed to taking care of its stakeholders‘ needs and respecting their rights, it will promote trust between the parties. An organization‘s CSR mechanism positively impacts CSR outcomes, when employees have a sense of trust in their management, their attitudes change positively Kumari, K(2021). Supervisors can have a significant impact on fostering employee trust in the workplace. Almarshoud Xie, Z.; Liu, X (2022) stated that corporate trust largely enables firms to boost their performance and profitability.

H2: Employee oriented CSR has a positive effect on corporate reputation of selected IPDCs.

Environment Oriented CSR and Corporate Reputation

Environmental CSR initiatives, as highlighted by Fukuda and Ouchida (2020) and Khojastehpour and Johns (2014), contribute positively to firm's reputation and profitability. CSR is vital because the environmental factors regarding customers and other stakeholders directly influence organizational competitiveness (Erhemjamts & Huang, 2019; Chang, 2016).

In strategic decisions enhance their performance and safeguard the environment, organizations need to link CSR practices with their inclusive strategy to achieve business superiority and competitiveness (Grygiel & Brown, 2019; Saenz, 2019). Besides, Bolton & Mattila (2015) discovered that organizations with the best environmental performance enjoy higher benefits and lower perceived risk, enhancing market competitiveness.

H3: Environment oriented CSR has a positive effect on corporate reputation of selected IPDCs.

Community Oriented CSR and Corporate Reputation

As found out by Khan et al (2013) organizations can gain strategic advantage by having a sound understanding of local community and social customs. Therefore; activities like provision of additional vocational training, recruitment of socially excluded persons, assisting environmental charities, partnership with communities, provision of childcare facilities for employees and sponsoring of cultural events and local sports could prove to be helpful in community development. According to Alam & Islam (2021) community centered CSR involvement is positively associated with green corporate image of the firm.

H4: Community oriented CSR has a positive effect on corporate reputation of selected IPDCs.

Customer Oriented CSR and Corporate Reputation

Bhattacharya & Sen, 2004). Sen et al. (2006) examined whether perception of a company‘s CSR has an effect on stakeholders' overall beliefs and attitudes towards the company as well as the intention to apply to it, buy its products, and buy its stock. Customer understanding and sensitivity to social welfare have motivated organizations to demonstrate a sense of social responsibility (Osman et al., 2021). Customer evaluates a company‘s new products or services in terms of its reputation in the market (Hsu, 2012). Corporate reputation is the outcome of a company‘s actions. CSR activities are one of the most effective ways to build a reputation in the eyes of stakeholders, which in turn builds perceptions of organizational performance (Fombrun & Shanley, 2018). According to Su et al. (2017), CSR positively affects perceived corporate reputation and customer satisfaction, significantly affecting customer commitment and behavioral responses.

H5: Customer oriented CSR has a positive effect on corporate reputation of selected IPDCs.

Government Oriented CSR and Corporate Reputation

The relationship between government policies and CSR is further complicated by the diversity of stakeholder expectations (Kamal, 2021). Stakeholders, including customers, employees, investors, and communities, increasingly demand that companies operate responsibly and transparently (Emeka-Okoli et al., 2024). Studies suggest that effective CSR initiatives can lead to enhanced corporate reputation, customer loyalty, and employee satisfaction (Buhmann, 2015). However, the perception of CSR activities is often contingent on the perceived authenticity and alignment with stakeholder values (Ndong Ntoutoume, 2023). Consequently, companies must not only comply with government regulations but also strategically align their CSR practices with stakeholder expectations to achieve positive outcomes.

H6: Government oriented CSR has a positive effect on corporate reputation of selected IPDCs.

2.7 Research Gap

There is a clear research gap as the previous CSR studies do not reflect the unique, multi-actor structure of industrial parks and do not use modern stakeholder-based CSR frameworks or standardized corporate reputation models. Bereket Solomon (2022) used Carroll‘s CSR dimensions i.e environmental, economic, philanthropic, legal, and ethical to analyzes CSR in Bole Lemi & Adama Industrial Parks. Mesay A, 2023 explores internal and external CSR

practices in industrial parks and how these relate to employee and community well-being.

No CSR study has been done focusing on the park developer/manager (IPDC) rather than just tenant firms. Furthermore, employee perspectives, which are crucial for evaluating CSR and reputation internally, remain unexplored in this context.. Therefore, this study aims to fill these gaps by assessing the effect of multidimensional, stakeholder-oriented CSR practices on the corporate reputation of IPDC in Bole Lemi and Kilinto SEZs using standardized reputation constructs and try to assess how multidimensional CSR orientations influence the corporate reputation of IPDC's Bole Lemi and Kilinto SEZ.

Although IPDC has 11 SEZ and 2 industry parks in Ethiopia, this study focuses only on Bole Lemi and Kilinto SEZ due to time and budget constraints, creating a gap for future research to explore the remaining parks.

2.8 Conceptual Framework

Conceptual framework is a broad and established set of rules, truths, or principles on which the study is founded. Based on the above empirical and theoretical review the researcher constructed the following conceptual framework. In the conceptual framework six independent variables were extracted and articulated from the theoretical literature review. A framework has been developed to represent the relationship between CSR and Corporate Reputation. The research study conceptualized owner/shareholder, employees, environment, customers, communities and government as independent variables and corporate reputation as dependent variables as illustrated below.

Source; Adopted from literature; Anteneh M and Mamenie E (2020) and Reputation Institute (2017)

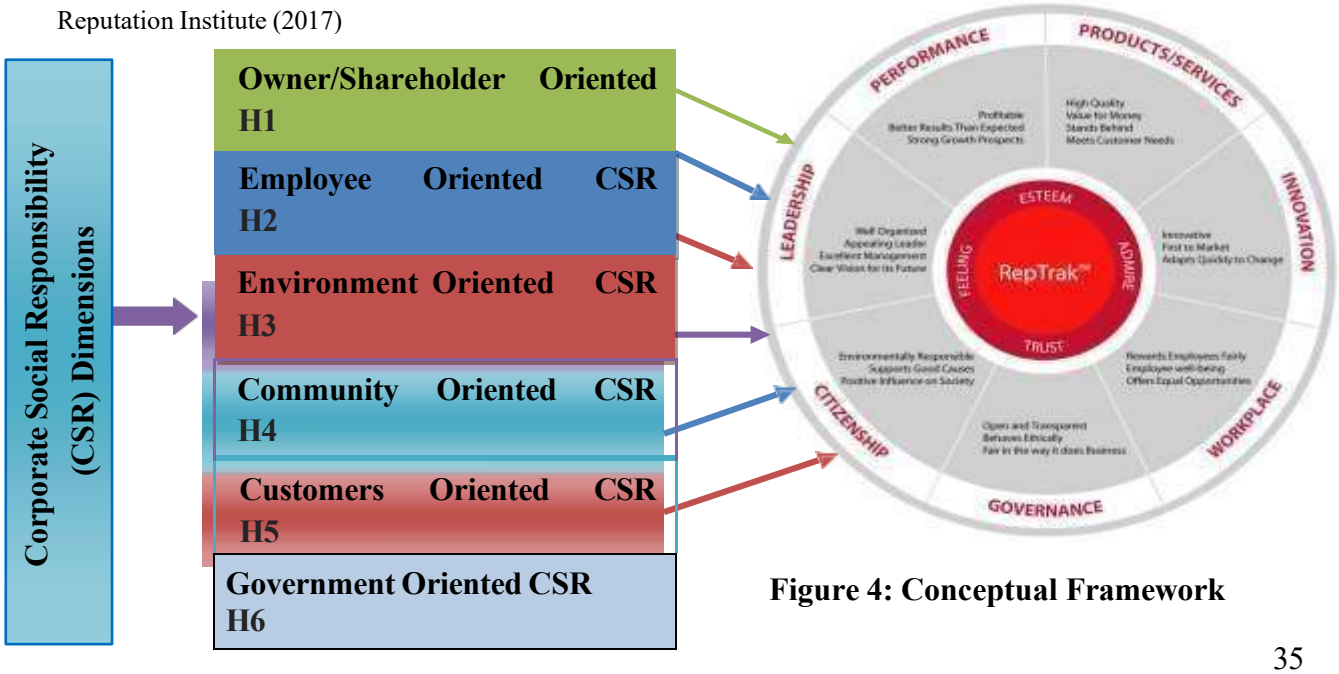


Figure 4: Conceptual Framework

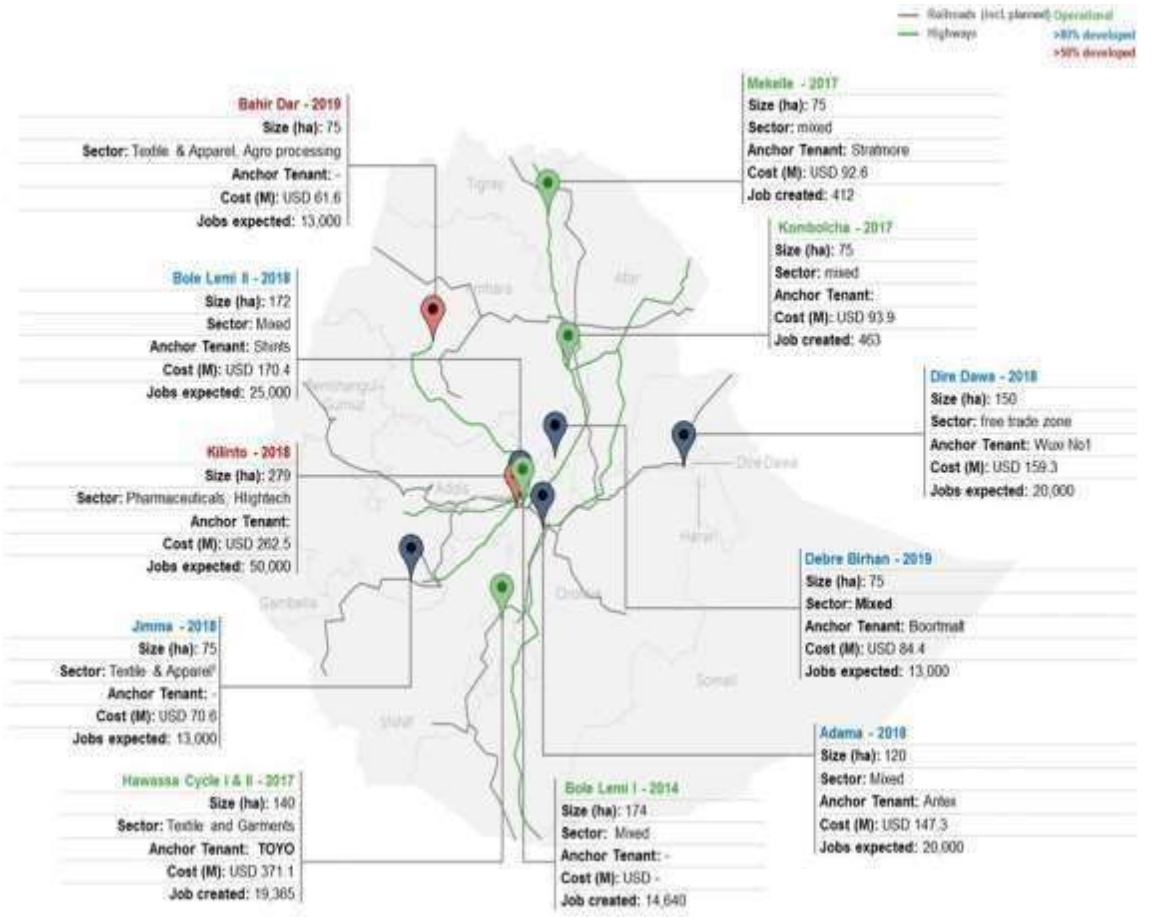
CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 The study area and Target Population

This research aims to examine the effect of Corporate Social Responsibility on corporate reputation in IPDC: The Case study of Kilinto and Bole Lemi Special Economic Zone. Further population is the entire group of individuals, events, or objects having a common observable characteristic (Cooper D. and Dan, 2014). Therefore, the researcher addresses employees who are assigned to the three department departments as the population of this study. In all General Managers, Human Resources, Investor care and Operations teams from each destination of SEZ. Accordingly, the total population of IPDC's Kilinto and Bole Lemi SEZ are 64 and 88 employees respectively from the three departments from each location.

Figure 5: IPDC owned and operated SEZs



Source:- IPDC report,2025

3.2 Research Design

The research design will help the researcher to describe or explain or predict the phenomenon under investigation. Zikmund et al (2009) point out that research design is a master plan that specifies the methods and procedures for collecting and analyzing the needed information. A research design provides a framework or plan of action for the research.

This study used a mixed research approach (a combination of quantitative and qualitative) data analysis. Thus, it is a mixed method that uses multiple research methodologies based on both quantitative and qualitative data (Hair et al., 2006). Mixed method research is defined as research in which the investigator collects and analyses data, integrates the findings, and draws inferences using both qualitative and quantitative approaches and methods in a single study of inquiry (Creswell, 2003). The study focuses on gathering, analyzing, and combining quantitative and qualitative data to improve comprehension of study issues.

Kothari, (2018) suggests that research design expresses both the structure of the research problem, the framework, organization, or configuration of the relationship among variables of a study and the plan of investigation used to obtain empirical evidence on those relationships. The type of research design to be employed in this study will be explanatory. The nature of this study will lead towards correlation research that will investigate the possible relationship between dependent and independent variables. The independent variable will be CSR measured by six dimensions (owner/shareholder, employee, environment, community, customer and government) as developed by Eyasu, Anteneh M and Mamenie E (2020) and on the other hand the corporate reputation measured through across seven (7) dimensions or facets namely, products/services, innovation, workplace, governance, citizenship, leadership, and performance (Reputation Institute, 2017).

3.3 Research Approach

Research approach may be thought of as the whole process of gathering, processing, and interpreting information. Similar to research design, research strategy is dependent on a number of factors, including the study's goal, its research question, and the researcher's level of training and experience (Solanki, 2022). The quantitative research focus on using mathematical and statistical knowledge to collect, analyzes, interpret, and present data. The majority of the time, it stands out for its mathematical character and awareness of the many researchers that will be

conducted in a certain topic. (Solanki, 2022). It emphasizes objective measurements and numerical analysis, often using techniques such as questionnaires, and computational analysis of existing statistical data. Additionally, the study utilized a qualitative research approach. The target population of the study was 152 from both Kilinto and Bole Lemi industry parks and the stratified sampling method was used to determine sample size. The structured questionnaire is the instrument used to collect primary data.

3.4 Source of Data

3.4.1 Primary Data

Primary data, is first hand raw data and structures, and have yet to receive any type of meaningful interpretation. In order to answer the research questions, survey design will be used. Hence, the questionnaire will be prepared and the data from the questionnaire will be the primary source of information to be statistically analysed to understand the effects of corporate social responsibility on corporate reputation in IPDC‘s Kilinto and Bole Lemi SEZ.

3.4.2. Secondary Data

Secondary data refers to the historical data structures of previously collected and assembled variables for research or opportunity situations other than the current situation. For this study, data from a variety of authorized sources, including the Ethiopian Industrial Parks Development Corporation (IPDC) annual reports, books, articles, journals, magazines, websites, and other relevant sources, will be thoroughly analysed to provide additional support to the primary data and enhance the researcher's understanding of CSR effects on corporate reputation.

3.5. Sampling Design

3.5.1 Sampling Techniques

Population refers to the complete set of units under investigation, while an element is the unit from which data is collected (Davis, 2000). The total population of IPDC‘s Kilinto and Bole Lemi SEZ are 64 and 88 employees respectively. Therefore, the researcher addresses population of the study from three departments (Human Resources, Investor care and Operations teams) of each IPDC’s SEZs. Accordingly, in order to systematically frame the sample population for the research, the method employed for drawing the sample is the stratified sampling technique. Both probability and non-probability sampling techniques were utilized as sampling methods for the

study. To eliminate biases during the distribution of questionnaires and to secure a sample population that accurately reflects the entire study population, a stratified random sampling technique have been applied. Stratified random sampling guarantees that the final sample will mirror the population distribution based on the chosen stratifying criterion. Its benefits include reducing sample selection bias and ensuring that specific segments of the population are not overrepresented or underrepresented (Bryman & Bell 2011). Additionally, for qualitative data gathering purposive sampling methods were utilized to gather in-depth information from the company‘s upper management through interviews.

3.5.2 Sample Size Determination

To determine the size of the sample in the Three strata (Human Resources, Investor Care, and Operations departments) this study used Taro Yamane's (1967) simplified formula according to Yamane, for any sample given the estimated population proportion of 0.05 and 95% confidence level, the sample size is given by:

$n = N / [1+N (e^2)]$

Where n is the sample size,

N is the total population size, and

E is the level of precision or sampling error = (0.05)

$n= 152 / [1+152 (0.05^2)$

n=110 Thus sample size for this study is 110 employees from the Three departments.

3.6 Instrument of Data Collection

The study uses both primary and secondary data sources. Primary source of data collected through a survey using a questionnaire consisting of close-ended questions. The type of questionnaire was a Likert scale questionnaire that makes questions interesting to respondents and, thus, improves their cooperation. The questionnaire statements have been established and scored from 1 up to 5 scales, where ―1‖ indicates ―strongly disagree‖, ―2‖ ―disagree‖, ―3‖ neutral, ―4‖ ―agree‖ and ―5‖ refers to ―strongly agree‖ with the statement to represent a different attitude of respondents. The questionnaire has three main sections, the first section covers

demographics characterstics, the second section is arranged to check the perception of the respondents on the CSR dimensions and the third section consists the corporate reputation measure dimension.

The qualitative data was also collected through in-depth interviews from the general manager, the corporate PR person and the operation team leaders. Qualitative data is used optimally for situations that increase understanding, expand knowledge, clarify real issues, identify a range of attitudes and behaviours, and identify distinct behavioral groups (Gordon and Langmaid, 1988).

Pilot Testing

The 74 items were incorporated into a questionnaire anchored on a 5-point Likert scale and pretested in a pilot study on 15 respondents as employee of selected IPDC designed for top management level managers. The employee selected through convenience sampling, the eligibility criterion is a minimum of five years' work experience in the selected SEZ. Although the numbers of respondents was small, it gave a general idea about the internal consistency of all the questionnaire items. Using Cronbach's alpha coefficient values, all collected questionnaires were assessed via reliability analysis to ensure that all items were consistent and reliable (Abbasi et al., 2020; Moon et al., 2018). The Cronbach‘s alpha (as seen in below Table) for all the variables was above 0.70 and hence was considered to have an acceptable level of reliability (Nunally, 1978; Sekaran, 2003).

Table 1: Reliability Analysis for Pilot Testing

Dimensions		**Cronbach's Alpha**	**No of items**
CSR	Owner Oriented	.709	5
	Employee Oriented	.725	6
	Environment Oriented	.813	6
	Community Oriented	.930	6
	Customer Oriented	.888	6
	Government Oriented	.730	6
	Products and Services	.707	5
	Workplace	.882	6
	Innovation	.781	5

Corporate Reputation	Governance	.818	4
	Citizenship	.827	5
	Leadership	.772	4
	Performance	.712	5

Source: Researcher's computation using SPSS (2026)

3.7 Reliability of the Research Instrument

Reliability refers to the stability of the measuring instrument used and its consistency over time. The probability that a service will perform its intended function adequately for a specified period of time is the reliability. It is the degree of consistency obtained from the results of measurement instruments (Aaker, Kumar and Leone 2013). To ensure reliability of the study and measure the internal consistency of the items in a scale, the researcher used Cronbach‘s alpha statistical measure. Using Cronbach's alpha coefficient values, all collected questionnaires were assessed via reliability analysis to ensure that all items were consistent and reliable (Abbasi et al., 2020; Moon et al., 2018). Nunally (1978) suggested that the Cronbach alpha should be set at 0.70 and above. Sekaran (2003), on the other hand, suggested that Cronbach's alpha should be within the range of 0.60 to 0.80. The Cronbach‘s alpha (as seen in Table 6) for all the variables was above 0.70 and hence was considered to have an acceptable level of reliability (Nunally, 1978; Sekaran, 2003).

Table 2: Reliability test results

Dimensions		**Cronbach's Alpha**	**No of items**
CSR	Owner Oriented	.826	5
	Employee Oriented	.717	6
	Environment Oriented	.819	6
	Community Oriented	.751	6
	Customer Oriented	.827	6
	Government Oriented	.715	6
	Products and Services	.792	5

	Workplace	.810	6
	Innovation	.714	5
Corporate Reputation	Citizenship	.741	5
	Leadership	.805	4
	Performance	.723	5
	Governance	.713	4

Source:Researcher's computation using SPSS (2026)

The reliability statistics for this study reflected in the above table indicates that for each construct values Cronbach's Alpha is ranged from 0.712 to 0.877. This range is considered acceptable as the result ensures reliability of each item.

3.8 Validity of the Research Instrument

Research instrument validity is the quality attributed to a proposition or a measure of the degree to which it conforms to established knowledge or truth (Patton, 2002 as cited in Sharma, 2013). Validity in an attitude scale refers to the extent to which its results align with other measures of attitude possession.

The researcher use criterion validity to show how well a test correlates with an established standard of comparison called a criterion. Criterion validity mean checking how well a new test or tool agrees with something that is already trusted and proven to be accurate. Criterion validity assesses how a new scale correlates with a criterion or ―gold standard (Repke L, 2024). Pearson's correlation coefficient is the measure used to establish criterion validity. The level of correlation between the test tool and another related tool is assessed using Pearson's correlation coefficient. The value of the coefficient can vary from −1 to +1, representing a perfect negative or positive correlation, respectively, with 0 indicating no correlation.

Correlation between the score on the test and the criterion variable are calculated using a correlation coefficient such as Pearson's r. To establish criterion validity, the obtained value of Pearson's correlation should be greater than the critical value for Pearson's correlation coefficient.

Item Validity Testing (Correlation Method)

- N = Sample size
- Degrees of Freedom (DF) = N − 2
- An item is valid if the obtained value is greater than the critical value from the table
- Sample size = 100 (N = 110)
- Degrees of freedom = N − 2 = 110 − 2 = 108

The critical value for the Pearson correlation coefficient with 108 degrees of freedom and a significance level of α =0.05 (two-tailed) is approximately 0.188. Since the exact value for (df=108) is not typically found in standard tables, the value is interpolated or approximated.

Using the common method of rounding down to the nearest available degrees of freedom in a table (df=100) for a conservative estimate yields a critical value of 0.195

- Critical value at DF = 108 and α = 0.05 = 0.188

Source: Pearson Correlation Critical Values Table

Since all the obtained correlation value is greater than 0.188, the result is highly significant, and all the questions are valid. Therefore, the instruments employed in this study are considered valid.

3.9 Methods of Data Analysis

Data analysis refers to the computation of certain measures along with searching for patterns of relationships that exist among data groups (Kothari, 2009). During the analysis, responses from different respondents and information from questionnaires were meticulously checked and compared to ensure validity. The data analysis aligns with the research objectives and questions. Descriptive statistics (including frequencies, percentages, means, and standard deviations) are used, along with multiple regression. The Statistical Package for Social Science (SPSS version 26) was used to examine the data. Additionally, the SPSS software was used to run results for inferential statistical tools like regression and correlation as well as descriptive statistical tools like mean and standard deviation. Additionally, tables and graphs were used to display the examined data. This study looks at how CSR affects corporate reputation and how these factors relate to one another in IPDC‘s two chosen industry parks/special economic zones.

3.10 Model Specification

Linear regression is an analysis that assess whether one or more predictor variables explain the dependent (criterion) variable. In this study multiple regression is employed. Multiple regression is an extension of simple linear regression. It is used to predict the value of a variable based on the value of two or more other variables. The variable to predict is called the dependent variable (or sometimes, the outcome, target or criterion variable). The variables using to predict the value of the dependent variable are called the independent variables

Linear regression assess whether one or more predictor variables explain the dependent (criterion) variable and is used to build models for predicting scores on one variable, the dependent variable, from scores on several other variables, the independent variables Terre Blanche, et al, (2006). A multiple linear regression model was used in determining the effects of the six variables that are categorized as independent variables on the dependent variable as indicated below:

$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \beta 6X6 + \varepsilon$

Where: Y= dependent variable (Corporate reputation in IPDC' s Kilinto and Bole Lemi SEZs

$\beta 0$ =is the Intercept.

X1= owner/shareholder oriented CSR, X2 = employee oriented CSR, X3 = environment oriented CSR, X4 = community oriented CSR, X5 = customer oriented CSR, X6 = Government oriented CSR and ε = is the Error term.

Assumptions of multiple linear regressions

The assumptions of multiple regressions are: - • Linearity test • Homoscedasticity test• Multicollinearity test • Autocorrelations test • Normality test

3.11 Ethical Consideration

Ethical considerations in research are a set of principles that guide the research designs and practices. Researchers must always adhere to a certain code of conduct when collecting data from people. Throughout the research, an ethical standard of confidentiality and privacy was maintained. The participants were clearly informed about the academic intent of the study. All research participants were asked for permission to participate in a study, and the researcher took into account all ethical issues, rights, and privacy of the participants. Additionally, the researcher assured respondents that their responses would be used only for the study's purpose.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

This chapter deals with data presentation, analysis and interpretation of the findings. The discussion attempts to examine the objectives of the study, answer research questions and test the hypotheses. A structured questionnaire was distributed to IPDC's Kilinto and Bole Lemi SEZ employees. A total of 110 valid questionnaires were collected from respondents (100% response rate). The chapter begins by describing the biographical profiles of the participants to understand their demographic characteristics. Tables are used to evaluate and present findings related to the impact of corporate social responsibility on corporate reputation. Descriptive analysis employs mean and standard deviation to assess central tendency and dispersion, while regression analysis explores correlations and cause-and-effect relationships between variables. Data analysis of the study was executed by SPSS version 26 statistical software.

4.1 Descriptive Analysis

In this section descriptive analysis of; demographic background of respondents, dimensions of CSR and corporate reputation is presented and interpreted using frequency, percentile, mean and standard deviation as necessary.

Demographic Background of Respondents

Demographic background of respondents like gender, age, educational qualification and work experience in the bank they are working in along with frequencies are presented as follows:-

Table 3: Demographic background of respondents

No	Variables	Description	Frequency	Percent (%)	**Cumulative Percentage**
1	Gender of Respondents	Male	75	68.2	68.2
		Female	35	31.8	100
		Total	110	100.0	
2	Age of Respondents	20-30	39	35.5	35.5
		30-40	54	49.1	84.5
		40-50	10	9.1	93.6

		Above 50	7	6.4	100.0
		Total	110	100.0	
3	Workplace of Respondents	Kilinto SEZ	48	43.6	43.6
		Bole Lemi SEZ	62	56.4	100.0
		Total	110	100.0	
4	Education Level of Respondents	BA/BSC	51	46.4	46.1
		MA/MSC	58	52.7	99.1
		PHD	1	.9	100
		Total	110	100.0	
5	Respondent's Work Experience	0-2 Years	18	16.4	16.4
		2-5 Years	50	45.5	61.8
		Above 5 Years	42	38.2	100.0
		Total	110	100.0	

Source: Researcher's computation using SPSS (2026)

Gender of Respondents

As it can be referred from the above table, of the 110 respondents 68.2% are males and the rest 31.8% are females. This signifies that the majority of the people in this study are Male, although there is a reasonable representation of Females in the study.

Age of Respondents

While considering the age group of respondents 35.5% are within the range of 20-30 years, followed by the age group of 30-40 which accounts 49.1%, 40-50 years 9.1% and above 50 years 6.4%. Therefore, majority of sample respondents who have participated in the survey are within the age group of 30-40 years old.

Workplace of Respondents

The workplace of the respondents shows 43.6 % have been working in Kilinto SEZ and 56.4 % have been working in Bole Lemi SEZ. This shows that most of the respondents are from Bole Lemi SEZ.

Education Level of Respondents

Regarding to the educational qualification of respondents 46.4% are BA/BSC degree holders, 52.7% are MA/MSC degree holders and the rest 0.9% are PHD holders. As a result majority of the respondents are holders of MA/MSC degree.

Respondent's Work Experience in the SEZ

The work experience of the respondents in selected IPDC shows 16.4% have been working for One to Two years, 45.5% for two to five years and 38.2% have been working for more than five years. This shows that the respondents are good candidates for the study due to the number of years they have worked with IPDC.

4.1.1 Description of CSR Dimensions

The result of mean and standard deviation of six dimensions of CSR is presented and interpreted as follows.

Table 4: Mean and SD of CSR dimensions

CSR Dimensions	N	Mean	Std. Deviation
Owner CSR	110	4.2255	.49148
Employee CSR	110	3.4515	.61304
Environment CSR	110	4.2652	.56948
Community CSR	110	4.1015	.50989
Customer CSR	110	4.0833	.54218
Government CSR	110	3.8621	.57552

Source: Researcher's computation using SPSS (2026)

As it is shown in the above table environment oriented CSR issues are perceived as the most dominant concern with the scored a mean value of 4.2652 and standard deviation of .56948, this implies employees of IPDC‘s Kilinto and Bole Lemi SEZ perceived that this CSR dimension is highly practiced than the rest dimensions. Therefore, selected SEZ dominantly practice environment oriented CSR dimensions attributed by implementation of proper waste management, encouraging investors to follow eco-friendly practice by taking proactive measure

to reduce pollution within the industry park, using environmentally friendly production technology and promoting efficient use of energy and resource..

As perceived by employees of selected IPDC the second highly practiced CSR dimension is owner oriented CSR with a mean of 4.2255 and standard deviation of .49148. The result implies that IPDC‘s Kilinto and Bole Lemi SEZ practiced this CSR dimension accompanied by activities like encourages responsible and sustainable investment, supports investors committed to ethical business practice, ensures environmentally sustainable development, supports the well-being of nearby communities and assists communities displaced by industrial park projects.

The third most practiced CSR dimension by selected IPDC is community oriented CSR with a mean of 4.1015 and standard deviation of .50989. This implies that IPDC‘s Kilinto and Bole Lemi SEZ are shouldering their CSR activities by working to address communities‘ social and economic needs, improves local infrastructure i.e roads, electricity, and water systems, contributes to improve access to clean water and sanitation in the community, creates jobs for local residents, helps communities during crises or disasters and engaging in local social initiatives (e.g., donations, Back to School package).

The fourth commonly practiced CSR orientation customer oriented CSR with a mean value of 4.0833 and standard deviation of .54218. As perceived by employees, both Kilinto and Bole Lemi SEZ practicing customer oriented CSR attributes through encouraging investors to engage in community initiatives, providing the best working environment for the investors, supporting investments that create local employment and community benefits, organizing workshops or networking events for investors, by providing local market information or business insights to support investors and promoting investors who follow ethical and responsible business practices.

The fifth most practiced CSR dimension is government oriented CSR scoring a mean value of 3.8621 and standard deviation .57552. This implies that both Kilinto and Bole Lemi SEZ are practicing government oriented CSR activities by encouraging knowledge and technology transfer, offers internships program for university, actively participates in the Green Legacy Initiative, actively supports government-led summer home renovation campaign, links local SMEs (Small and Medium-sized Enterprises) with potential investors to secure investment for national development.

The last ranked CSR dimension practiced by the IPDC's Kilinto and Bole Lemi SEZ is employee oriented CSR with a mean value of 3.4515 and a standard deviation of .61304. Employee oriented CSR can be improved if, both Bole Lemi and Kilinto IPDC provides training programs beyond basic requirements, effectively provides on-site childcare support for employees, provides recreational spaces for employees, promotes employee health by providing access to gym facilities, supports employees with housing schemes or housing credit and provides support during employee hardships, such as medical emergencies. Finally the overall mean and standard deviation score of the independent variable i.e. CSR is 3.99818 and .55026 respectively.

4.1.2 Description of Corporate Reputation Dimensions

The mean and standard deviation values of seven measure dimensions of corporate reputation are presented and interpreted as follows.

Table 5: Mean and SD of corporate reputation dimensions

Corporate reputation dimensions	N	Mean	Std. Deviation
Products and Services	110	3.8109	.52521
Workplace	110	3.9173	.58412
Innovation	110	3.5655	.59346
Governance	110	4.1432	.40702
Citizenship	110	4.2091	.35363
Leadership	110	4.0864	.50958
Performance	110	4.2018	.39770
Valid N (listwise)	110		

Source: Researcher's computation using SPSS (2026)

As it is shown in the table above the most dominant corporate reputation measure dimension is citizenship with a mean and standard deviation value of 4.2091 and .35363 respectively. The result implies that both Kilinto and Bole Lemi SEZ supports social and community development initiatives, voluntarily engages in programs that improve social welfare, takes environmental

sustainability seriously, promote sustainable and eco-friendly practices and encourages partners to join community and environmental programs.

The second most rated measure of corporate reputation is performance with a mean value of 4.2018 and standard deviation of 0.3977. This implies that the selected IPDC‘s SEZs are investing in sustainable strategies for long-term stability, generates revenue and jobs that benefit the national economy, balances profitability with social and environmental responsibility, financial performance strengthens the country‘s competitiveness and investment climate and works consistently to ensure that investors are satisfied with its performance and service quality.

Governance is the third ranked measure of corporate reputation with a mean and standard deviation value of 4.1432 and .40702 respectively. The governance of both Bole Lemi and Kilinto IPDC act in the best interests of its stakeholders (e.g., employees, investors, community), effectively implements ethical guidelines measures, addresses issues and concerns in a timely and responsible manner, reviews governance practices for continuous improvement.

The fourth measure dimension of corporate reputation is leadership with a mean value of 4.0864 and standard deviation of .50958. The result shows that the selected IPDC‘s leadership provides a clear and inspiring vision, leaders make decisions that reflect strong ethical values, leadership handles crises and challenges effectively and leadership promotes innovation, collaboration, and ethics.

The fifth measure dimension of corporate reputation is workplace with a mean value of 3.9173 and standard deviation of .58412. The result shows that the selected IPDC‘s ensures a safe, clean, and healthy working environment, employees are treated fairly and respectfully, employees are encourages with continuous learning and personal growth, teamwork and cooperation are encouraged at IPDC, employees‘ contributions and efforts recognizes and appreciates and IPDC‘s management decisions are transparent and clear.

The sixth measure dimension of corporate reputation is products and services with a mean value of 3.8109 and standard deviation of .52521. The result shows that the selected IPDC‘s provides high-quality services that meet the expectations of investors, resolves customer issues effectively and consistently in one-stop service, delivers services in a timely and professional manner,

adopts new approaches or technologies to enhance service delivery and continuously improves its services to meet changing customer needs.

The last rated measure dimension of corporate reputation is innovation with a mean value of 3.5655 and standard deviation of .59346. The selected IPDC‘s innovation can be improved if, IPDC programs foster creativity and innovation among staff, interact with universities and research centers promote innovation, uses smart systems and automation to enhance operations, supports innovations that reduce environmental impact and promotes green technologies like renewable energy and recycling.. In general the overall mean and standard deviation score of the independent variable i.e. corporate reputation is 3.9906 and .56178 respectively.

4.1.3 Assumption Testing for Multiple Regressions

Linear regression is an analysis that assess whether one or more predictor variables explain the dependent (criterion) variable. Before proceeding with the regression analysis, it is necessary to evaluate the regression analysis assumptions, which serve to check that the data acquired was genuinely representative of the population sample. This model has five key assumption tests namely Linearity test, Homoscedasticity test, Multicollinearity test, Autocorrelations test and Normality test.

Linearity

Hair et al. (1998) defines linearity as the extent to which a change in the dependent variable is related to a change in the independent variable. Linear regression needs the relationship between the independent and dependent variables to be linear. A linear relationship between the predictor variables and the result variable in a regression is known as linearity. This implies that there is a significant relationship between these variables.

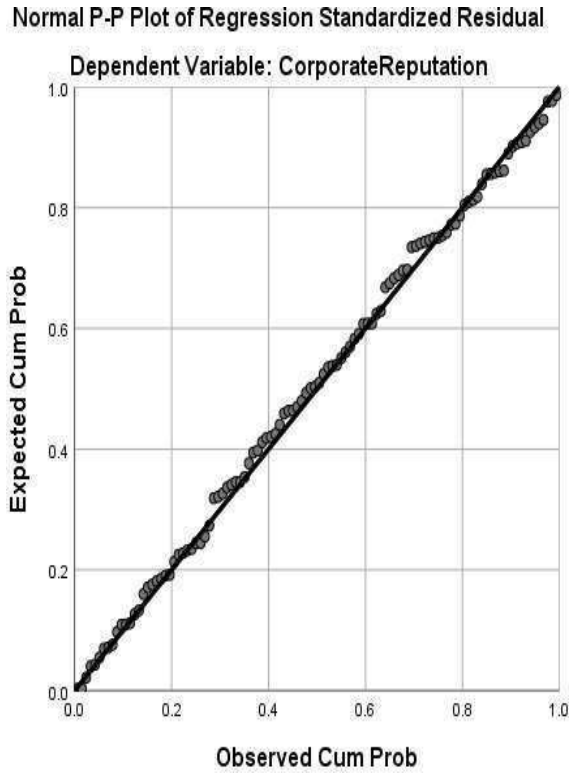


Figure 6: Linearity Test

Source: Researcher's computation using SPSS (2026)

Homoscedasticity Test

A homoscedasticity test checks if the variance of errors (residuals) in a regression model is constant across all levels of the independent variables, a key assumption for reliable results; common methods include visual inspection of residual plots (looking for random scatter, not patterns like funnels) and formal statistical tests like Bartlett's Test, which use p-values to determine if the variance is indeed constant (high p-value) or varies (low p-value, indicating heteroscedasticity).

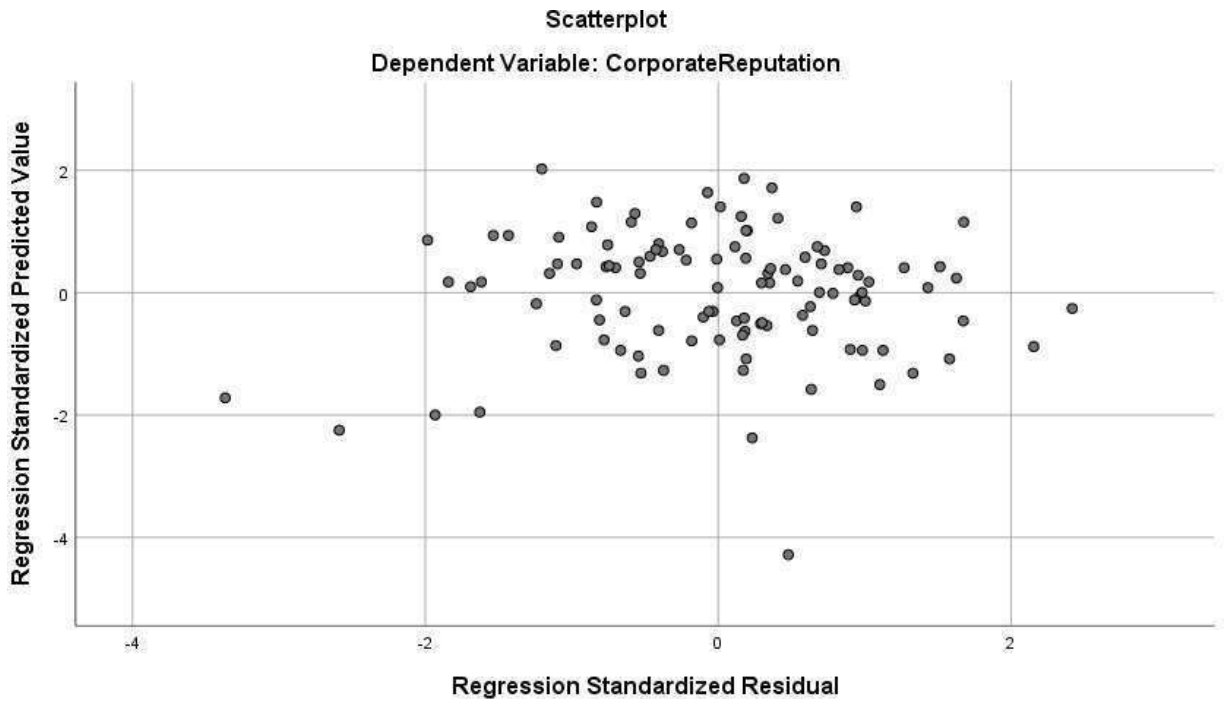


Figure 7: Homoscedastic Test

Source: Researcher's computation using SPSS (2026)

As it can be seen from the above predicted probability (p-p) plot the data is homoscedastic because the points are equally distributed above and below zero on the X axis and to the left and right of zero on the Y axis.

Multicollinearity Test

One important assumption in multiple regression analysis is the presence of a very strong correlation between the study's independent variables, which is known as multi-co linearity (Burns and Burns, 2008). This work explored multi-collinearity using tolerance, VIF, and tolerance statistics. According to Andy (2006), a tolerance value of less than 0.2 almost always indicates a significant collinearity problem. According to Burns and Burns (2008), a VIF value of more than 10 is also grounds for concern.

Table 6: Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	OwnerCSR	.519	1.928
	EmployeeCSR	.841	1.190
	EnvironmentCSR	.575	1.740
	CommunityCSR	.483	2.071
	CustomerCSR	.447	2.237
	GovernmentCSR	.896	1.116

Dependent Variable: Corporate Reputation

Source: Researcher's computation using SPSS (2026)

All of the independent variables in this study had a tolerance of more than 0.2 and a VIF value of less than 10, showing that multi-collinearity is not an issue in this study.

Autocorrelations Test

The classical linear regression model assumes that the error terms (residuals) in the regression model are uncorrelated. The most commonly used test of this assumption is the (Durbin-Watson) which tests for serial correlation in residuals. A Durbin Watson test value between 1.5 and 2.5 confirms the absence of autocorrelation.

Table 7: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.390[a]	.152	.102	.16368	1.820

Predictors: (Constant), GovernmentCSR, EnvironmentCSR, EmployeeCSR, CustomerCSR, OwnerCSR, CommunityCSR

Dependent Variable: Corporate Reputation

Source: Researcher's computation using SPSS (2026)

The Durbin Watson test values of all independent variables are 1.820. This implies that the model is free from autocorrelation.

Normality Test

Many parametric tests require adherence to the normality assumption. In linear regression analysis, it is necessary for all variables to exhibit multivariate normality. Normality implies that the test's distribution follows a normal curve (or bell curve) with a mean of 0, a standard deviation of 1, and a symmetric shape. This assumption can be effectively assessed using a histogram or a quantile-quantile (Q-Q) plot. In the Q-Q plot method, both observed and expected values are graphed. The proximity of the data points to the diagonal line indicates how closely the residuals align with a normal distribution (Darlington, 1968). If the plotted values deviate significantly from a straight line, it indicates that the data does not conform to a normal distribution.

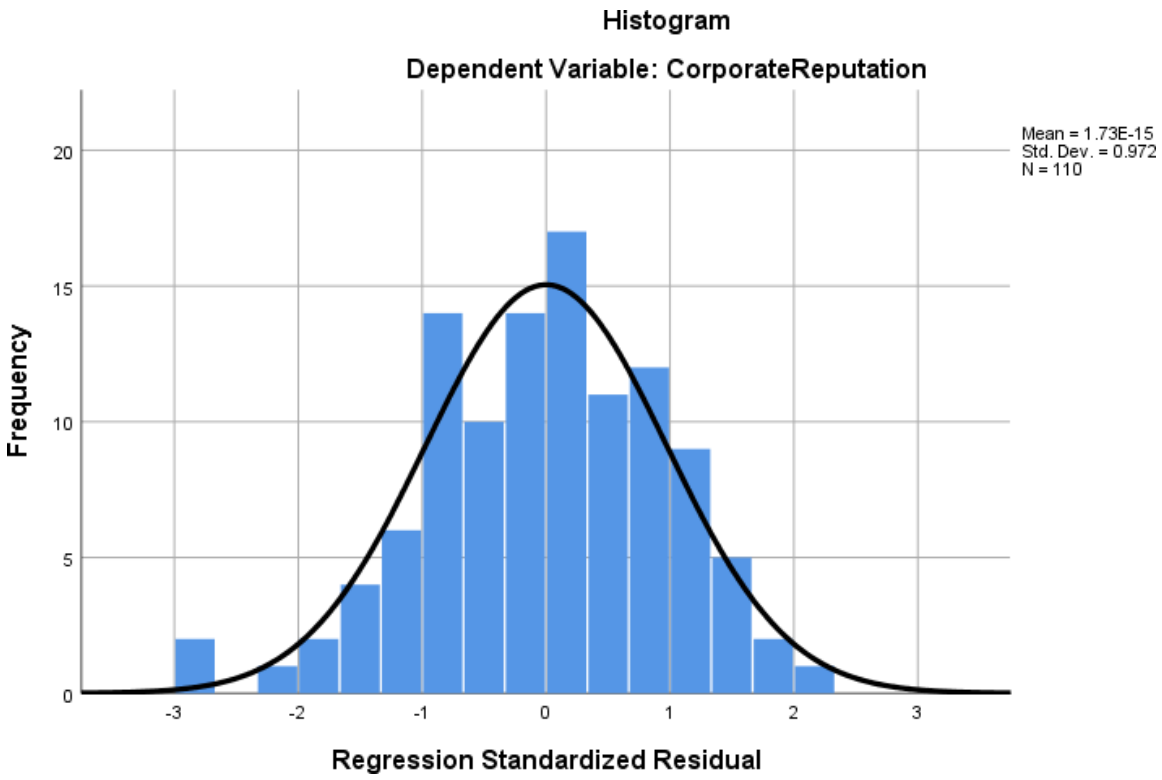


Figure 8: Normality test histogram

Source: Researcher's computation using SPSS (2026)

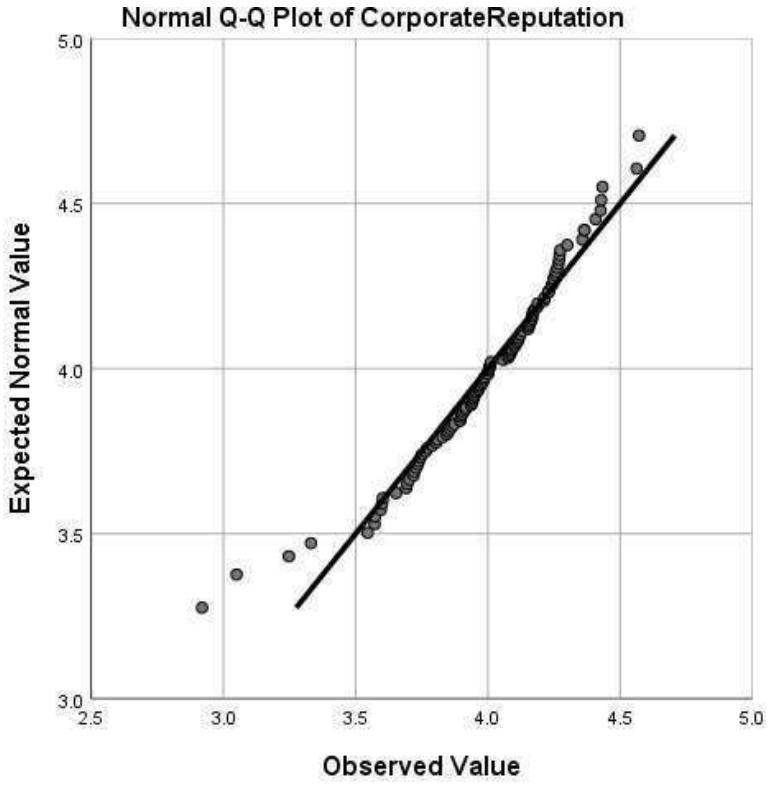


Figure 9: Normality test Q-Q plot

Source: Researcher's computation using SPSS (2026)

On a Normal Q-Q Plot represent a straight form of the points on the graph .Points on the Normal Q-Q plot provide an indication of uni-variate normality of the dataset. The data is normally distributed, the points fall on the 45-degree reference line.

4.2 Data analysis of inferential statistics

4.2.1 Correlations of Variables

In summary, table 7 suggests that CSR activities directed towards customer, community and employee are positively correlated with corporate reputation, and there is also a positive correlation between the different CSR activities themselves. However, the CSR activities directed towards owner, environment and government do not show a significant correlation with corporate reputation.

Table 8: Correlation matrix

	Corporate Reputation	Owner CSR	Employee CSR	Environment CSR	Community CSR	Customer CSR	Government CSR
Corporate Reputation	1						
Owner CSR	.211**	1					
Employee CSR	.336**	.310**	1				
Environment CSR	.212**	.592**	.247**	1			
Community CSR	.338**	.419**	.262**	.452**	1		
Customer CSR	.435**	.527**	.304**	.366	.681**	1	
Government CSR	.210**	.161**	.221**	-.034**	.046**	.181**	1

***Correlation is significant at the 0.01 level (2-tailed).*

N=110

Source: Researcher's computation using SPSS (2026)

Corporate reputation and Customer oriented CSR: The correlation coefficient is r=0.435**, p<0.01 which is statistically significant at the 0.01 level (2-tailed). This indicates a moderate positive linear relationship between corporate reputation and CSR activities directed towards customers i.e both kilinto and Bole lemi IPDC supports investments that create local employment and community benefits, promotes investors who follow ethical and responsible business practices and provide the best working environment for the investors.

Corporate reputation and Community oriented CSR: The correlation coefficient is r=0.338**, p<0.01 which is statistically significant at the 0.01 level (2-tailed). This indicates a moderate positive linear relationship between corporate reputation and CSR activities directed towards

community i.e both kilinto and Bole lemi IPDC works to address communities‘ social and economic needs, improves local infrastructure i.e roads, electricity, and water systems and engage in local social initiatives (e.g., donations, Back to School package).

Corporate reputation and Employee oriented CSR: The correlation coefficient is r=0.336** p<0.01 which is statistically significant at the 0.01 level (2-tailed). This indicates a moderate positive linear relationship between corporate reputation and CSR activities directed towards employee provides training programs beyond basic requirements, effectively provides on-site childcare support for employees and provides support during employee hardships, such as medical emergencies.

Corporate reputation and Environment oriented CSR: The correlation coefficient is r=0.212** p<0.01 which is statistically significant at the 0.01 level (2-tailed). This indicates a moderate positive linear relationship between corporate reputation and CSR activities directed towards environment i.e both Kilinto and Bole Lemi IPDC implements a proper waste management system, encourages investors to follow eco-friendly practices and promotes environmentally friendly production technologies.

Corporate reputation and Owner oriented CSR: The correlation coefficient is r=0.211** p<0.01 which is statistically significant at the 0.01 level (2-tailed). This indicates a moderate positive linear relationship between corporate reputation and CSR activities directed towards owner i.e both kilinto and Bole lemi IPDC supports the well-being of nearby communities, encourages responsible and sustainable investment and supports investors committed to ethical business practice.

Corporate reputation and Government oriented CSR: The correlation coefficient is r=0.210** p<0.01 which is statistically significant at the 0.01 level (2-tailed). This indicates a moderate positive linear relationship between corporate reputation and CSR activities directed towards government owner i.e both kilinto and Bole lemi IPDC offers internships program for university, actively participates in the Green Legacy Initiative and supports government-led summer home renovation campaign.

In summary, the table below suggests that overall CSR and corporate reputation. The result shows it is strongly correlated with corporate reputation of selected IPDC with the value of correlation coefficient is r=0.447**, p<0.01 which is statistically significant at the 0.01 level (2-tailed).

Table 9: Correlation between overall CSR and corporate reputation

		Corporate Reputation	CSR
Corporate Reputation	Pearson Correlation	1	.447**
	Sig. (2-tailed)		.000
	N	110	110
CSR	Pearson Correlation	.447**	1
	Sig. (2-tailed)	.000	
	N	110	110

***. Correlation is significant at the 0.01 level (2-tailed).*

Source: Researcher's computation using SPSS (2026)

4.2.2 Multiple Regression Analysis

Multiple linear regressions are an inferential statistics tools used to estimate the relationship between two or more independent variables and one dependent variable.

Table 10: Model Summary

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.507[a]	.257	.214	.25043	1.9851

a. Predictors: (Constant), Government CSR, Environment CSR, Employee CSR, Customer CSR, Owner CSR, Community CSR
b. Dependent Variable: Corporate Reputation

Source: Researcher's computation using SPSS (2026)

The above table explains the model for controlling important CSR (Government CSR, Environment CSR, Employee CSR, Customer CSR, Owner CSR, and Community CSR) and their effect on the Corporate Reputation. Here are some fit statistics for the entire model.

The R-Square value measures the proportion of the variation in a dependent variable that can be explained statistically by the independent variables and it takes any value between 0 and 1. The R-square value of the model in the study is 0.214 which means that over 21.4% of the selected IPDC corporate reputation is explained by CSR in the regression model. The statistic R here has

a value of.507 and corresponds to the Pearson correlation coefficient for a simple linear regression, which has only one predictor variable. The adjusted R-squared value is 0.214, implying that approximately 21.4% of the variation in corporate reputation can be attributed to the selected explanatory variables and other factors captured by the constant term. The regression model considers corporate reputation as the dependent variable and examines the effects of corporate social responsibility on owner, employee, environment, community, customer and government.

Table 11: ANOVA test

ANOVA[a]						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	2.233	6	.372	5.935	.000[b]
	Residual	6.460	103	.063		
	Total	8.693	109			

a. *Dependent Variable: Corporate Reputation*
b. *Predictors: (Constant), Government CSR, Environment CSR, Employee CSR, Customer CSR, Owner CSR, Community CSR*

Source: Researcher's computation using SPSS (2026)

ANOVA (Analysis of Variance) is used to assess how well the predictors as a group can explain for variations in the response variable. The ANOVA test (significance of the model test) implies whether the model and overall results are in a significantly good degree of prediction of the dependent variable or not (Field, 2005). It is used in SPSS for several models to indicate how the variability in the response variable is divided among different explanatory components.

The regression sum of squares (2.233) represents the variability in the values of corporate reputation that would be anticipated based on the predictor variables alone, so here based on owner, employee, environment, community, customer and government oriented CSR. The residual sum of squares (6.460) is the variation in the dependent variable that remains unexplained by the predictor variables. These sums of squares have related degrees of freedom (df). The df for the total sum of squares is one fewer than the number of observations (N - 1, in this case 109) since the data was fitted with a mean. The regression sum of squares has df = 6, which accounts for the model's three predictors. The residual df is calculated as the difference between the total df and the regression df, which equals 103.

Accordingly, the ANOVA table contains an F ratio, F (6, 103) = 5.935, with P = 0.000), which is statistically significant at p<0.05 i.e. the model is significant). Hence, the observed significance value is less than 0.05; there is a linear relationship between the independent and dependent variables.

Model Estimation

Table represents the regression coefficients for CSR items and their effect on corporate reputation. It shows that all CSR items (employee oriented CSR and community oriented CSR) were significant to the corporate reputation. Because their p value is < 0.05, providing the study with a regression model as follows:

From the equation of multiple linear regressions, $Y = a + b1X1 + b2\ X2 + \ldots\ bn\ Xn + \varepsilon i$….....

Where; Y= the dependent variable

a= the constant

b1, b2, bn= regression coefficients

X1, X2, Xn = the predictor variables

εi= the error term(effect of those variables not included in the model)

Given the value of unstandardized coefficient (β) from the above table, the multiple linear regression equation of the study with dependent variable corporate reputation and independent variable CSR along with six dimensions is generated as follows;

Corporate reputation = 2.406 + 0.094 Employee CSR + 0.084 Community CSR + 0.178 Customer CSR + ε

Table 12: Relationship coefficients of CSR dimensions

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B*	Std. Error	Beta		
1	(Constant)	2.406	.308		7.800	.000
	Owner CSR	-.057	.067	.099	-.847	.399
	Employee CSR	.094	.042	.203	2.238	.027
	Environment CSR	.060	.053	.120	1.133	.260
	Community CSR	.084	.041	.177	2.061	.043

	Customer CSR	.178	.053	.342	3.347	.001
	Government CSR	.057	.043	.116	1.322	.189
a. Dependent Variable: Corporate Reputation						

Source: Researcher's computation using SPSS (2026

The unstandardized coefficient (β) indicates how much the dependent variable varies with a one unit of change in the independent variable; keep all other independent variables constant.

β2= 0.094 implies that for one unit increase in employee oriented CSR, corporate reputation increase by 9.4%. It has direct effect on corporate reputation.

β4= 0.084 implies that for one unit increase in community oriented CSR, corporate reputation increase by 8.4%. It has direct effect on corporate reputation.

β5= 0.178 implies that one unit increase in customer oriented CSR, corporate reputation increases by 17.8%. It has a positive effect on corporate reputation

The researcher did not find any significant results in Owner/shareholder, environment and government oriented CSR when conducting the ANOVA analysis. It shows insignificance value. The possible reason could be the researcher did not survey the entire population (insufficient sample size) and only include the employee's perception other stakeholders perceptions such as the community and the customers did not involve in the study.

4.2.3 Discussions of hypothesis tests

The seven proposed hypotheses of the study are tested through multiple regression analysis and the results are summarized as follows;

Table 13: Summary of research hypothesis results

Hypotheses		**Result**	**Reason to Accept/Reject/**
H1	Owner oriented CSR has a positive effect on corporate reputation in Kilinto and Bole Lemi IPDC.	**H1: Rejected**	β=.-057; P>0.05
H2	Employee oriented CSR has a positive effect on corporate reputation in Kilinto and Bole Lemi IPDC.	**H2: Accepted**	β=.094; P<0.05

H3	Environment oriented CSR has a positive effect on corporate reputation in Kilinto and Bole Lemi IPDC.	**H3: Rejected**	β=.060; P>0.05
H4	Community oriented CSR has a positive effect on corporate reputation in Kilinto and Bole Lemi IPDC.	**H4: Accepted**	β=.084;P<0.05
H5	Customer oriented CSR has a positive effect on corporate reputation in Kilinto and Bole Lemi IPDC.	**H5: Accepted**	β=.178; P<0.05
H6	Government oriented CSR has a positive effect on corporate reputation in Kilinto and Bole Lemi IPDC.	**H6: Rejected**	β=.057; P>0.05
H7	CSR has a positive effect on corporate reputation in Kilinto and Bole Lemi IPDC.	**H7: Accepted**	β =.353; P<0.05

Source: Researcher's computation using SPSS (2026)

4.3 Qualitative Data Analysis

This research has come up with evidence that IPDC's Kilinto and Bole Lemi SEZ has several CSR activities implemented in different ways with different stakeholders. The selected IPDC has 15 top management level managers who were selected from different departments, General Managers, Human Resources, Investor care and Operations teams from each destination of SEZ, which basically promote, supervise, implement and decide CSR related programs. The selected managers are elected have final authority to decide in any CSR engagement on behalf of the IPDC.

As per the information gathered from different departments of the selected IPDC which mainly is responsible to manage CSR related issue, six main themes concerning CSR programs that have been implemented by IPDC are identified. These were: CSR related with owner, employees, environment, community, customer and the government. The detail of each is made below;

CSR Related With Owner

To streamline both pre- and post-investment processes, IPDC offers serviced industrial land, pre-built factory sheds with comprehensive utilities, and infrastructure that meets international standards. *IPDC promote* reduction of wastage and environmental protection for surrounding community. It promotes energy conservation interms of energy, water and other environmental wastage. Beyond their surroundings, they annually take the responsibility and make clean nearby environments to the park in all directions. In both SEZ's, customers are highly respected and

their interest is always recognized kept as well,

CSR Related With Employee

According to the HR and Training and Development Manager, Continues Skill based Training the employees have been getting continues skill based training which is helpful not only for the current job but also important to be competent and confident with their future career. There are five categories of training that have been given to the employees progressively: new hire orientation training, on job training, refresher training, cross exposure training and leadership training.

1) New hire orientation training: type of training given for all fresh employees to introduce the general structure, rule, principles, objectives, mission and ethics of the IPDC.

2) On-job training: training is mainly given separately for each department contextually. The trainers are from each respective department and the trainees get certificate 3) Cross exposure training: training aimed to provide general knowledge of several departments to all employees. Every employee has got the chance to get cross exposure training. The trainers are mainly departmental trainers. As the name indicates, it is aimed to increase cross department knowledge of the employee. The basic assumption is that cross exposure training promote holistic knowledge of the employee so that everyone can do in every department as the need arise. Because the company assumes that in any emergency or absent case, anyone can do any activities irrespective of the department. Trainings related with service delivery system, skill, work place protocol, information security awareness, emergency procedures, problem resolution mechanism, and other are given. It reduces the impact of human resource shortage. The manager stated that at any time any labor can do any activity in any department due to cross exposure trainings.

The managers believe CSR activities positively impact employee by giving employees training for capacity building. CSR initiatives often improve how employees view their organization by increasing organizational pride – Employees feel proud to work for a socially responsible company, Enhancing trust and credibility – CSR signals that the organization cares about more than just profit. Employees often feel their work has greater meaning when the organization contributes positively to society. Overall, CSR initiatives undertaken by organizations significantly influence employees‘ perceptions by enhancing organizational pride, trust, and commitment, which in turn positively affect employee attitudes and behaviors

CSR Related With Environment

Promoting and supporting greening program through planting trees, taking initiative of cleaning their environment in the community, promoting energy conservation, and reducing the impact of polluted waste disposal by using technology are some of the CSR related tasks run by both selected SEZ's. The Kilinto SEZ has its own seedling area that has an impact in protecting the environment. Both Bole Lemi and kilinto have own proper waste management system protecting the surrounding environment.

CSR Related With Community

Supporting local NGOs, providing school material for the selected schools, promoting ethics and anti-corruption and providing different charity/emergency support are the main CSR practices implemented by the selected SEZs for the larger community. Kilinto SEZ has been providing educational materials to students in the surrounding area. It has distributed educational material to 700 students by providing supplies (such as exercise books and pens/pencils) to support local schools during the beginning of the academic this year alone. Kilinto SEZ collaboration with Red Cross encouraged promoting blood donation. There is a regular annual session with the help of the employees prepare annual blood donation scenario. In partnership with investors in the SEZ, it has donated different medicines to health institutions in its vicinity and the local NGO like Mekedonia.

The Kilinto SEZ has its own fire brigade. However, in case of emergencies, it also serves the surrounding community in coordination with the city administration‘s fire brigade. A recent example of this cooperation occurred during a fire incident in Adama, where the Kilinto Industrial Park fire brigade assisted in controlling the fire. This shows the kilinto SEZ demonstrate the social cause which is positively affect the corporate reputation serve the community.

The positive impact of CSR activities foster goodwill and enhance the brand‘s relationship with local communities. Demonstrating commitment to environmental and social causes positively influences the brand‘s reputation across destinations. Investments, such as supporting school, and students can further strengthen the SEZ‘s presence within the community.

CSR Related With Customer

Providing quality services: IPDC has given services as the client want and sometimes beyond their expectations. IPDC goes extra steps to keep the customer safe and feel protected. n partnership with the Ethiopian Investment Commission, Ministry of Revenue, Customs Authority, Immigration and Nationality Service, and other key stakeholders, IPDC delivers a

seamless investment experience through a one-stop-shop service for investors aiming to establish operations in its world-class industrial parks. IPDC has its own clinic to provide medical support for the investor's employee and other emergency services like fire brigade within the park. IPDC provide local market information to support investors, The Bole Lemi SEZ integrated the local farmers with the investors by using backward integration the investors in SEZ take 70% of barley from local farmers.

CSR Related With Government

IPDC has been working together with universities; it receives students for practice form different Ethiopian universities for Training and other internship programs.

Both SEZs participates in green legacy initiative and elderly people home innovation programs. By addressing social and environmental concerns, supporting local development, and promoting transparent and ethical management practices, the SEZ builds credibility and legitimacy. These actions improve stakeholder perceptions of the SEZ's reliability, leadership, and long-term commitment to sustainable development, which ultimately enhances its overall corporate reputation. The Bole Lemi SEZ's integration the local farmers with the investors by using backward integration improve the farmer's life which in turn creates jobs. The initiative allows the farmers a job opportunity and which in turn increases their economic growth.

4.4 Discussion of Research Findings

In this thesis, the researcher used actual data collected from 110 respondents. It utilized IBM SPSS software to perform linear regression and calculate the estimated probability of occurrence. Using the final model, 100% of the occurrences were correctly detected when the cut-off value was 0.5. To summarize, linear regression is a strong tool that may assist speed up decision-making. It is particularly beneficial when modelling the event probability for a categorical response variable with outcomes. The SPSS analysis reveals that Corporate Social Responsibility (CSR) positively impacts the corporate reputation in Kilinto and Bole Lemi SEZs. Specifically, the study identifies employee, community and customer oriented CSR has a positive effect on corporate reputation with the beneficial effects: $\beta 2 = 0.094$, $\beta 4 = 0.084$ and $\beta 5 = 0.178$ respectively. The overall effect of CSR has a positive effect on corporate reputation in IPDC's Kilinto and Bole Lemi SEZ.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 Summary

The main objective of this study is to evaluate the effect of CSR on corporate reputation in IPDC's Bole Lemi and Kilinto SEZ. As such, it establishes a likely cause-and-effect relationship between the six independent variables (owner oriented CSR, employees oriented CSR, environment oriented CSR, community oriented CSR, customer oriented CSR, government oriented CSR) and the dependent variable (corporate reputation), but rather to demonstrate whether there is a relationship between them, as suggested by other research findings. As a result, quantitative data collection and analysis, quantitative research questions, and hypothesis procedures were important components of this study. The target population was a sample of 110 employees. According to the number of employees from both IPDC's Bole Lemi and Kilinto SEZ data, there are 152 employees in four divisions.

As compared to the other CSR dimensions the selected IPDC‘s SEZ are have better engagement in environmental oriented CSR. This CSR dimension is highly practiced than the rest dimensions by the implementation of proper waste management, encouraging investors to follow eco-friendly practice by taking proactive measure to reduce pollution within the industry park, using environmentally friendly production technology and promoting efficient use of energy and resource.

The dominant corporate reputation measure is citizenship implies that both Kilinto and Bole Lemi SEZ supports social and community development initiatives, voluntarily engages in programs that improve social welfare, takes environmental sustainability seriously, promote sustainable and eco-friendly practices and encourages partners to join community and environmental programs.

The customer oriented CSR is more related to the corporate reputation of the selected SEZ followed by the employee and community oriented CSR. As perceived by employees, both Kilinto and Bole Lemi SEZ practicing customer oriented CSR attributes through encouraging investors to engage in community initiatives, providing the best working environment for the

investors, supporting investments that create local employment and community benefits, organizing workshops or networking events for investors, by providing local market information or business insights to support investors and promoting investors who follow ethical and responsible business practices.

5.2 Conclusion

This research concluded that the selected IPDC's SEZ has been implementing various CSR with different stakeholders: owner/shareholder, community, employee, customer, government and the environment. According to the linear regression results, out of 6 independent variables (owner, employee, environment, community, Customer and government oriented CSR) used in this study, only the three (employees oriented CSR, community oriented CSR and customer oriented CSR) are found to be statistically significant concerning corporate reputation. The significant variable, along with the estimated coefficient, standard error of the estimate, and p-value are considered.

Customer, employee and community customer oriented CSR activities are more related for building the corporate reputation. Focusing on working conditions, adequate training programs beyond the basic requirement, on-site child care support, supporting employees with housing credit scheme can enhance corporate reputation. The study suggests several recommendations to enhance corporate social responsibility (CSR) activities, thereby improving corporate reputation. These recommendations aim to strengthen the impact of CSR initiatives within Kilinto and Bole Lemi SEZ.

Employee oriented CSR is less practiced in both SEZ. Since employees are essential contributors to productivity and service quality within SEZs, strengthening employee-oriented CSR is necessary to improve working conditions, enhance commitment; inadequate employee-oriented CSR reduces job satisfaction and weakens the positive corporate reputation of Bole Lemi and Kilinto SEZs.

The less practiced corporate reputation dimension is innovation but the corporate reputation of the selected SEZ can be improve if they are able to foster creativity and innovation among staff, interact with universities and research centers promote innovation, uses smart systems and automation to enhance operations, supports innovations that reduce environmental impact and promotes green technologies like renewable energy and recycling.

From the response of the interviewees, it seems that the IPDC's main objective of CSR activity is to increase their reputation which they assume result to increase the SEZs acceptance with in the community and support country's sustainable development goal by following the ethical guide line by protecting the environment and supporting the community.

5.3 Recommendations

In IPDC's Kilinto and Bole Lemi SEZ, CSR programs have been implemented especially concerning with community services. Preparing standard rule and procedures to provide CSR services for other stakeholders such as customer, employee and government by allocating regular annual could make the intervention effective and sustainable.

Though the selected IPDC has been implementing different CSR programs, the employee seems to get forgotten or less CSR activities are implemented towards them. Since employees are essential contributors to productivity and service quality within SEZs, strengthening employee-oriented CSR is necessary to improve working conditions, providing adequate training programs beyond the basic requirement, on-site child care support, supporting employees with housing credit scheme. Inadequate employee-oriented CSR may weaken the positive corporate reputation of Bole Lemi and Kilinto SEZs.

As far as this researcher has tried to identify, Institutionalizing of CSR practices by the IPDC may encourage business organization to engage as well as promote the sustainability of the impact of CSR practice. As a result, provision of legal framework, preparing rules and procedures how to practice CSR including provision of privileges or incentives for those who practice CSR will be encouraging for the organization as well as for the community development and other stakeholders.

The practice of corporate social responsibility in selected IPDC is intermittent, which affect the sustainability of the impact. Therefore, emphasize would be necessary to make the CSR projects more successful and sustainably providing long lasting effect on the life of the community and other stakeholders.

Kilinto SEZ generally provides different services and donations to the community when the company thinks intervention is needed without consulting the beneficiaries. However, to make

the CSR practice more sustainable and to create visible results, it could be good if beneficiaries are consulted concerning what the service, how and which types of service or support should be given. The Bole lemi's initiative allows the farmers a job opportunity and which inturn increase their economic growth. The positive impact of CSR activities foster goodwill and enhance the brand‘s relationship with local communities.

Information gathered from the interviewees showed that both Kilinto and Bole Lemi SEZ mainly engage in community empowerment programs and environmental protection programs both seem to give less attention to their employees CSR activities. It would be good if the selected IPDC can also focus on their employees too.

5.4 Limitation of the study

Despite its contributions, this study has several limitations that should be acknowledged. First, the study focuses only on two special economic zones (Bole Lemi and Kilinto Special Economic Zones) out of the fourteen industrial parks administered by IPDC. This limited scope was due to time, budget, and accessibility constraints, which may restrict the generalizability of the findings to other industrial parks

The research mainly examines CSR from the perspective of employees of IPDC. The views of other stakeholders such as communities, customers, and government were not directly included, which may limit a comprehensive understanding of CSR impacts.

The data is collected from 110 employees of the both Bole Lemi and Kilinto SEZ employee‘s observations which were random sampling. As a result future researchers could conduct a study using a broader sample representative.

5.5 Future Research Directions

Future studies should include other industrial parks and Special Economy zone of IPDC‘s to enhance the generalizability of findings and allow comparative analysis among parks. Also for further studies should incorporate other stakeholder perspectives**,** particularly local communities, investors, government agencies, and NGOs, to provide a more holistic view of CSR effectiveness.

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Annex A: Questionnaire

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

MASTERS OF BUSINESS ADMINISTRATION PROGRAM

Dear respondents,

The purpose of this questionnaire is to gather relevant data that will be used to undertake MBA thesis on the topic **"The Effect of Corporate Social Responsibility on Corporate Reputation in Industry Parks Development Corporation of Ethiopia: The Case study of Kilinto and Bole Lemi Special Economic Zones.**

Accordingly, this questionnaire is designed to collect data on the effect of stakeholder based CSR orientations. Therefore, your sincere cooperation in filling out this questionnaire carefully and genuinely will contribute a lot for the validity of the findings. Finally, I would like to kindly assure you that the information you provide will be kept confidential and will exclusively be used for the research purpose.

Instructions:- Don't write your name.

Put the **(√)** mark in the box for your answer.

As much as possible please return back timely.

If there is any problem and suggestion you are free to contact the researcher through the following addresses:

Email: sebleteshome76@gmail.com Phone: +251923927155

I thank you in advance for your cooperation!!

i. Demographic Data

1. Gender 1).Male 2). Female
2. Age 1). 20-30 2). 30-40 3). 40-50 4). Above 50
3. Which industry park/Special Economic zone are you working?

   1). Kilinto Special Economic Zone 2). Bole Lemi Special Economic Zone

4. Educational level

1). Diploma 2). BA/BSC 3). MA/MSC 4). PhD 5). Others

5. How long you have worked in the company?

1). 0-2 years 2). 2-5 years 3). Above 5 years

ii. **Corporate Social Responsibility (CSR)**

The purpose of this part of the Likert scale-based questionnaire is to examine CSR activities of your company. For each item please indicate to what extent do you agree or disagree with the idea described by the statement. **1= *Strongly Disagree (SD), 2= Disagree (D), 3= Neutral (N), 4= Agree (A)* and 5= *Strongly Agree (SA)***

	CSR measuring dimensions	**1** (SD)	**2** (D)	**3** (N)	**4** (A)	**5** (SA)
	Owner -Oriented CSR					
1	IPDC encourages responsible and sustainable investment.					
2	IPDC supports investors committed to ethical business practice.					
3	IPDC ensures environmentally sustainable development.					
4	IPDC supports the well-being of nearby communities.					
5	IPDC assists communities displaced by industrial park projects.					
	Employee-Oriented CSR					
1	IPDC provides training programs beyond basic requirements.					
2	IPDC effectively provides on-site childcare support for employees.					
3	IPDC provides recreational spaces for employees.					

4	IPDC promotes employee health by providing access to gym facilities.					
5	IPDC supports employees with housing schemes or housing credit.					
6	IPDC provides support during employee hardships, such as medical emergencies.					
	Environment-Oriented CSR					
1	IPDC implements a proper waste management system.					
2	IPDC promotes efficient use of energy and resources.					
3	IPDC encourages investors to follow eco-friendly practices.					
4	IPDC takes proactive measures to reduce pollution within the industrial parks.					
5	IPDC promotes environmentally friendly production technologies.					
6	IPDC is transparent about its environmental practices and policies.					
	Community-Oriented CSR					
1	IPDC works to address communities‘ social and economic needs.					
2	IPDC improves local infrastructure i.e roads, electricity, and water systems					
3	IPDC contributes to improve access to clean water and sanitation in the community.					
4	IPDC creates jobs for local residents.					
5	IPDC helps communities during crises or disasters.					
6	IPDC engage in local social initiatives (e.g.,					

	donations, Back to School package).					
	Customer-Oriented CSR					
1	IPDC encourages investors to engage in community initiatives.					
2	IPDC provide the best working environment for the investors.					
3	IPDC supports investments that create local employment and community benefits.					
4	IPDC organizes workshops or networking events for investors.					
5	IPDC provides local market information or business insights to support investors					
6	IPDC promotes investors who follow ethical and responsible business practices.					
	Government-Oriented CSR					
1	IPDC encourages knowledge and technology transfer.					
2	IPDC offers internships program for university.					
3	IPDC actively participates in the Green Legacy Initiative.					
4	IPDC actively supports government-led summer home renovation campaign.					
5	IPDC links local **SMEs** (Small and Medium-sized Enterprises) with potential investors.					
6	IPDC helps **SMEs** (Small and Medium-sized Enterprises) secure investment for national development.					

iii. **Corporate Reputation**

For each of the following statements below, please rate how do you feel about corporate reputation of your company in respect of items listed under seven measure variables based on i.e. products/services, innovation, workplace, governance, citizenship, leadership, and performance.

For each item please indicate to what extent do you agree or disagree with the idea described by the statement. **1= *Strongly Disagree (SD), 2= Disagree (D), 3= Neutral (N), 4= Agree (A)* and 5= *Strongly Agree (SA)***

	Corporate reputation measuring dimensions	**1** (SD)	**2** (D)	**3** (N)	**4** (A)	**5** (SA)
	Products and services					
1	IPDC provides high-quality services that meet the expectations of investors.					
2	IPDC resolves customer issues effectively and consistently in one-stop service.					
3	IPDC delivers services in a timely and professional manner.					
4	IPDC adopts new approaches or technologies to enhance service delivery.					
5	IPDC continuously improves its services to meet changing customer needs.					
	Workplace					
1	IPDC ensures a safe, clean, and healthy working environment.					
2	Employees are treated fairly and respectfully.					
3	IPDC encourages continuous learning and personal growth for employees					
4	Teamwork and cooperation are encouraged at IPDC.					
5	IPDC recognizes and appreciates employees‘					

	contributions and efforts.					
6	IPDC‘s management decisions are transparent and clear.					
	Innovation					
1	IPDC‘s interaction with universities and research centers promote innovation.					
2	IPDC _s programs foster creativity and innovation among staff					
3	IPDC uses smart systems and automation to enhance operations.					
4	IPDC supports innovations that reduce environmental impact.					
5	IPDC promotes green technologies like renewable energy and recycling.					
	Governance					
1	IPDC act in the best interests of its stakeholders (e.g., employees, investors, community).					
2	IPDC effectively implements ethical guidelines measures.					
3	IPDC addresses issues and concerns in a timely and responsible manner.					
4	IPDC reviews governance practices for continuous improvement.					
	Citizenship					
1	IPDC supports social and community development initiatives.					

2	IPDC voluntarily engages in programs that improve social welfare.					
3	IPDC takes environmental sustainability seriously.					
4	IPDC is known for promoting sustainable and eco-friendly practices					
5	IPDC encourages partners to join community and environmental programs.					
	Leadership					
1	IPDC‘s leadership provides a clear and inspiring vision.					
2	IPDC‘s leaders make decisions that reflect strong ethical values.					
3	IPDC‘s leadership handles crises and challenges effectively.					
4	IPDC‘s leadership promotes innovation, collaboration, and ethics.					
	Performance					
1	IPDC invests in sustainable strategies for long-term stability.					
2	IPDC generates revenue and jobs that benefit the national economy.					
3	IPDC balances profitability with social and environmental responsibility.					
4	IPDC‘s financial performance strengthens the country‘s competitiveness and investment climate.					
5	IPDC works consistently to ensure that investors are satisfied with its performance and service quality.					

iv. Interview Questions

1. Please describe the main categories of CSR activities undertaken by your SEZ?

2. .How the CSR activities undertaken by your organization do affect the corporate reputation?

3. How the CSR activities undertaken by your SEZ do affect the IPDC‘s employee perception about its reputation?

Appendix B: CLRM Assumptions Test

Model Summary[b]

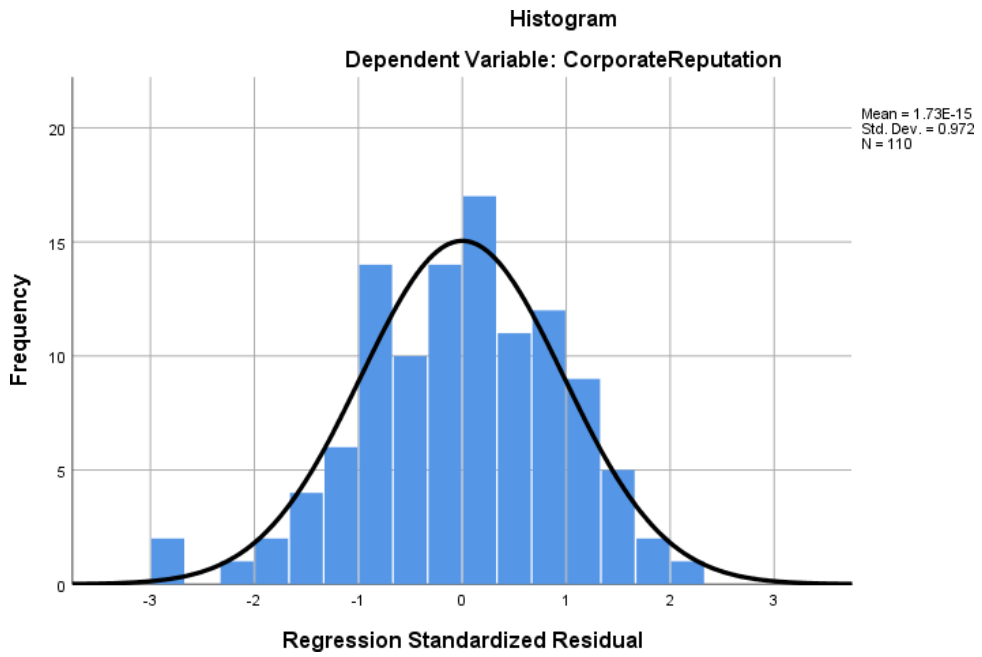
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.390[a]	.152	.102	.16368	1.820

Predictors: (Constant), GovernmentCSR, EnvironmentCSR, EmployeeCSR, CustomerCSR, OwnerCSR, CommunityCSR

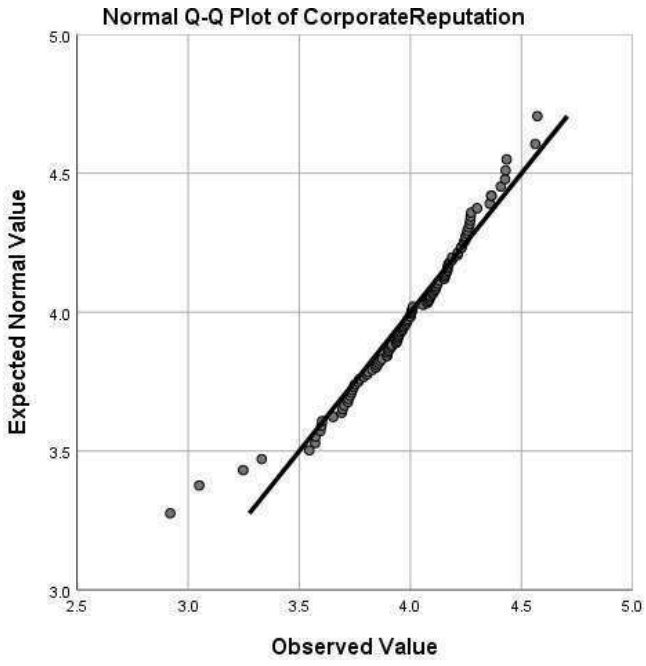
Dependent Variable: Corporate Reputation

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	OwnerCSR	.519	1.928
	EmployeeCSR	.841	1.190
	EnvironmentCSR	.575	1.740
	CommunityCSR	.483	2.071
	CustomerCSR	.447	2.237
	GovernmentCSR	.896	1.116

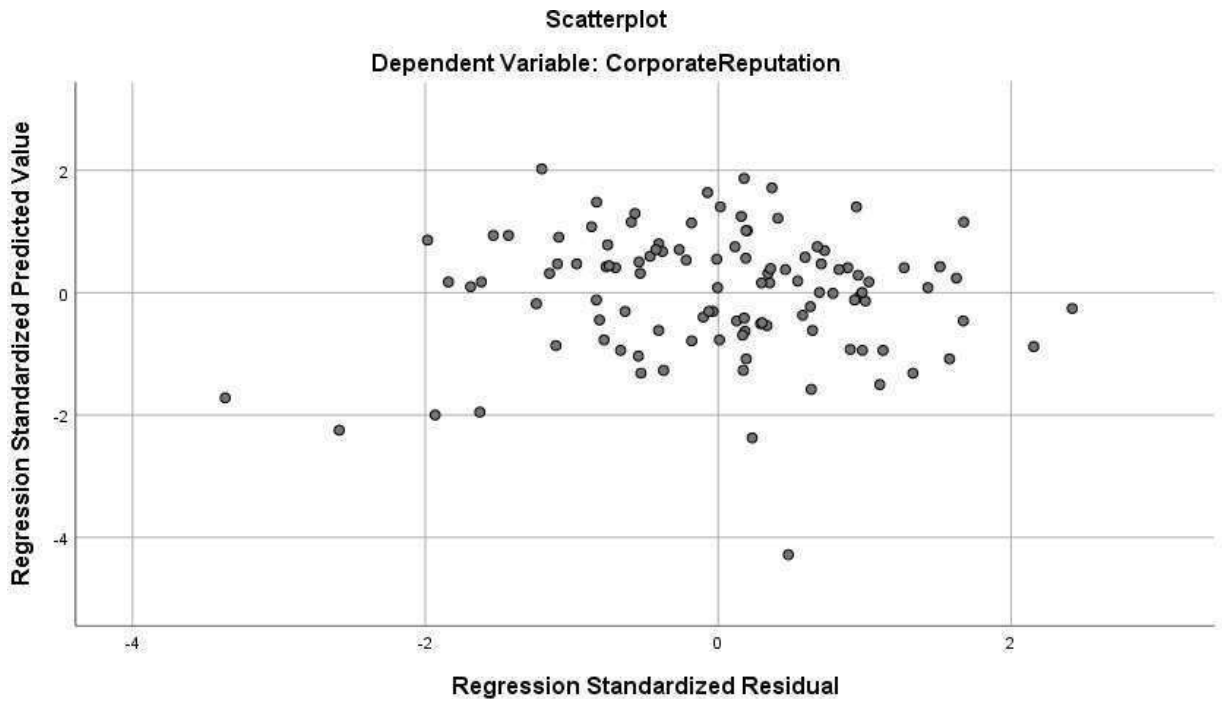
Dependent Variable: Corporate Reputation



Normality distribution histogram



Linearity Test



Homoscedasticity Test

Pearson Correlation Critical Values Table

df \ α	0.2	0.1	0.05	0.02	0.01	0.001
1	0.951057	0.987688	0.996917	0.999507	0.999877	0.999999
2	0.800000	0.900000	0.950000	0.980000	0.990000	0.999000
3	0.687049	0.805384	0.878339	0.934333	0.958735	0.991139
4	0.608400	0.729299	0.811401	0.882194	0.917200	0.974068
5	0.550863	0.669439	0.754492	0.832874	0.874526	0.950883
6	0.506727	0.621489	0.706734	0.788720	0.834342	0.924904
7	0.471589	0.582206	0.666384	0.749776	0.797681	0.898260
8	0.442796	0.549357	0.631897	0.715459	0.764592	0.872115
9	0.418662	0.521404	0.602069	0.685095	0.734786	0.847047
10	0.398062	0.497265	0.575983	0.658070	0.707888	0.823305
11	0.380216	0.476156	0.552943	0.633863	0.683528	0.800962
12	0.364562	0.457500	0.532413	0.612047	0.661376	0.779998
13	0.350688	0.440861	0.513977	0.592270	0.641145	0.760351
14	0.338282	0.425902	0.497309	0.574245	0.622591	0.741934
15	0.327101	0.412360	0.482146	0.557737	0.605506	0.724657
16	0.316958	0.400027	0.468277	0.542548	0.589714	0.708429
17	0.307702	0.388733	0.455531	0.528517	0.575067	0.693163
18	0.299210	0.378341	0.443763	0.515505	0.561435	0.678781
19	0.291384	0.368737	0.432858	0.503397	0.548711	0.665208
20	0.284140	0.359827	0.422714	0.492094	0.536800	0.652378
21	0.277411	0.351531	0.413247	0.481512	0.525620	0.640230
22	0.271137	0.343783	0.404386	0.471579	0.515101	0.628710
23	0.265270	0.336524	0.396070	0.462231	0.505182	0.617768
24	0.259768	0.329705	0.388244	0.453413	0.495808	0.607360
25	0.254594	0.323283	0.380863	0.445078	0.486932	0.597446
26	0.249717	0.317223	0.373886	0.437184	0.478511	0.587988
27	0.245110	0.311490	0.367278	0.429693	0.470509	0.578956
28	0.240749	0.306057	0.361007	0.422572	0.462892	0.570317
29	0.236612	0.300898	0.355046	0.415792	0.455631	0.562047
30	0.232681	0.295991	0.349370	0.409327	0.448699	0.554119

df \ α	0.2	0.1	0.05	0.02	0.01	0.001
35	0.215598	0.274611	0.324573	0.380976	0.418211	0.518898
40	0.201796	0.257278	0.304396	0.357787	0.393174	0.489570
45	0.190345	0.242859	0.287563	0.338367	0.372142	0.464673
50	0.180644	0.230620	0.273243	0.321796	0.354153	0.443201
60	0.164997	0.210832	0.250035	0.294846	0.324818	0.407865
70	0.152818	0.195394	0.231883	0.273695	0.301734	0.379799
80	0.142990	0.182916	0.217185	0.256525	0.282958	0.356816
90	0.134844	0.172558	0.204968	0.242227	0.267298	0.337549
100	0.127947	0.163782	0.194604	0.230079	0.253979	0.321095
125	0.114477	0.146617	0.174308	0.206245	0.227807	0.288602
150	0.104525	0.133919	0.159273	0.188552	0.208349	0.264316
175	0.096787	0.124036	0.147558	0.174749	0.193153	0.245280
200	0.090546	0.116060	0.138098	0.163592	0.180860	0.229840
250	0.081000	0.103852	0.123607	0.146483	0.161994	0.206079
300	0.073951	0.094831	0.112891	0.133819	0.148019	0.188431
350	0.068470	0.087814	0.104552	0.123957	0.137131	0.174657
400	0.064052	0.082155	0.097824	0.115997	0.128339	0.163520
450	0.060391	0.077466	0.092248	0.109397	0.121046	0.154273
500	0.057294	0.073497	0.087528	0.103808	0.114870	0.146436
600	0.052305	0.067103	0.079920	0.094798	0.104911	0.133787
700	0.048427	0.062132	0.074004	0.087789	0.097161	0.123935
800	0.045301	0.058123	0.069234	0.082135	0.090909	0.115981
900	0.042711	0.054802	0.065281	0.077450	0.085727	0.109385
1000	0.040520	0.051993	0.061935	0.073484	0.081340	0.103800
1500	0.033086	0.042458	0.050582	0.060022	0.066445	0.084822
2000	0.028654	0.036772	0.043811	0.051990	0.057557	0.073488
3000	0.023397	0.030027	0.035775	0.042457	0.047006	0.060027
4000	0.020262	0.026005	0.030984	0.036773	0.040713	0.051996
5000	0.018123	0.023260	0.027714	0.032892	0.036417	0.046512