

Qualitative Study on Corporate Social Responsibility Practice and Wellbeing in Industrial Parks: Evidence from Selected Industrial Parks in Ethiopia

Mesay Ayele Gebreegziabher¹, Chalchissa Amante Kero²

Abstract

The study's main objective is to understand the development of internal and external CSR in industrial parks and explore its relationship with employees and community well-being. This study employed an exploratory research approach. The study relies on semi-structured interviews and FGD with employees and the community of three selected industrial parks in Ethiopia. The study utilized thematic analysis and the NVivo-11 version for the analysis. The results show that various CSR practices are implemented in industrial parks. There is a positive relationship between most CSR practices and well-being, except for insurance, employment, and infrastructure. Moreover, the study explored some CSR activities specific to IPs, i.e., meal service, dormitory, transportation, and consumer cooperatives. Besides the knowledge contribution, the study has a practical contribution to industrial park managers, government agencies, policymakers, and multinational companies to practice CSR better as it enhances the employees' and community's well-being. This study is unique not only because it explored CSR practices that are specific to industrial parks, but also the relationship between internal and external CSR with employees' and community well-being, respectively.

Keywords: *Qualitative, Corporate Social Responsibility, Industrial Parks, Wellbeing, Ethiopia*

INTRODUCTION

Today, development is not just a matter for states. It requires the comprehensive cooperation of all stakeholders. This includes the government, the private sector, NGOs, development partners, etc. (JICA, 2015). Their positive efforts can solve social, political, and economic problems in the community. Among different types of companies, large manufacturing businesses have the potential to influence the internal and external environment through good and bad practices. They mobilize large amounts of capital, technology, and manpower (Susan, et al., 2012). The resource ownership is relatively large when the companies are on the IP platform. It creates more than 68 million employment opportunities and half a trillion in value addition in 135 IPs across the globe (Sime, et al., 2021). Therefore, their impact on the employees and their community is also very significant.

Since 2014, the Ethiopian government has established industrial parks to promote the manufacturing sector, accelerate economic transformation, and increase Foreign Direct Investment (FDI) (IPDC, 2024). These parks are built and made operational by IPDC and private developers to support the economy and transform the lives of the community. Most of these IPs are in the garment and textile industry. They employed a large number of unemployed youth, capital, and land. Thirteen industrial parks were established, for this purpose, including two integrated agro-industrial parks, namely Yirgalem and Bulbula Agro-Industrial Parks. However, these industrial parks have not figured out which CSR practices fit the context of industrial parks and how they can improve the well-being of internal and external stakeholders. This is because, well-being goes beyond the mere payments of wages and salaries (DAB, 2022); it could be achieved through the practice of integrated CSR practices (Chih, et al., 2015).

LITERATURE REVIEW

Most scholars have tried to mention CSR activities in general terms not in the context of IPs. For example, multinational companies, large manufacturing companies, service companies, etc. According to (Nazeefa & Mujeebullah, 2018); CSR activities are environmental protection and sustainability, as well as smooth relations with employees, community, and consumers. According to (Davidson, 2004); recycling packaging materials,

¹ Bule Hora University and Hawassa University Ethiopia, E-mail: mesayethop@gmail.com

² Ethiopian Civil Service University, Senior Researcher, Consultant and Writer (Addis Ababa), Ethiopia, E-mail: chalchissa@yahoo.com

collaborating with social foundations, manufacturing products for the poor, and supporting schools in the community are the CSR activities that are most undertaken by the manufacturing companies studied. The other study conducted in Indian manufacturing companies (Nikhil & Bhavani, 2020) shows that manufacturing plants conduct CSR activities in the form of school support, training, provision of water and sanitation, health and nutrition, employment opportunities, and social events (i.e., arts, culture, and sports). Other researchers in the field have also provided, more detailed information on CSR activities but not about Industrial Parks.

In addition, here are some academic findings on the CSR practice of Multinational Companies. In Palgrave's Handbook of CSR, the most common CSR practices of MNCs are described as follows; Environmental protection, employment opportunities, supply chain, volunteering, and local community engagement (Beger & Taskin, 2020). In Bangladesh, on the other hand, MNCs engaged in CSR activities such as; environmental protection, health and safety, equal opportunity, income-generating business activities, and a good working environment (Alam, et al., 2010). A study conducted at Heineken Ethiopia shows that protecting water bodies, reducing CO₂ emissions, promoting health and safety, equal opportunities, good working environment are considered the most important CSR activities in their company (Gereziher & Shiferaw, 2020).

A few academic studies conducted in this area; (Gachanja, et al., 2013) show the most common CSR activities in Kenyan IPs are health, education, employee welfare, and poverty alleviation. For this reason, this study is specifically focused on IPs. In addition to the activities mentioned above, this study explores the CSR practices that are common to and fit IPs.

Q:1) What CSR practices are perceived and carried out in the IPs?

The establishment of an Industrial park leads to employment opportunities, industrialization, FDI, urbanization, export-oriented products, etc. (IPDC, 2020). The cumulative effect of these factors leads to better living standards in the community. The contribution of the corporate sector in improving the well-being of stakeholders is inevitable. Among various platforms, CSR is the one that does so. Generally, companies have two motives that encourage them to engage in CSR activities. Namely; the motive to serve the company (i.e. for the good of the company) and the motive to serve the public (i.e. to help the community or to respond to the community's issues) (Ellen, et al. 2006).

When considering, the public benefit motive; the literature depicts that strong corporate socially responsible practices have a dual impact on internal and external stakeholders. Essentially, it is the employees and the community that are served through internal and external CSR respectively. Internal CSR is referred to as activities that are directly related to the psychological and physical work environment (Turcker, 2009). The internal socially responsible activities of companies have an impact on the performance and well-being of employees (Dežmar Krainz, 2015). In addition, various scholars agree that Internal CSR practices i.e., health and safety, human rights, workplace diversity, and work-life balance, etc. of companies have a positive effect on increasing employees' job satisfaction and well-being (Macassa, Francisco, & Mcgrath, 2017; Golo & Pondar, 2021); and Adu, Zheng, Gabriel, Seth, & Michelle, 2021). A study conducted in Indonesia attempted to show the relationship between CSR practices and their effect on community well-being. The results of the study showed that there is a significant, positive relationship between CSR practice and social well-being (Iskandar et al., 2020). However, there are no scientific outputs that demonstrate the relationship between individual internal CSR activities and employees' well-being in the context of industrial parks.

(Q: 2) How does the internal CSR practice relate to employee wellbeing in IPs?

Like employees, external CSR affects the well-being of the host community. External CSR has manifested itself through beneficiary participation in income-generating business activities, protection of the environment, provision of basic goods and services, and; mitigation of disaster damages through the provision of emergency services (Gloria, Cormac, Gianpaolo, & Sandra, 2021; Iskandar, Abd, & Rahma, 2020). In other dimensions, companies should improve the well-being of the community. This is done through CSR by engaging in social and economic activities (Yodit, et al., 2023). CSR not only contributes to the employees' and community lives under normal circumstances but; is also helpful in various crisis management situations. CSR during

emergencies can mitigate the psychological, material, and physical damage to the employee's and community's well-being (Nazlieva, 2021).

As mentioned above, most studies focus on the general effect of CSR. Almost no previous studies look closely at the impact of internal and external CSR practices on well-being development in the context of Industrial Parks. Various authors have attempted to investigate the relationships between ICSR and employee well-being in different contexts but not in IPs. In contrast, the CSR relationship between external CSR and the community's social and economic well-being is less emphasized by previous studies. Most studies were conducted in industrialized countries, and manufacturing companies and focused on the well-being of the employees rather than the host community.

(Q:3) How are external CSR practices related to employee wellbeing in IPs?

Industrial parks are a relatively new phenomenon in Ethiopia. For this reason, CSR practice is still in its infancy. This study is important to fill the empirical and theoretical gap in CSR practices in the context of IPs. Therefore, the study endeavors to understand the internal and external CSR practices in the Adama, Bole Lemi, & Hawassa industrial parks. In addition, the research article aimed to explore the relationship between the ICSR and ECSR practices on employee and community well-being respectively.

METHODOLOGY

This study is based on a qualitative research approach. Qualitative research is an approach that considers the opinions, knowledge, and reality of individuals about a particular phenomenon. Tracy argued that qualitative research is inherently subjective and values individuality by providing the opportunity to add content and context to the data (Tracy, 2019). Furthermore, this research approach has little control over the participants' responses in the process (Yin, 2018).

The qualitative data were collected from selected industrial parks in Ethiopia i.e. Hawassa, Bole Lemi, and Adama. The IPs were selected based on their respective year of operation, the number of employees hired, and their contribution to the country's economy (Table 1). Semi-structured interviews and focus group discussions (FGD) were used to determine the participants' understanding of internal and external CSR practices and their relationship to employees and the host community's well-being.

Interviews were conducted with 18 employees of the Industrial Parks Development Corporation (IPDC), Ethiopian Investment Commission representatives (EIC), Labor Union Representatives, and Representatives of the Investors Association. There was at least 1 FGD in each IP with an average number of 7 participants. The sample size in qualitative studies is determined by theoretical saturation, i.e., when the response of the marginal participant is similar to the response of the previous participant (Sekaran & Bougie, 2016). The study proceeds accordingly. The data from the interviews and FGD were documented and transcribed using audio recordings, and short handwritten notes, and transcribed. Informed consent was given to the interviewees to access the available information, to use digital recording material, and to protect the anonymity of the interviewees from the public.

Deductive or theoretical thematic analysis (Moirra & Brid , 2017) was used to analyze the qualitative data. In addition, the NVivo 11 version was used to code, categorize, and identify themes from the transcribed data set and create a pictorial representation of the results. To ensure the validity and reliability of the study, the results of interviews and FGD were triangulated. This includes comparing the interview results with the FGD results, reports, and scientific results.

Table 1. Industrial Parks Profile in the Study.

IP	IP Description	Department
Adama	<ul style="list-style-type: none"> ● Government-owned Oromia Region, Adama. ● Most of the companies are textile & garment ● 3% & 5% of the total export and employee 	<ul style="list-style-type: none"> ● Operation, Legal Office ● EIC, HR, and Finance

Bole Lemi	● Government-owned in the capital of Ethiopia, AA	● Investor Support
	● Most of the companies are textile & leather	● Occupational H&S
	● 27% & 23% of the total export and employee	● HR and Finance
Hawassa	● Government-owned in Sidama Region, Hawassa	● Investors Association
	● Most of the companies are textile & garment	● Labor Union, Operation
	● 44% & 35% of the total export employee	● EIC representatives

Source: CEPHEUS Research & Analytics September 18, 2020.

As shown in Table 1, the study decided to examine these three industrial parks as they cover 63% and 74% of the employment and export of industrial parks' respectively (IPDC, 2020). These analyses represent a significant proportion of the target IPs to obtain appropriate data for the study's objectives.

FINDINGS

This section of the study presents the key findings from thematic analysis. The main themes identified are; CSR practice, internal CSR relationship with employees wellbeing, and external CSR relationship with community wellbeing. More specifically, this section focuses on answering the three main research questions of the study: (a) How are the CSR practices perceived and performed in the IPs? (b) How are the internal CSR practices related to employee wellbeing in IPs? and (c) How are external CSR practices associated with community wellbeing?

CSR Practices: ICSR (Internal Stakeholders)

Industrial parks are believed to promote the transformation process from an agricultural-based economy to industrialization. With this in mind, the Ethiopian government established the IPDC in 2004 to realize this dream. The economic contribution of the industrial parks amounts to 43% of manufactured exports, with the largest share (80%) coming from Hawassa and Bole Lemi IPs (Cepheus, 2020). According to the annual report, (IPDC, 2020) the total contribution of employment opportunities amounted to 83,738; of which 35,000, 25,248, and 7,201 were accounted for by the IPs Hawassa, Bole Lemi, and Adama IPs respectively.

Table 2 ICSR Practices in Industrial Parks

Theme (CSR Activities)	Industrial Parks (IPs) Name in the Study			Total
	Hawassa	Bole Lemi	Adama	
ICSR Activities(from Literature)				
Health and Safety	√	√	√	3
Human Right	√	√	√	3
Training and Development	√	√	√	3
Work Place Diversity	√	√	√	3
Work-life balance	√	√	√	3
Scholarship	√	√	×	2
Insurance	×	×	×	0
Labor Union	√	√	×	2
IP-specific ICSR (from Qualitative study)				
Meal service	√	√	√	3
Transportation	√	√	√	3
Housing (Dormitory)	×	√	×	1
Saving Associations	×	√	×	1

Source: Interview & FGD, 2023.

Table 2 shows the ICSR activities carried out in industrial parks. ICSR practice is almost uniform across the industrial parks. Activities focus on health and safety, human rights, training and development, workplace diversity, scholarships, and labor unions. As the interview and FGD data show; most of the ICSR activities in IPs are similar. The difference lies in the level of emphasis. For example, safety and health are the most important ICSR packages in each of the IPs studied. However, some IP-specific H&S activities emerge from the qualitative study. These include safety materials, experts, training, equipped ambulances, fire departments, etc. (Interviewee and FGD Adama IP). For some respondents from Bole Lemi IP; S&H is the provision of

hygiene items for female employees, a good working environment, payment of medical expenses, etc. Despite the shortcomings; the respondents believe that the S&H issue is a concern for IPs.

According to the qualitative data; apart from job security, human rights issues do not pose a threat to employees in the IPs. Respondents indicated that there is training that focuses on work habits, time management, life skills (Respondent Adama IP), soft skills, industry awareness (Respondent BL IP), and job-specific training (Respondent Hawassa IP). Work-life balance is one of the ICSR acts of the IPs that all respondents agreed with. The employees have realized that the gap is narrowing due to extensive efforts by the IPDC officials and the employees. In earlier times, there was a gap in work culture, social norms, and language. Nowadays, things have changed and the company owners and supervisors are trying to understand their local employees and vice versa. Employees are guaranteed that they can balance their work life with their personal life. i.e. motherhood, fraternity, mourning, education, breastfeeding children, religious ceremonies, etc. (Respondent Hawassa, Adama, and BL IPs)

As evident from the interviews and FGD data; scholarship is one of the ICSR practices in the IPs. However, in most IPs, it is subjective and not institutionalized. It is manifested in the provision of education materials, tuition fees, assignment of tutors, facilitation to leave the production site earlier to go to school, etc. (Respondent Adama IP and FGD Hawassa IP). The status of labor unions is different in the three IPs. In Hawassa IP was Operationalized, in BL it was established, and in Adama, it was proposed. Nevertheless, it shows the courage to put it into action. Unions are on the agenda in the three IPs (Respondents Hawassa, BL, and Adama IP).

Based on the employee responses; this study explored some industry park-specific activities that are considered as ICSR, i.e., meals service (twice on average), transportation, accommodation (dormitory), and saving associations.

“...some companies provide meals; the others give cash, and some provide both cash and meals, provide dormitories, and have established saving associations”.

Interviewee, BL IP& Hawassa IP

According to the findings, the activities listed above are considered characteristics of Internal CSR practices of the IPs. In the list of ICSR activities in Table 2, insurance does not exist in any of the industrial parks. Unlike the other ICSR activities, respondents do not feel that insurance is an ICSR practice related to the IPs.

...to be honest, I have no information about the insurance coverage of the employees. In my particular case, I do not have any insurance package granted by the IP. Respondent Adama, IP. ...There is a strong habit of covering medical expenses and referring employees to higher medical institutions for which they have MoU”. Participant, Hawassa IP FGD

As per the response from the interview and FGD; scholarship is one of the ICSR activities in two of the IPs i.e. Hawassa and Bole Lemi. Despite this, the respondents believed that the practice is not institutionalized across the Industrial Parks. The scholarship might cover tuition fees, material support, or both.

...employees who have good academic performance and work in machine operator duty are evaluated and granted scholarships. For employees keen to go to school but face financial constraints, the company (Individuals) checks their eligibility and provides them with education.

Respondent, IP Bole Lemi

A labor union is an important scheme for employees to protect their rights and privileges. As shown in Table 2 the Adama IP has not yet established its labor union. Whereas, the Hawassa IP operationalized the labor union with difficulties in imposing all the efforts to ensure the employees' rights and benefits. Bole Lemi already established the labor union but not yet operationalized.

...since September 2021, these situations revoked and we have commenced the establishment of trade unions in each company. Forming an association is part of the Human Rights. Even though, the associations established in the companies need not be active by imposing various sanctions and barriers.

Respondent, IP Hawassa

Concerning gender, the participants have reservations about workplace Diversity (WPD). Most of the IPs favored employing female applicants. The respondents’ beliefs are divided into two conceptions; females are more fit for the job and nonviolent. Therefore, except for gender WPD is a manifestation of ICSR in all industrial parks.

Most companies want to hire only female employees. The token reason they gave is that female employees are more patient but their intention is ...most female employees, don’t ask many questions, so the chance of fighting them for what is right is rare.

Respondent, IP Hawassa

CSR Practice: ECSR (External Stakeholders)

The Nvivo result shows that employment opportunity, business diversification, provision of education materials, environmental protection, knowledge and skill transfer, and charities as the most frequently mentioned ECSR activities performed in the IPs. Amongst the listed ECSR acts, most of the respondents agreed that employment opportunity as the major ECSR practice and infrastructure provision is the least.

Table 3. ECSR Practice in Industrial Parks.

Theme (CSR Activities)	Industrial Parks (IPs)			Total
	Hawassa	Bole Lemi	Adama	
ECSR Activities (From literature)				
Business Diversification	√	√	√	3
Employment Opportunities	√	√	√	3
Environmental Protection	√	√	√	3
Knowledge and Technology Transfer	√	√	√	3
Charities	√	×	×	1
Infrastructure	×	×	×	0
IP-specific ECSR (from Qual. study)				
Emergency Service	√	×	×	1
Maintenance of Schools	×	×	√	1
Provision of educational materials	√	√	×	2

Source: Interview & FGD, 2023.

One of the establishment objectives of Industrial parks (IPs) is to provide jobs and accommodate a large number of unemployed youth. In achieving this goal, the IPs have done good.

“...the biggest contribution of the IPs is creating employment opportunities to the community who are even far from the hosting area”. (Respondent, Adama IP)

However, the respondents feel that the IPs do not offer ideal jobs to the community. Therefore, they felt that the employment opportunities were mere for them.

“...I don’t think several jobs created a rational parameter to measure the IP’s contribution to the community. Because it doesn’t measure the quality of the job and its effect on the employee’s life”. (Respondent, Hawassa IP)

Despite the above fact, the qualitative data revealed that the IPs brought significant business opportunities to the community members “...there are business activities enhance the income generating capacity of the community.” (Respondent, Adama IP) “...by involving them in canteen service, transportation, byproduct recycling, renting house, etc.” (Respondent, Hawassa IP). In addition, Bole Lemi IP experienced an integrated and institutionalized form of business diversification platform. A (Respondent from Bole Lemi IP) said that

“...there are around 15,000 farmers who are active in our supply chain to provide our company barely and results maintain their level of income”. To support this idea here is the extracted farmer says belongs to the community. “...the industrial park organized the local farmers and gave us training as per their standard. Now we are actively engaged in producing malt barely that substitute imported product (Community FGD Participant, Bole Lemi).

As per Table 3 environment protection dimension of ECSR is performed by all of the IPs in the study. These IPs are involved in almost similar activities to ensure internal and external environmental sustainability. The internal environment is concerned with making the working environment conducive to the employees i.e., greenery areas, planting trees, recycling water, etc. whereas the external environment concern is to protect and enhance the natural environment outside of the IPs. These acts mitigate environmental damage, i.e., plantation, adopting advanced technology, efficient use of resources, reducing emission, waste management, etc. “...the park actively engaged in the green legacy campaign, cleaning the city, maintaining waste management systems...the waste management is systematic and scientific...there is a responsible team of expertise to ensure the disposal practice alignment with the disposal policy of the IP” (Respondent, Hawassa IP). Moreover, a respondent from Adama; “...since 2014 our park engaged in the green legacy and environmental protection campaign. Last year we recognized all the stakeholders and companies that participated in the process (Respondent, Adama IP).

Knowledge and technology transfer has twofold feedback from the participants. Part of the respondents agreed upon the existence of knowledge transfer among the expat and local staff. To support this “...now a significant number of employees starts their role from the production floor and are promoted to supervisory level (Respondent, Adama IP). The other argument is that “...since the IPs’ establishment it’s a long time. But, still, the IP’s technical and managerial positions are possessed by expatriate staff (Respondent, Hawassa IP). In addition, most of the production employees are exposed to specific tasks throughout the whole process. One of the employees who had worked for not less than three years rejected to request an experience letter and responded that “...it is pointless because what I have done for the last three years was only cutting it only helped me to survive, not to get experience that makes me fit the garment industry”.

Two of the industrial parks Bole Lemi and Adama; are not to the level to say that there is actively participating in charity as it’s expected. However, Hawassa IP noted that it is involved in charitable acts like the provision of health equipment and personal protective materials, during Covid-19. Moreover, companies are experienced in providing food and nonfood items on holidays (Respondent, Hawassa IP). On some occasions ...we have been involved in providing low-graded clothes and blood donations to the community members (Respondent, Bole Lemi IP).

The community members and the employees perceived that IPs are expected to deliver public goods in building infrastructures. However, as shown in Table 3 there is no IP engaged in the provision of infrastructure as ECSR practice. The community members revealed how they are suffering from the absence of basic infrastructure in their area “... especially in the rainy season there are a lot of challenges to be in market, school, and church” (Community Respondent, BL IP). The fact is consistent in other IPs. “...the shortest path to reach the town locked and we are supposed to cross the IP compound to get there... (Community FGD, Adama) in addition, we are suffering from the absence of potable water and electricity”.

IPs tried to be involved in emergency services i.e., during fire emergencies and COVID-19 (Hawassa IP), provision of educational materials to the community (Hawassa & BL IPs), and maintenance of schools around the IPs (Adama IP). According to the data from interviews and FGD; these are considered as ECSR activities done by the IPs.

ICSR and Employee Wellbeing

Internal CSR practices of corporations have found positive and long-lasting effects on the well-being of the employees through ensuring health and safety, growth and development, human rights, workplace diversity,

and work-life balance that results in the psychological and physiological makeup (Adu-Gyamf et al., 2021; Kimet al., 2018; Macassa et al., 2017).

The following qualitative data quotations depict the participants' view on the positive relationship between the ICSR activities and their effect on the well-being of the employees. "...these internal CSR practices are highly valuable to us. ICSR acts to relieve the employees not to incur costs for meals, transportation, housing, medication, etc. These results to save money for education, family support, or to maintain their future life and; saving associations, balanced personal and work life help the employees to have settled and smooth life pattern (P1 BL, P2 BL, P11 AD, P12 AD, P14 HW, P4 BL, P13HW, P5BL, P3 BL, and P10 AD).

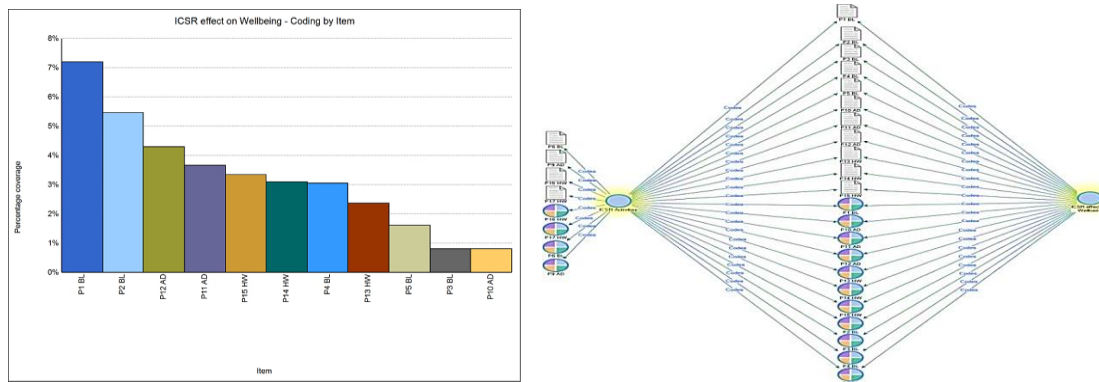


Figure 1. Hierarchical chart and Comparison diagram (ICSR & WB)

Source: Researcher Output, Nvivo 11, 2023.

As per the hierarchical chart of Figure 1 a participant (P1-BL) from Bole Lemi IP has mentioned most (7% of the transcription) about the relation between internal CSR and wellbeing. The last mention is (1%) made by a respondent from Adama IP (P10-AD). Bole Lemi IP respondents most frequently (5 times) address the relationship between ICSR and WB. Moreover, the comparison diagram shows the relationship between two nodes, these are ICSR activities and the ICSR effect on WB. Therefore, most of the respondents (11) agreed that there is a positive relationship between the two variables.

Table 4. ICSR and WB Relationship.

ICSR in IPs	ICSR & WB	Impact on wellbeing
Safety & health	Positive	Better health and safety
Human right	Positive	Reduce abuse, assault & bullying
Training & development	Positive	Life skills (adapt to work, life, & environment)
Workplace diversity	Positive	Less stressed and feel relaxed (Happy)
Work-life balance	Positive	Social network, family r/ships, child care, etc.
Scholarship	Positive	Free from extra duty, better future life, etc.
Insurance	Negative	It doesn't exist in all IPs.
Labor Union **	Positive	Protect rights, privileges, and job security
Meal service	Positive	Food security and saving money
Transportation	Positive	Reduce stress, save money, safety, etc.
Medical expense	Positive	Better health and saving money
Housing (Dormitory) *	Positive	Security, safety, saving money, etc.
Saving association *	Positive	Plan for future life and maintain wealth

Source: Qualitative data, 2023 (*ICSR activity only Bole Lemi) (**ICSR only Hawassa)

As it is shown in the above table; the ICSR practice and well-being have a positive relationship. It means except for insurance; all internal CSR activities can change the livelihood of the employees. Furthermore, meal service, transportation, medical expenses, dormitory, and saving associations are explored as internal CSR by the participants of the study. In addition, an FGD participant from Adama IP supports this concept "...there are companies very concerned for their employee's future life. Even they are ready to cover education cost for those who are outstanding".

ECSR and Community Wellbeing

According to the interview and FGD; external CSR activities have the potential to change the living standard of the host community in the IPs. Amongst various forms of ECSR practices employment opportunity and infrastructure provision don't affect the livelihood of the community. To demonstrate this concept "...it enabled our children to have a job but not to change their livelihood to the extent what is required (Adama Community FGD), I think the reason is associated with the thinking of 'cheap labor.'" (Hawassa Employees FGD).

Moreover, infrastructure is the most questionable external CSR practice and is not yet met by the IPs. The respondents have mentioned that they are suffering from the absence of potable water, electricity, roads, schools, etc. "...if the IP is not here the community might have a chance to get electricity and other infrastructures as normal inhabitants of the Wereda". (P3 BL, P2 BL, P9 AD, P1 BL, P12 AD, P4 BL, P10 AD, P11 AD, FP13 HW, P6 BL, P14 HW, P5 BL, and P15 HW).

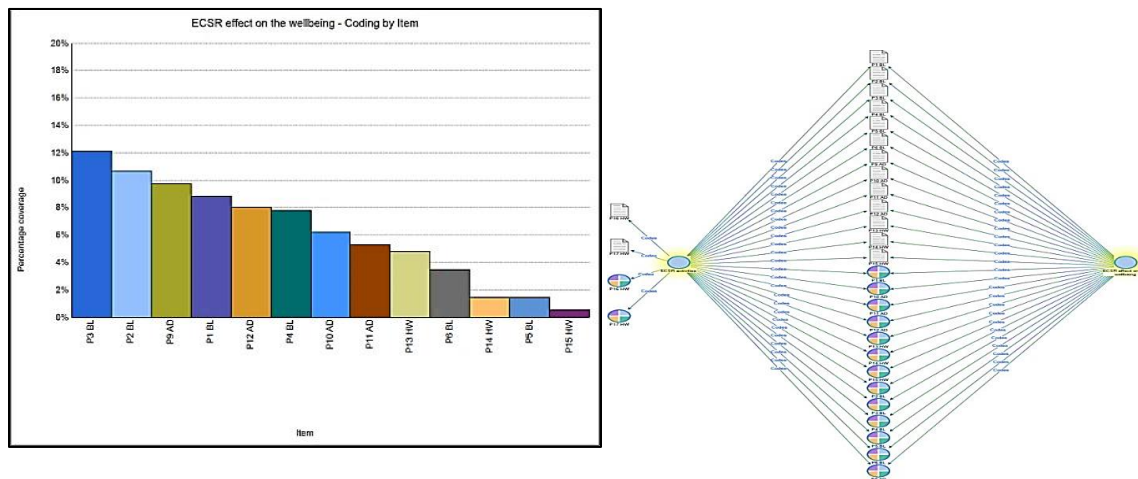


Figure 1. Hierarchical chart and Comparison Diagram (ECSR & WB)

Source: Researcher output, NVivo 11, 2023.

Figure 2 depicts two patterns. The first is a hierarchical chart. It reflects the participants' extent to express their thoughts about external CSR and; the second is the comparison diagram that tells the association between the two variables, i.e., external CSR and community well-being. According to the diagram; a respondent from (**P3-BL**) has mentioned external CSR effect on well-being about 12% of the entire transcribed data. It implies that most of the respondents recognized the existence of a positive relationship between external CSR and the well-being of the community.

DISCUSSION

The purpose of this study is to explore the corporate social responsibility (CSR) practices in the industrial parks context and their relationship with the well-being of employees and the host community. According to the qualitative data; there are various internal and external CSR activities peculiar to selected industrial parks in Ethiopia. This part of the discussion addressed the first proposition of this study. The extensive interviews and FGDs identified the following descriptions of internal CSR in the industrial park's practices. These are safety and health, workplace diversity (except gender), work-life balance, medical expense coverage, unions, human rights, scholarship, training, meal service, transportation, dormitory, and saving associations. These internal CSR activities are supported by various literature (Okros & Virga, 2023, Javier, Cristina, & Víctor, 2020; Nikhil & Bhavani, 2020; Nazeefa & Mujeebullah, 2018; Gachanja, Mugenda, & Maina, 2013; Alam et al., 2010) except for meal service, transportation, dormitory, and saving associations. This study grouped these activities as supplementary internal CSR.

In general, the above-mentioned internal CSR activities have contributed to the improvement of the well-being of the employees and addressing their social needs (Adu-Gyamf et al., 2021). The empirical findings support each of the ICSR mentioned above activities. Employee safety and health activities have a positive relationship with employee wellbeing (ILO, 2020) through the provision of OHS training and safety equipment, (Daniela, et al., 2018). According to the findings, work-life balance and workplace diversity have a positive effect on the wellbeing of employees. This qualitative finding is supported by several literatures (Umbrella, 2023; Golo & Pondar, 2021; Phiri, 2019; (Wood, 2018)). Most of the empirical findings show the effect of training on employee performance. The qualitative study results are consistent with the (Maccarone, 2020; David et al., 2018) research results. However, most of the empirical finding focuses on the effect of training and development on employee performance. Therefore, further study is necessary to address the effect of training on employee wellbeing.

The second type of CSR that works for the community's well-being is external CSR. To the best of community knowledge, external CSR practices of the industrial parks are mentioned as business diversification, employment opportunities, environmental protection, knowledge & technology transfer, charities, infrastructure, emergency, maintenance of schools, and provision of education materials. Among these external CSR practices most are consistently mentioned in empirical findings. Here are the scholars who identified external CSR in their prior studies; (Scholtes, 2019) believed that IPs can create economic opportunities for the community. It supports the business diversification of external CSR activity explored in a qualitative study. Environmental protection is addressed in depth by scholars of the area as external CSR (Beger & Taskin, 2020); (Nazeefa & Mujeebullah, 2018); (Alam et al., 2010). Other than CSR activity, employment opportunity is one of the establishment objectives of the IPs (Singh, 2018; Mandl, 2009). Like innovating new machines, technology, and work systems; and adapting the existing technology through knowledge and technology transfer (Thacker, 2023). Charities and emergency services are also important external CSR practices explored in the qualitative study. According to (Jansson, 2023) charities and emergency services are also recognized as external CSR.

According to the interviews and FGDs; almost all external CSR activities have a positive relationship with well-being development. The qualitative finding contradicts the prior findings on the relationship between employment opportunity and well-being. As per the respondents' belief, the employment opportunities created and well-being have a relationship but not positive. Empirical findings depict that employment opportunities affect the well-being of the community by reducing unemployment and enhancing the purchasing power of the community (Yodit et al., 2023; Hoffman, 2013). According to (Thacker, 2023), knowledge transfer and well-being have a positive relationship, and the findings also support this. Charity and emergency services have been confirmed to have a positive effect on the livelihood of the community (Jansson, 2023); (Nazlieva, 2021).

As per the findings; the provision of infrastructure doesn't have any positive effect on the well-being of the community. However, the literature purports there is a positive relationship between infrastructure and well-being (Riley & Martin, 2022). Maintenance of school and provision of education materials have a positive effect on the community's well-being through cost reduction, happy-to-go-to-school, enhanced student health, minimized dropouts, reduced stress, better understanding of the situations, etc. Contrary to employment and infrastructure. Hence, the study revealed there is a positive relationship between education material support and school support on the well-being of the community. Whereas no clear-cut relationship was mentioned in prior studies.

CONCLUSIONS, CONTRIBUTIONS, AND LIMITATIONS

The qualitative study findings revealed various currently implementing internal and external CSR practices. These internal and external CSR activities are supported by prior findings. This study identified some internal and external CSR activities that are practicable here but not even considered as CSR activities by prior researchers. These are meal service, transportation, dormitory, education material support, and school maintenance. Moreover, employment opportunity is mentioned as the major CSR activity. However, the finding shows that it doesn't have a significant effect on the community's well-being. Similarly, insurance and infrastructure provisions do not affect the life of the community. Therefore, it is necessary to conduct research

with a large number of sample size and quantitative methods to check the consistency of the qualitative findings. This study will contribute to the knowledge gap in the CSR activities undertaken in the IPs. This results in having a clear CSR catalog for the IPs. As a result, this study will fill the empirical gap of CSR practices (internal CSR and external CSR) in the industrial parks context.

As it is known, most of the businesses in industrial parks are manufacturing and cover the largest share of the nation's manufacturing companies. They are predominantly established targeting to produce export standard products and generate foreign currency. Hence, the effectiveness and success of the manufacturers in the industrial parks result in the growth of the nation's economy. Therefore, the government should give due emphasis to promoting and creating a conducive environment in the industrial parks. Compared with other forms of businesses, it has the potential to significantly benefit the internal and external stakeholders at large. The study has demonstrated the positive effect of CSR practice on the environmental, social, and economic situations of the employees and the host community in and around the IP. In addition, the study might help the policymakers formulate the CSR policy framework by considering those CSR practices that are accustomed to IPs (meal service, dormitory, transportation, saving associations, child awaiting center, etc.), and practitioners have a chance to understand how to improve the CSR activities (i.e., insurance, employment, infrastructure, knowledge and technology transfer, etc.) in their context to influence the employees and existing community livelihood.

The study is limited to qualitative research methodology that allows gathering data from a limited number of respondents and domains i.e., employee and community. In addition, the study only focuses on the industrial parks and they are operating in Ethiopia which might limit the generalizability of the findings. Therefore, the study has suggested multiple lines of research by employing various stakeholders from various locations across the country.

Acknowledgment

The author wants to recognize the best effort of the Bole Lemi, Adama, and Hawassa IPDC employees, EIC representatives, Investors association representatives, and Bule Hora University and Hawassa University, ACoBE staff. Moreover, for all who participated in the data collection process (Interviews and FGDs).

Informed consent

The author has received all the informed consent.

About the Authors

Mesay Ayele: Lecturer in Logistics and Supply Chain Management, Hawassa University, CoBE, Yirgalem, Sidama, Ethiopia

Corresponding Author's Email: aynemahi@gmail.com/mesayethop@gmail.com

Dr. Chalchissa Amante: Asst. Prof. in Management, Ethiopian Civil Service University, Addis Ababa, Ethiopia

REFERENCES

- Adu, M. G. et al., 2021. Effects of Internal CSR on Social Performance: The Employee Perspective.. Sustainability, pp. 1-28.
- Alam, S., Saful, H. & Zakir, H., 2010. Corporate Social Responsibility (CSR) of MNCs in Bangladesh: A case study on GrameenPhone Ltd., s.l.: s.n.
- Beger, G. A. & Taskin, . F. . D., 2020. Corporate Social Responsibility (CSR) in Multinational Companies (MNCs), Small-to-Medium Enterprises . In: The Palgrave Handbook of Corporate Social Responsibility. Switzerland: Springer International Publishing, pp. 1-25.
- Cepheus, C. G., 2020. Ethiopia's Industrial Parks: A Data Pack on recent performance, s.l.: CEPHEUS RESEARCH & ANALYTICS.
- Chih, C. C., Yanxia, W. & kuo-chung, S., 2015. Corporate Social responsibility and Performance: A Study of A Chinese Industrial Development Zone. Journal of Marine Science and Technology, pp. 628-637.
- DAB, D. R. a. T., 2022. s.l.:GIZ Ethiopia Country Office..

- Daniela, A., Paola, P. O. & Mark, G., 2018. Safety and employee health and wellbeing. In: *Wellbeing for Sustainability in the Global Workplace*. s.l.:Routledge, pp. 58-75.
- David, W. et al., 2018. Well-being through learning: a systematic review of learning interventions in the workplace and their impact on well-being. *European Journal of Work and Organizational Psychology*, 27(2), pp. 247-268.
- Davidson, L., 2004. *Corporate Social Responsibility (CSR) Activities of Swedish Multinational Companies (MNCs) Contributing to Economic and Social Development in the Argentinean Society*. s.l.:Linköping University.
- Dežmar Krainz, K., 2015. Enhancing wellbeing of employees through corporate social responsibility context. 12(2), pp. 137-153.
- Ellen, P. S., Webb, D. J. & Mohr, L. A., 2006. Building Corporate Associations: Consumer Attributions for Corporate Socially Responsible Programs. *Journal of the Academy of Marketing Science*, 34(2), pp. 147-157.
- Gachanja, P., Mugenda, O. & Maina, L., 2013. Integrated Corporate Social Responsibility and Community Development in Industrialization: Lessons from the Magana Town Industrial Park in Kenya. *International Journal of Science Commerce and Humanities*, pp. 173-183.
- Gereziher, B. & Shiferaw, Y., 2020. Corporate Social Responsibility Practice of Multinational Companies in Ethiopia: A Case Study of Heineken Brewery S.C. *British Journal of Arts and Humanities*, 2(2), pp. 36-55.
- Gloria, M., Cormac, M., Gianpaolo, T. & Sandra, B. C., 2021. Corporate social responsibility and internal stakeholders' health and well-being in Europe: a systematic descriptive review, Volume 36, Issue 3, June. *Health Promotion International*, 36(3), pp. 861-883.
- Golo, U. & Pondar, K., 2021. Corporate Marketing and the Role of Internal CSR in Employees' life satisfaction: Exploring the relationship between work and non-work domains. *Journal of Business Research*, pp. 664-672.
- Hoffman, J., 2013. *Employment...a pillar of CSR? Perhaps it should be.* New York City(New York): Jeff Hoffman & Associates.
- ILO, 2020. *IMPROVING WORKER WELLBEING IN ETHIOPIA'S GARMENT INDUSTRY THROUGH THE MODEL OF SHARED RESPONSIBILITY*, Switzerland: ILO.
- IPDC, 2020. *IPs' 2020 Budget Year Performance Report*, Addis Ababa: IPDC.
- IPDC, 2024. <https://www.ipdc.gov.et/about/>. [Online]
Available at: <https://www.ipdc.gov.et/about/>
- Iskandar, R. Z. et al., 2020. Corporate social responsibility practice and its effects on community well-being in Southeast Sulawesi, Indonesia. *International Journal of Advanced and Applied Sciences*, 20 January, 7(4), pp. 54-41.
- Iskandar, R. Z., Abd, A. H. & Rahma, Z., 2020. Corporate Social Responsibility practice and its effect on Community wellbeing in South East Sulawesi, Indonesia. *International Journal of Advanced and Applied Science*, 7(4), pp. 54-61..
- Jansson, M., 2023. *Corporate Involvement in Charitable Engagements*. Stockholm: KTH.
- Javier, G. G., Cristina, G. G. & Víctor, R.-P. F., 2020. An Approach to Health and Safety Assessment in Industrial Parks. *Sustainability*, 28 April.12(9).
- JICA, 2015. *White Paper on Development Cooperation 2015*. Tokyo: Ministry of Foreign Affairs, Japan.
- Macassa, G., Francisco, J. & Mcgrath, C., 2017. Corporate Social Responsibility and Population Health. *Health Science Journal*, 11(5), pp. 1-6.
- Maccarone, M., 2020. *Integrate Employee Wellbeing With Learning and Development Training*, s.l.: s.n.
- Mandl, I., 2009. *The Interaction between Local Employment Development & CSR- Contract Reference No. VC/2007/0559*. Viena: Austria Institute for SME Research.
- Moira, M. & Brid, D., 2017. Doing a Thematic Analysis: A Practical, Step-by-Step Guide.. *All Ireland Journal of Teaching and Learning in Higher Education (AIJTLHE)*, October, 8(3), pp. 3351-3364.
- Muhammad, Q. & et.al., &, 2014. Concept of Occupational Health and Safety and Evaluation of Awareness Level among Employees. *World Applied Sciences Journal*, 32(5), pp. 904-909.
- Nazeefa, B. & Mujeebullah, M., 2018. Special Economic Zones and Corporate Social Responsibility. *International Journal of Advanced Research and Development*, pp. 212-217.
- Nazlieva, N., 2021. *Corporate Social Responsibility and Employee Well-Being in Light of the COVID-19 Pandemic*.
- Nikhil, M. S. & Bhavani, M., 2020. Manufacturing Industry and Corporate Social Responsibility on the Society. *International Journal of Research in Engineering, Science and Management*, November.3(11).
- Okros, N. & Virga, D., 2023. Impact of workplace safety on well-being: the mediating role of thriving at work. *Personal Review*, 9 October, 52(7), pp. 1861-1877.
- Phiri, M. M., 2019. *The impact of workplace diversity on employee well-being: Evidence from the South African Marketing Field*. Pretoria: University of Pretoria.
- Riley, C. J. & Martin, S., 2022. *Infrastructure and long-term wellbeing commentary*, Cardiff: Wales Centre for Public Policy.
- Scholtes, P., 2019. *International Guidelines for Industrial Parks*, Geneva: UNIDO.
- Sekaran, U. & Bougie, R., 2016. *Research Methods for Business: A Skill-Building Approach.. 7th Edition ed*. West Sussex.: Wiley & Sons.
- Sime, E. W., Almaz, E. & Mestawot, S., 2021. *Evaluating Economic Impact of Industrial Parks Development Projects in Ethiopia*, Japan: KDI SCHOOL.
- Singh, A., 2018. The Benefit of CSR to the Company and Society. *International Journal of Creative Research Thought (IJCRT)*, pp. 334-338.

Qualitative Study on Corporate Social Responsibility Practice and Wellbeing in Industrial Parks: Evidence from Selected Industrial Parks in Ethiopia

- Susan, H., Timothy, K. & Howard, W., 2012. Why Does Manufacturing Matter? Which Manufacturing Matters? A Policy Framework, s.l.: Metropolitan Policy Program BROOKINGS.
- Thacker, H., 2023. How Corporate Social Responsibility (CSR) can help in achieving sustainable development goal (SDG)9: Industry Innovation and Infrastructure. *The CSR Journal*, pp. 1-4.
- Tracy, S. J., 2019. *Qualitative Research Methods: Collecting Evidence, Crafting Analysis, Communicating Impact*, 2nd Edition. 2nd ed. s.l.:Wiley Blackwell.
- Turcker, D., 2009. Measuring Corporate Social Responsibility: A Scale Development Study. *Journal of Business Ethics*, 85(4), pp. 411-427.
- Umbrella, B., 2023. *The Importance of Work-life Balance for Employee Well-being*, s.l.: s.n.
- Wood, S., 2018. *Work-life balance supports can improve employee well-being*. Liecester, CIPD, pp. 1-6.
- Yin, R. , K., 2018. *Case Study Research and Applications Design and Methods*. 6th ed. California: Sage Publication.
- Yodit, A. M. et al., 2023. The Socio-economic effect of Corporate Social Responsibility on Local Community Development in Southern Ethiopia. *Cogent Business & Management*, 01 February, 10(1), pp. 1-22.