

Socioeconomic Need as a Driver of Corporate Social Responsibility in Ethiopian Mining Sector

Marta G. Bekele*, Mengstu B. Ayele**

Abstract

The purpose of this study is to examine the effects of socioeconomic need on corporate social responsibility (CSR) activity in the Ethiopian mining sector. Explanatory research design and simple regression were used to analyse the data. The data was collected from 222 top-level managers. Using simple regression descriptive and inferential analysis was held. The findings reveal that socioeconomic need has a positive and significant association with the CSR activities of mining companies. The dependent variable, social responsibility activity to the local community is predicted by the independent variable socioeconomic need. The result indicated that the mining sector in Ethiopia contributes to reduce the economic challenges of the local community. They contribute to local community development by meeting the basic needs of people living in poverty. Thus, policymakers need to consider the effort of business organisations in reducing social challenges and help them to plan towards recognising and strategically supporting those companies that realise social responsibility.

Keywords: Corporate Social Responsibility, Socio-Economic Need, Mining Companies

Introduction

Business organisations are expected to bring solutions to many of the twenty-first century's main social and environmental challenges, such as water accessibility, global warming, climate change and affordable health care (Nguyen et al., 2018). They also have many roles that brought impacts to the community: sharing the costs that the society has to pay due to environmental degradation, transfer of technology from international companies to developing countries, environmental protection measures that are done together by corporations and the communities, poverty alleviation in the communities and

human right advocacy (Tamvada, 2020; Shanmuganathan, 2019; Ismail, 2009). Thus business organisations have become integral actors in social development, in which consumers are seen not only as a market but also as a community, in which they should follow the rules that help maintain the socioeconomic order, follow shared values and make no harm to society while pursuing a profit (Adda et al., 2016; Low, 2016). Thus, they become the most powerful institutions on the planet (Goodstein et al., 2015). Hence, business organisations' responsibility to reduce social challenges is considered corporate social responsibility (CSR) (Cox et al., 2019).

CSR is a broad construct that comprises actions aimed at stakeholders and social issues (Piasecki & Gudowski, 2017). The concept encourages business organisations to consider human rights, the community and the environment in which they operate. It also urges business organisations to operate in an ethical and sustainable way. It suggests business companies integrate social and environmental elements with business operations, management and relations with stakeholders (Piasecki & Gudowski, 2017; Adda et al., 2016). Therefore, CSR has become one of the most significant and important concepts of modern management.

An essential development aspect in today's CSR field is understanding the reasons for organisations' engagement in CSR initiatives rather than their CSR works (Simcic et al., 2009). Scholars stated organisations engaged in CSR for various reasons (Rangan & Chase, 2012). Business organisations' reasons for engaging in socially responsible activities are usually explained as drivers of CSR (Haigh, 2015; Galbreath, 2010). CSR drivers can be elucidated as formal and informal institutional pressures (Campbell, 2007; Tolmie & Lehnert, 2019; Deephouse et al., 2016). Formal institutional pressures are rule-

* Training Institute, Ethiopian Civil Service University, Addis Ababa, Ethiopia. Email: gmarti2004@yahoo.com

** Department of Accounting & Finance, Addis Ababa University, School of Commerce, Addis Ababa, Ethiopia.

based and they create and enforce the rule of law through governments via legislation and enforcement (Tolmie & Lehnert, 2019). Informal institutional factors are defined by societal-level norms and values that create implicit CSR (Matten & Moon, 2020). Informal institutions reflect the values and moral concerns found within CSR (Tolmie & Lehnert, 2019). Thus, institutional pressures affect the way in which CSR practices are adopted locally (Blasco, 2010). Institutions are able to adapt to the particular situation and reflect the behaviour of those individuals who participate within them. Formal and informal institutions had contributed to the uptake of CSR of business organisations (Campbell, 2007; Tolmie & Lehnert, 2019; Deephouse et al., 2016). Thus, firms' corporate social decision making depends on both formal and informal institutional pressures as they have unique implications on CSR actions of business organisation (Yin, 2017).

Prior studies including Tilaye (2019); Bimir, (2016); Potluri and Temesgen (2008); Kassa (2018) revealed that Ethiopian business organisations engaged in CSR in a situation where there is a lack of supportive policies, rules and procedures that encourage the practice of CSR. However, there are limitations in prior studies in addressing the reason for companies' engagement in CSR in the country. Therefore, this study is intended to examine why companies engaged in CSR in the Ethiopian mining sector. Thus, this study intends to examine the effect of socioeconomic need on CSR activities in the Ethiopian mining sector. Socioeconomic need is considered a driver of CSR activity. Considering socioeconomic need as a CSR driver in the Ethiopian context is worthwhile since many of the society is living in high poverty lacking basic needs including sufficient health centres, education, infrastructure and clean water to mention some (World Bank, 2004; UNICEF, 2009). Simcic et al. (2009) also revealed socioeconomic needs of a community compel companies to strengthen their social agendas. Thus, the general objective of this study is to examine the effect of socioeconomic needs on CSR activity in local community of mining companies. This study has contribution to the area by identifying the reason of CSR in a given context which indicates how CSR varies across the globe based on the difference in context. The study tries to address one basic research question: 1) does socioeconomic need affect CSR of Ethiopian mining companies?

Literature Review

Drivers of CSR

Corporations undertake CSR from two perspectives: a perspective of business ethics and a perspective of business strategy (Adda et al., 2016). From a business ethics perspective, corporations undertake CSR programmes because they have a strong moral commitment to doing so. However, from a business strategy perspective, corporations undertake CSR programmes because they have a pragmatic interest in doing so (Kapelus, 2002). Moreover, companies engaged in social responsibility for the growing pressure from stakeholders to 'do the right thing' (Nicolaidis, 2017; Mclellan & Banks, 2019). Prior, literature also categorises CSR drivers as internal and external pressures (Marfo et al., 2016; Boskovic, 2018). Internal CSR drivers are organisational values, top management beliefs, competitive advantage and image creation and external drivers are government regulatory framework, international standards and stakeholder engagement to mention some.

CSR leads companies to look beyond their financial stakeholders and become responsive to a wider set of stakeholders (Davis, 1973; Freeman & McVea, 2001, 2001). It prompts business organisations to engage in solving the social problems of the stakeholders (Žukauskas et al., 2018; Hamidu et al., 2016; Loor et al., 2020). CSR is a localised and socially embedded construct and needs to be shaped in terms of the social and cultural value of the society (Amaeshi et al., 2011). Drivers of CSR can vary among countries because of differences in formal and informal institutional pressure. CSR in Africa has been driven and motivated by several factors and actors (Cheruiyot & Onsando, 2016). Muthuri et al. (2012) also argued corporations' motivation to involve in CSR in developing countries could be either because of a strong moral commitment to its stakeholders or because the corporation has a strong pragmatic interest to do so.

In Africa, social needs of the community like poverty alleviation, supporting social programmes, charity, employment opportunities and provision of basic amenities in education, health and infrastructural development drive companies' CSR engagement (Hamidu et al., 2016; Visser, 2009). Muthuri and Gilbert (2011) in their study of companies in Kenya revealed that

CSR is mainly demonstrated as philanthropic activities to fulfil community needs. Jackson et al. (2017) also revealed business organisations in Africa engaged in CSR because of African values that encouraged good social and personal relations. According to Festing (2020), Gajadhur and Nicolaidis (2022) CSR in African countries seems to be influenced by political systems, and religious and cultural values. Ethiopia, as part of the African continent can share almost many of the constructs expressed as drivers of CSR in Africa such as religion, cultural values and socioeconomic priorities of the community. However, because of differences in cultural, social and economic factors in the continent, Ethiopia has its own unique context that needs to be explored in order to give a clear image of CSR drivers in the country.

CSR in Ethiopia

CSR is one of the least explored fields in the country's context. As per the knowledge of the researcher (Tilaye, 2019; Elifneh, 2017; Bimir, 2016; Degie & Kebede, 2019; Potluri & Temesgen, 2008; Kesto, 2017), these are some of the works of literature conducted on CSR in the country, which mainly focused on CSR practices in the area. According to Elifneh (2017) and Demamu (2020), there is no definitive CSR provision or proclamation at a national level but business organisations in the country have a positive outlook towards CSR and are engaged in social responsibilities on a compliance basis (Tilaye, 2019; Degie & Kebede, 2019; Potluri & Temesgen, 2008; Kesto, 2017). In Ethiopia, business organisations operate their activities based on their feeling and interest (Kesto, 2017). The predominant culture of CSR in Ethiopia is one of philanthropy (Demamu, 2020; Deyassa, 2016; Bimir, 2015). Business companies commonly contribute to community development activities, grand projects of the government and relief support in times of natural disasters. There is also a policy gap on the government's part as there are no clearly defined policies and strategies towards encouraging CSR (Apitsa & Milliot, 2021).

The level of understanding of CSR is very minimal in Ethiopia (Elifneh, 2015). The study result of Degie and Kebede (2019) which emphasise CSR initiatives by Multinational Corporation (MNC) Company in a rural village in Ethiopia stated the community benefited through receiving potable water, electric light, roads and modern transportation and health facilities. The study

draws on institutional theory to explain the drivers of CSR in the Ethiopian context. The institutional theory provides a theoretical lens through which researchers can identify and examine influences that promote the survival and legitimacy of organisational practices, including factors such as culture, social environment, regulation, tradition and history (Champion et al., 2014). Institutional theory examines how social, political and economic institutions play a role in legitimising corporate action (Baughn et al., 2006). Institutions can be defined as 'formal and informal enduring constraints that structure the economic, political and social relationships between a business and its environment' (Amaeshi et al., 2014, p. 8). Applying institutional theory would offer explanations as to how and why CSR changes across and within countries (Brammer et al., 2012).

Socio-Economic Needs

Socio-economic needs in most developing countries are social needs of the community including poverty alleviation, supporting social programmes, the introduction of employment opportunities, provision of basic amenities in education, health and infrastructural development, etc. are considered major CSR drivers (Hamidu, 2016). This is in contrast to CSR initiatives from a Western perspective which focus on issues that are for efficiency in competition and environmental protection. Their initiatives are programmes like investing in advancements and new technologies in green and renewable energy sources, environmentally friendly investments, climate change programmes, consumer protection and introduction of international standards for operationalising CSR at an expected level and stated avenues or programmes.

In Western countries, stakeholders prefer paying attention to ethical consumerism than solving socio-economic needs because their socio-economic needs are to a large extent taken care-off by the government (Hamidu et al., 2016). He further argued that the fulfilled need of the society leads to social cohesion and economic prosperity of the society and it is finally translated as socio-economic development of the society. It is therefore a part of the manager's responsibility to choose those identified needs of the society where they operate which are priorities of the society to achieve development (Hamidu, 2016). Visser (2014) also revealed that social responsibility in

Africa is a fundamental issue aimed at addressing the most pressing socioeconomic need of the society. Thus, African business organisations started incorporating policies on CSR for the exercise of CSR (Ehie, 2016) and to create an enabling environment (Phillips, 2014).

Laurinavicius et al. (2013) revealed the activities of CSR of organisations ensure socioeconomic justice of the society. According to the authors, CSR is an assurance of every organisation encounters the needs and welfare of society. It takes accountability for the influence of their happenings on all stakeholders (Guha, 2019). Socially responsible organisations are beneficial to society's socioeconomic development: creating new workplaces, improving working conditions, paying fair wages, developing scientific and technological innovations and others. Business regulates their activities within society and in reply, society expects business to prove responsibility for aspects of their activities (Karlait, 2014).

CSR can be used to meet the socioeconomic problems of people living in poverty and to fulfil the basic needs of the communities. CSR initiatives need to be designed in line with the context and realities of developing nations (Degie & Kebede, 2019). The development of CSR should be strongly influenced by relevant cultural, social, political and economic factors specific to a particular country and thus subject to cultural adaptation (Robertson, 2009). Therefore, considering the socioeconomic need of society as a driver for CSR practice helps corporate to get legitimacy and loyalty from society. Companies intend to solve the socioeconomic needs of society in order to gain more reputation or create a good image for the organisation as image creation for a business company increase in goodwill value and profitability rate (Hamidu et al., 2016). Corporations need to secure greater social legitimacy (Matten & Moon, 2020).

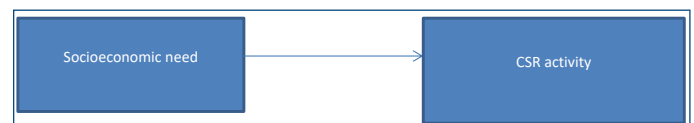
Ethiopia is rated the poorest and most heavily indebted country in the world, ranked last out of 208 countries (World Bank, 2004). About 26% of the population of the country, mostly women and rural residents, are living with an income of less than one dollar a day (UNICEF, 2009). In terms of health and welfare, it ranks among Africa's and the world's poorest nations and is characterised by a high poverty rate, low-income levels, low education levels, poor access to health services, insufficient access to clean

water and insufficient healthcare facilities (Mohajan, 2013). Rural poverty is the most critical welfare and development issue in the country. Large proportions of rural households in Ethiopia are poor, and cannot meet their basic need (Amare, 2002).

Moreover, the majority of the Ethiopian population belongs to the lower class, living in small villages or sprawling urban settlements surrounding cities. Roughly 80% of Ethiopians live rurally; the capital city is the only urban area with over a million people. A sizable 'middle class' exists in cities. Accordingly, the responsible action of a corporation to reduce the socioeconomic condition of the society is an essential aspect in Ethiopia. Since government alone can't solve the widespread societal challenges. Thus, the responsible operation of firms is basic for social and economic development in Ethiopia. The value and contribution of business organisations are vital in attaining the growth and development of society (Bimir, 2015). (Bimir, 2015; Deyassa, 2016) also affirmed firms in Ethiopia need to adopt a socially responsible business practice in order to reduce the social, economic and environmental challenges of society.

Hypothesis 1: Socioeconomic need is positively and strongly associated with CSR activity of Ethiopian mining companies.

Conceptual Framework



Research Methodology

This study adopted a linear regression method to examine the relationship between a dependent variable Y (socioeconomic priority) and the independent variable X (CSR activity to the local community). Regression analysis is used in this study as it explains the relationship between dependent and independent variables and helps to predict the outcomes and changes in dependent variables based on the relationships between dependent and independent variables (Ali & Younas, 2021). The target population of this study was a management team of 25 mining companies operating in Ethiopia.

Target Population

The target population of this study is mining companies. The mining sector is selected in this study since it is a major economic activity in most developing countries particularly in rural sub-Saharan Africa (Mwakesi et al., 2021) but the sector leads to some adverse effects on the environment and is a key issue in debates about social and environmental responsibility (Jenkins & Yakovleva, 2006). They further noted that many of the environmental disasters or human rights incidents that have contributed to the growing public concern about CSR over the last 40 years took place in the mining industries. The mining sector is potentially significant negative social and environmental impacts. CSR is about balancing the diverse effect on the community and environment and the mining context requires a commitment to continuous environmental and socioeconomic improvement (Jenkins & Yakovleva, 2006). Roads, electric power from the national grid and telecommunication infrastructures have been developed and/or upgraded due to the development of Gold, tantalum, salt and other major mining projects in different parts of Ethiopia (Ministry of Mines and Energy, 2009). Data was analysed using SPSS version 22.00.

Sampling and Sample Size

Purposive sampling was used in this study. Purposive sampling is a judgmental sampling since it involves the researcher making a decision about who or what study units will be involved in the study. The researchers uses a priori knowledge to determine who or which study units are the most appropriate for inclusion in the study based on the potential study units, knowledge bases or closeness of fit criteria associated with the study's focus (Jennings, 2001). From purposive sampling census sampling will be utilised. The sample size of this study was determined by considering the top-level managers of each mining company. Top management was selected as they are entitled to involve in strategic issues including CSR. The number of top-level managers in each mining company is ten on average. Therefore, the sample size for 22 mining companies is 250 respondents.

Measurement and Data Analysis

Measurement tools developed by (Turker, 2009) were utilised to measure CSR activity in the local community. It

is measured using items on a seven-point Likert scale that ranged from 1 (strongly disagree) to 7 (strongly agree). The independent variable, the socioeconomic needs of the community is measured using three items developed by (Schölmerich, 2013). Data was collected through survey questionnaires.

Research Findings

Demographic Profiles of Respondents

Table 1: Demographic Profiles of the Respondents

Demographic	Item	Frequency	Percent
Gender	Male	193	86.9
	Female	29	13.1
Age	25-35	36	16.2
	35-50	106	47.7
	50 and above	80	36
Educational level	High school	2	.9
	First degree	93	41.9
	Second degree & above	127	57.2
Years of service	1-5 years	48	21.6
	5-15 years	98	44.1
	15 and above	76	34.2
Firm size	Big	167	75.2
	Small	55	24.8
Industry type	Gold	32	14.4
	Cement	99	44.6
	Gas & Oil	21	9.5
	Salt production	17	7.7
	Other mining	53	23.9

Source: SPSS result 2022.

The information in the table revealed that the majority (86.9%) of respondents are male, (47.7%) aged between 35 and 50 (57.2%) having second degree & above. Regarding years of service and industry type; a majority (44.1%) of the respondents have 5–15 years of service and the majority (44.6%) of the respondents are from cement production but as indicated in the table data was collected from all the five subsectors (gold, cement, gas and oil, salt production and other mining). Regarding firm size majority (75.2%) of the respondents is from large firms. As the data response indicated the majority of the respondents have better educational backgrounds, longer work experience in the sector and are in the maturity age. Thus, it is possible to conclude that the respondents

can understand the questions and identify the reason for their companies' engagement in CSR activities using the measurement parameters.

Reliability

Reliability measures the consistency between items of variable (Taherdoost, 2017; Drost, 2004). The reliability of the measurement procedures can be defined as a measure of stability or consistency. Cronbach's alpha is used to obtain the reliability of the instruments.

Cronbach's alpha of 0.7 or above is good for instruments (Chan & Idris, 2017). The Cronbach's alpha coefficient for the socioeconomic needs is 0.932, which is above the threshold of 0.7 and indicated the reliability of measures. Moreover, Cronbach's alpha coefficient of CSR activities in the community is 0.838, which is also greater than the threshold of 0.7. Thus, the measures of the dependent variable (CSR to community) and independent variable socioeconomic need exhibit greater than the cut-off point of 0.7 and indicate their reliability which tells their consideration for further analysis.

Correlation and Regression Result

Table 2: Pearson Correlation of Variable Items

		Correlations					
		SE1	SE2	SE3	CSRCO1	CSRCO2	CSRCO3
SE1	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	222					
SE2	Pearson Correlation	.344**	1				
	Sig. (2-tailed)	.000					
	N	222	222				
SE3	Pearson Correlation	.371**	.456**	1			
	Sig. (2-tailed)	.000	.000				
	N	222	222	222			
CSRCO1	Pearson Correlation	.361**	.254**	.236**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	222	222	222	222		
CSRCO2	Pearson Correlation	.363**	.351**	.276**	.491**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	222	222	222	222	222	
CSRCO3	Pearson Correlation	.409**	.399**	.345**	.512**	.425**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	222	222	222	222	222	222

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

Source: SPSS result, 2022.

Table 2 above indicates the Pearson correlation. A Pearson correlation examined the relationship between independent (socioeconomic need) and dependent (CSR

activity to the local community). The relationship was positive, moderate in strength and statistically significant (p-value = .01).

Table 3: Summary of Results

Hypothesis	Hypothesis Description	Regression Weight	Beta Coefficient (B)	R ²	F-Value	P-Value	Hypothesis Decision
H1	SE → CSRCO	.388	.442	.195	53.30	.000	Supported

Table 3 indicated a summary of the results. The regression weight indicated 0.388 while the beta coefficient (β) shows 0.442. The coefficient β is the regression coefficient and denotes the estimated increase in the dependent variable for every unit increase in the independent variable (Ali & Younas, 2021). The value of R^2 is 0.195 while the value for adjusted R square is 0.191, they have almost similar values, and R square value is considered for this analysis. $R^2=0.195$, if we change the value to percentage it shows 19.5% which tells 19.5% of CSR activity in the local community is explained by socioeconomic need. The F value is 53.30. Regarding significance (p-value), $p=.000$. It indicated the relationship between the dependent and independent variables. Thus, the relationship between the two variables is significant at .000. The result also indicates there is a positive association between the dependent and independent variables. The p-value indicated there is a positive and significant relationship between socioeconomic need and CSR in the local community supporting the hypothesis suggested in the literature review part.

Overall, the regression result indicated that socioeconomic needs significantly predicted CSR activity in the local community and they have a positive relationship. The significant p-value indicated that the independent variable (socioeconomic need) is a good predictor of CSR activity in the local community. Thus linear regression helps in predicting the value of a dependent variable from the independent variable. The result supported the suggested hypothesis: socioeconomic need is positively associated with CSR activity.

Discussion

This study sought to investigate the effect of socioeconomic need on CSR activity in the local community in the Ethiopian mining sector. In this study, a simple regression method was employed to predict the value of a dependent variable (CSR activity to the local community) based on the independent variable (socioeconomic need). Regression results revealed that socioeconomic need had a positive and significant effect on CSR activities in the local community of mining companies ($p\text{-value}=0.000$). The dependent variable predicts a value of 19.5%. The finding was consistent with previous studies (Ngowi, 2015; Wijerathna & Gajanayake, 2012; Anstatt et al., 2016; Verma et al., 2007; Axelfelt et al., 2014). In a context

where the government has limitations in addressing basic community needs such as the provision of clean water, road construction, health care building and school building and so on the role of business companies is vital to address the economic need of the community. As community challenges drive mining companies to engage in CSR activities (Hamidu et al., 2016). In Africa corporations' voluntary contribution to sustainable development with the absence of an existing legal framework that obliges CSR activities (Wilson et al., 2021). In Ethiopia, mining companies are play a governmental role in fulfilling local community challenges by spending a lot of money to address community needs as the fulfilled need of the society leads to the socioeconomic development of the society (Hamidu et al., 2016).

Performing CSR at the required level has dual benefits. On the one side, it helps to address community challenges that lead to an improved lifestyle. On the other hand, it helps business companies to achieve reputation, community protection, a sense of belongingness and building ownership. Specifically, for mining companies that operate in a quarry site in a remote area and difficult for the government to take care of all the cities, the protection of the local community becomes essential. Security is a vital issue in the mining sector these days. Companies have the risk of being harmed as a result of various internal conflicts. According to Khafaga and Albagoury (2022), Ethiopia suffers from a high degree of political instability since 2004. Political instability situation associated with electoral processes, inter-ethnic and communal conflict, civilian protests and unrest and ethnic communal conflicts continuously is a threat in Ethiopia. Thus, the company's concern and responsible behaviour can create a good image and sense of belongingness on the side of the local community which initiate the local community to safeguard the companies during disasters.

Conclusion

Understanding the function of the economic system of a specific context help to realise the driver of CSR in a given context (Hee et al., 2013). The study result adds new insights into the literature and proposed research direction for future study. The study results indicated a positive and significant association between the independent variable (socioeconomic need) and dependent variable (CSR activities of mining companies)

supporting the suggested hypothesis. Even though there is no national law and follow-up from the government the mining sector contributes to reducing the economic challenges of the local community and struggles to bring community development. They contributed willingly to reducing the socioeconomic problems of the community since they consider their company as a responsible citizen. Mining companies are dedicatedly working to fulfil the socioeconomic need of the local community such as road construction, health centre building, school building, provision of clean water and many community needs. They also benefit from their contribution by building a sense of belongingness and ownership in the local community.

In general, by examining the effect of socioeconomic needs on CSR activity in the local community, the current study opened new insights for scholars in developing countries, particularly in Ethiopia. Examining the socioeconomic need of the community in Africa, particularly in Ethiopia, where many suffer from economic challenges, is vital to come up with different conclusions from developed nations (Soares et al., 2020; El et al., 2016; Meaza, 2017).

Practical Implication

The result of the study has practical implications for policymakers, corporate managers, the community and researchers in the area. Policymakers may get a good insight into considering the voluntary contribution of business companies to reduce the socioeconomic challenges of the local community. Regulatory bodies need to consider the effort of business organisations to reduce social challenges and help them to plan towards recognising and strategically supporting those companies that fulfil social responsibility through looking for various options such as tax reliefs for those companies working for the benefit of the local community in their policy-making process. Ethiopia hasn't developed a full flagged policy framework for CSR at a national level. Therefore, the finding of the study might provide good input in reframing CSR concepts and models contextually. The result also has good implication for corporate managers to emphasise their CSR activity and gives more attention to sustaining their CSR activities.

Limitation of the Study

In this study, some limitation was identified. First, the study examines the socioeconomic need of the community and did not include organisational factors such as leadership, and organisational culture that might have an effect on the company's CSR activities. Therefore, this study encourages future researchers to include organisational factors that possibly drive companies to engage in CSR activities. Second, this study has not included other institutional drivers such as culture and political systems. Thus, future researchers are advised to include those dimensions that possibly drive companies to engage in CSR activities.

Directions for Future Research

Future research will complement the findings by examining the proposed relationship in diverse samples in terms of sector, national settings or socio-cultural backgrounds to generalise the result to other institutional settings. Hence, a comparative study between developing countries, particularly, Sub-Saharan African countries, may complement these study findings or test the application of the proposed model since including different countries in the sample would improve or validate the findings of this study.

Second, in addition to testing the proposed model and verification of findings; future research shall explore organisational CSR drivers such as leadership, and organisational culture that might have an effect on the company's CSR activities. Third, future studies might incorporate other sectors than mining such as manufacturing.

References

- Adda, G., Azigwe, B., & Awuni, A. (2016). Business ethics and corporate social responsibility for business success and growth. *European Journal of Business and Innovation Research*, 4(6), 26-42. Retrieved from <https://www.eajournals.org/wp-content/uploads/Business-ethics-and-corporate-social-responsibility-for-business-success-and-growth.pdf>
- Ali, P., & Younas, A. (2021). *Understanding and interpreting regression analysis*. doi:<http://dx.doi.org/10.1136/ebnurs-2021-103425>

- Amaeshi, K. M., Adi, A. B. C., Ogbechie, C., & Amao, O. (2011). Corporate social responsibility in Nigeria: Western mimicry or indigenous influences? *SSRN Electronic Journal*, 1-21. doi:<https://doi.org/10.2139/ssrn.896500>
- Apitsa, S. M., & Milliot, E. (2021). Doing business in Africa. *Palgrave Studies of Internationalization in Emerging Markets*. doi:10.1007/978-3-030-50739-8
- Blasco, M., & Zølner, M. (2008). Corporate social responsibility in Mexico and France. *Business & Society*, 49(2), 216-251. doi:10.1177/0007650307309434
- Bimir, M. N. (2015). *Corporate social responsibility learning in the Ethiopian leather and footwear industry*.
- Boskovic, A. (2018). *What really drives corporate social responsibility?* doi:<https://doi.org/10.7595/management.fon.2017.0018>
- Brammer, S., Jackson, G., & Matten, D. (2012). Corporate social responsibility and institutional theory: New perspectives on private governance. *Socio-Economic Review*, 10, 3-28. doi:<https://doi.org/10.1093/ser/mwr030>
- Campbell. (2007a). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review*, 32(3), 946-967. doi:<https://doi.org/10.2307/20159343>
- Cheruiyot, T. K., & Onsando, P. (2016). Corporate social responsibility in Africa: Context, paradoxes, stakeholder orientations, contestations and reflections.
- Cox, J., Jha, A., & Cox, J. (2019). Corporate social responsibility and social capital. *Journal of Banking Finance*, 60, 252-270. doi:<https://doi.org/10.1016/j.jbankfin.2015.08.003>
- Davis, K. (1973). The case for and against business assumption of social responsibilities. *Academy of Management Journal*, 16(2), 312-322. doi:<https://doi.org/10.5465/255331>
- Deephouse, D. L., Newburry, W., & Soleimani, A. (2016). The effects of institutional development and national culture on cross-national differences in corporate reputation. *Journal of World Business*, 51(3), 463-473. doi:<https://doi.org/10.1016/j.jwb.2015.12.005>
- Degie, B., & Kebede, W. (2019). Corporate social responsibility and its prospect for community development in Ethiopia. *International Social Work*, 62(1), 376-389. doi:[doi:doi.org/10.1177/0020872817731148](https://doi.org/10.1177/0020872817731148)
- Demamu, A. Y. (2020). Towards effective models and enforcement of corporate social responsibility in Ethiopia. *Mizan Law Review*, 14(2), 276-309. Retrieved from <https://www.ajol.info/index.php/mlr/article/view/203638>
- Deyassa, K. (2016). CSR from Ethiopian perspective. *International Journal of Scientific & Technology Research*, 5(4), 299-328. Retrieved from www.ijstr.org
- Ehie, I. C., & Hall, C. (2016). Examining the corporate social responsibility orientation in developing countries: An empirical investigation of the Carroll's CSR pyramid. *International Journal of Business Governance and Ethics*, 11(1). Retrieved from <https://doi.org/10.1504/IJBGE.2016.076337>
- Elifneh, Y. W. (2017). *Adoption of corporate social responsibility in the least developed countries comparative case studies research in the Ethiopian brewery sector*. Center for Economic Research. Retrieved from <https://econpapers.repec.org/RePEc:tiu:tiutis:b57b7d24-095c-42da-aa87-27517b8bf7d0>
- Festing, M. (2020). Human resource management in Dubai – A national business system. *International Journal of Human Resource*, 31(14), 1863-1890. Doi.org/10.1080/09585192.2017.1423366.
- Freeman, R. E. (2001). A stakeholder approach to strategic management Darden Graduate School of Business Administration University of Virginia working paper No . 01-02 a stakeholder approach to strategic management. doi:<https://doi.org/10.2139/ssrn.263511>
- Low, M. P. (2016). Corporate social responsibility and the evolution of internal corporate social responsibility in 21st century. *Asian Journal of Social Sciences and Management Studies*, 3(1), 56-74. doi:<https://doi.org/10.20448/journal.500/2016.3.1/500.1.56.74>
- Gajadhur, B. R., & Nicolaidis, A. (2022). A reflection on corporate social responsibility in Africa contrasted with the UAE and some Asian Nations. *Athens Journal of Law*, 8(2), 157-172. doi:10.30958/ajl.8-2-4
- Galbreath, J. (2010). Drivers of corporate social responsibility: The role of formal strategic planning and firm culture. *British Journal*

- Management, 21, 511-525. doi:<https://doi.org/10.1111/j.1467-8551.2009.00633.x>
- Goodstein, D., & Andrew C. (2007). Corporate and stakeholder responsibility: Making business ethics a two-way conversation. *Business Ethics Quarterly*, 17, (3), 375-398. Retrieved from https://econpapers.repec.org/RePEc:cup:buetqu:v:17:y:2007:i:03:p:375-398_00
- Guha, S. (2019). Socio-economic impact of corporate social responsibility: A Review. *International Journal of Scientific Research and Review*, 8(5), 1293-1305.
- Haigh, M. M. (2015). The drivers of corporate social responsibility: A critical review. *Business Review (Federal Reserve Bank of Philadelphia)*, 5(2). Retrieved from https://www.researchgate.net/publication/313159226_The_drivers_of_corporate_social_responsibility_a_critical_review
- Hamidu, A. A. (2016). Exploring the drivers and nature of corporate social responsibility practice from an African perspective. *International Review of Management and Marketing*, 6(4), 696-703.
- Kassa, F. (2018). The status of corporate social responsibility in Ethiopia. *Ethiopian Journal of Business Management and Economics*, 1(1). Retrieved from <https://core.ac.uk/download/pdf/199937722.pdf>
- Kapelus, P. (2002). Mining, corporate social responsibility and the “community”: The case of Rio Tinto, Richards Bay Minerals and the Mbonambi. *Journal of Business Ethics*, 39(3), 275-296. doi:<https://doi.org/10.1023/A:1016570929359>
- Karlait, D. (2014). *Impact of responsible organizations to ensure socio-economic justice*.
- Loor, I., Gonz, F., Cruz, S., & Mero, N. M. (2020). Study of corporate sustainability dimensions in the cooperatives of Ecuador. *Sustainability*, 12(2). doi:<https://doi.org/10.3390/su12020462>
- Marfo, E. O., Chen, L., Xuhua, H., & Benjamin, G. (2016). The antecedents of corporate social responsibility for extractive industries in the governance systems in Africa. *International Journal of Engineering Research in Africa*, 24, 181-194. doi:<https://doi.org/10.4028/www.scientific.net/jera.24.181>
- Matten, D., Moon, J. (2020). Reflections on the 2018 decade award: The meaning and dynamics of corporate social responsibility. *The Academy of Management Review*, 45(1), 7-28. doi:10.5465/amr.2019.0348; Retrieved from <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC183181/>
- Mining Operations Council of Ministers Regulation Ethiopia, 423. (2018). Retrieved from <https://www.scribd.com/document/488978715/Mining-Regulation-423-2018-1-pdf>
- Mclennan, S., & Banks, G. (2019). Reversing the lens: Why corporate social responsibility is not community development. *Corporate Social Responsibility and Environmental Management*, 30(4), 117-126. doi:<https://doi.org/10.1002/csr.1664>
- Mirvis, P., & Googins, B. (2018). Engaging employees as social innovators. *California Management Review*, 60(4), 25-50. doi:10.1177/0008125618779062
- Mohajan, H. K. (2013b). Ethiopia: A socio-economic study. *Journal of Business Management and Administration*, 1(5), 59-74.
- Moon, J. (2002). The social responsibility of business and new governance. *Government and Opposition*, 37(3), 385-408. doi:10.1111/1477-7053.00106
- Moon, J. (2007). The contribution of corporate social responsibility to sustainable development. *Sustainable Development*, 15(5), 296-306. doi:10.1002/sd.346
- Moon, J., & Vallentin, S. (2020). Tax avoidance and corporate irresponsibility: CSR as problem or solution. *FIRE Journal: UCPH Fiscal Relations Law Journal*, (2). Retrieved from https://www.djoef-forlag.dk/publications/fire/files/2020/2020-2/2_0025-0_CSR-tax.pdf
- Montiel, J. (2019). *Should CSR be mandatory, voluntary or both?* doi:<https://doi.org/10.13140/RG.2.2.34532.42887>
- Muthuri, J. N., Moon, J., Idemudia, U. (2012). Corporate innovation and sustainable community development in developing countries. *Business & Society*, 51(3), 355-381. doi:<https://doi.org/10.1177/0007650312446441>
- Muthuri, J. N., & Gilbert, V. (2011). An institutional analysis of corporate social responsibility in Kenya. *Journal of Business Ethics*, 98(3), 467-483. doi:<https://doi.org/10.1007/s10551-010-0588-9>
- Mwakesi, I. W., Wahome, R. G., & Ichang’i, D. W. (2021). Impact of mining on environment: A case study of taita taveta county, Kenya. *African Journal of Environmental Science and Technology*, 15(5), 202-213. doi:<https://doi.org/10.5897/AJEST2020.2926>
- Nybakk, E., & Panwar, R. (2014). Understanding instrumental motivations for social responsibility

- engagement in a micro-firm context. *Business Ethics a European Review*, 24(1). doi:<https://doi.org/10.1111/beer.12064>
- Nicolaides, A. (2017). Promoting ethical corporate social responsibility in the events industry. *African Journal of Hospitality, Tourism and Leisure*, 6(1), 1-11.
- Schölmerich, M. J. (2012). On the impact of corporate social responsibility on poverty in Cambodia in the light of Sen's capability approach. *Asian Journal of Business Ethics*, 2(1), 1-33. doi:[10.1007/s13520-012-0016-6](https://doi.org/10.1007/s13520-012-0016-6)
- Simcic, P., Vidaver-cohen, D., Brenn, P. S., & Cohen, D. V. (2009). Corporate motives for social initiative: Legitimacy, sustainability, or the bottom. *Journal of Business Ethics*, 87, 91-109. doi:<https://doi.org/10.1007/s10551-008-9795-z>
- Shanmuganathan, S. (2019). An international perspective on corporate social responsibility and its role in community development. *International Journal of Recent Technology and Engineering*, 8(3 Special Issue), 392-398. doi:<https://doi.org/10.35940/ijrte.C1084.1083S19>
- Piasecki, R., & Gudowski, J. (2017). Corporate social responsibility: The challenges and constraints. *Comparative Economic Research*, 20(4), 143-157. doi:<https://doi.org/10.1515/cer-2017-0032>
- Phillips, F. (2014). Turning point: Corporate social responsibility in an African Context. *Journal of Corporate Citizenship*, 2006(24), 23-27. doi:<https://doi.org/10.9774/gleaf.4700.2006.wi.00005>
- Potluri, R., & Temesgen, Z. (2008). Corporate social responsibility: An attitude of Ethiopian corporate. *Social Responsibility Journal*, 4(4), 456-463. doi:[10.1108/17471110810909867](https://doi.org/10.1108/17471110810909867)
- Rangan, K., & Chase, L. A. (2012). *Why every company needs a CSR strategy and how to build it*. Retrieved from <https://www.hbs.edu/ris/Publication%20Files/12-088.pdf>
- Robertson, D. C. (2009). Corporate social responsibility and different stages of economic development: Singapore, Turkey, and Ethiopia. *Journal of Business Ethics*, 88. doi:<https://doi.org/10.1007/s10551-009-0311-x>
- Tamvada, M. (2020). Corporate social responsibility and accountability: A new theoretical foundation for regulating CSR. *International Journal of Corporate Social Responsibility*, 5(1). doi:<https://doi.org/10.1186/s40991-019-0045-8>
- Tilaye, S. (2019). The current practice of corporate social responsibility in Ethiopia. *International Journal of Social Work*, 6(2), 45-68. doi:<https://doi.org/10.5296/ijsw.v6i2.15567>
- Tolmie, C. R., & Lehnert, K. (2019, July). *Formal and informal institutional pressures on corporate social responsibility: A cross-country analysis* (pp. 1-17). doi:<https://doi.org/10.1002/csr.1844>
- Visser, W. (2009a). Corporate social responsibility in developing countries. *The Oxford Handbook of Corporate Social Responsibility*, 1-30. doi:<https://doi.org/10.1093/oxfordhb/9780199211593.003.0021>
- Yin, J. (2017). *Institutional drivers for corporate social responsibility in an emerging economy: A mixed-method study of Chinese business executives*. doi:<https://doi.org/10.1177/0007650315592856>
- Wilson, D, Tian, G., Peki, G., Addo, M., Sarkodie, P., & Kwame, A. (2021). *Institutional drivers for corporate social responsibility of Ghanaian firms*. doi:<https://doi.org/10.24018/ejbm.2021.6.1.731>

Annexes

Annex 1

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.442 ^a	.195	.191	1.19903

a. Predictors: (Constant), SE

b. Dependent Variable: CSRCO

Annex 2

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	76.629	1	76.629	53.300	.000 ^b
	Residual	316.288	220	1.438		
	Total	392.917	221			

a. Dependent Variable: CSRCO

b. Predictors: (Constant), SE

Annex 3

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.854	.278		10.258	.000	2.306	3.402
	SE	.388	.053	.442	7.301	.000	.283	.493

a. Dependent Variable: CSRCO