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DEPARTMENT OF GENERAL MBA

EFFECT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE ON EMPLOYEE SATISFACTION IN ETHIO TELECOM

BY; HANA DIRES TAREKEGN

JUNE 2020, SMU

ADDIS ABABA, ETHIOPIA

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ADVISOR; TAYE AMOGNE (PhD)

A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN GENERAL MANAGMENT

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APPROVED BY BOARD OF EXAMINERS

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DECLARATION

I, the undersigned, declare that this work titled "Effect of corporate social responsibility on employee satisfaction in Ethio Telecom Company" in my own effort and study. I have produced it independently except with the guidance and suggestion of the advisor Taye Amogne (PhD) and the articles referred. All sources of materials used for the research paper have duly acknowledged. This has not been submitted either in part or full in this university or any other university for the purpose of earning any degree.

Hana Dires

Name_____   Signature_____

ENDORSEMENT

This research project paper titled ""Effect of corporate social responsibility on employee satisfaction in Ethio Telecom Company" has been submitted to St. Mary's University School of Graduate Studies, with my guidance and approval as a university advisor.

Taye Amogne (PhD)

Advisor Signature _____

ACKNOWLEDGMENTS

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LIST OF ACRONYMS

A&PS	Activation and Provisioning Support
AC	Adaptation to Change
ANOVA	Analysis of Variance
CSR	Corporate Social Responsibility
ES	Employee Satisfaction
EU	European Union
HRD & IC	Human Resource Development & Intellectual Capital
HS	Health and Safety
IOJ	Intra Organizational Justice
R&L	Retention and loyalty
SET	Social Exchange Theory
SPSS	Statistical Packages for Social Science
UNIDO	United Nations Industrial Development Organization

LIST OF ABBREVIATIONS

H0   Null Hypothesis

H1   Alternative Hypothesis

ABSTRACT

The purpose of this study is to investigate CSR's effect on employee satisfaction. Four variables are used as the measuring instruments the CSR, Human Resource Development and Intellectual Capital, Health and Safety at work, Intra-organizational justice and Adaptation to Change. The study examined a total sample population of 287, out of nearly 1035 the frontline and back office employees who work in contact center advisor, activation and provisioning support and retention and loyalty section of Ethio Telecom in Addis Ababa. An explanatory research design was applied to explain the effect of CSR on employee's satisfaction. The data for the study was collected from primary and secondary sources and primary data was collected using self-administered questionnaires and interview from the samples and secondary data was collected from books, research journals and articles conducted on CSR and other related titles and unpublished materials of Ethio Telecom. A stratified sampling technique of probability sampling was conducted to select the samples. Descriptive statistics, correlation and regression analysis were used to analyze the study by using SPSS version 20 software. Finding of the study shows that Human Resource Development and Intellectual Capital, Health and Safety at work, Intra-organizational justice and Adaptation to Change were found to be positively and significantly affecting employee satisfaction as they were hypothesized. The results showed that the effect of health and safety at work on employee satisfaction was rather strong. The intra-organizational justice variable, on the other hand, turned out to have a weak effect on employee satisfaction. Moreover, there is positive significant relationship between all the CSR variables and employee satisfaction. Therefore, the study concluded that corporate social responsibility is vital for employee satisfaction. It is recommended that the management executives and formulators of CSR programs in the company should consider the potential influence of these programs on employees and their subsequent behaviors towards them.

CHAPETER ONE

INTRODUCTION

This chapter presents a general background of the study, Objectives of the study as well as statement of the problem. The chapter further describes the scope, significance, limitation and organization of the study.

1.1 Background of the Study

Over the last decade, Corporate Social Responsibility (CSR) has gained much attention and popularity in the business world and the academic research. Numerous driving forces in the global environment have changed the business landscape. Business organizations facing increased competition and are compelled to be as innovative as possible in order to create a competitive strategy (Peng, Fook & Meng 2017).

According to Fontaine (2013) Corporate social responsibility (CSR) is about how businesses align their values and behavior with the expectations and needs of stakeholders not just customers and investors, but also employees, suppliers, communities, regulators, special interest groups and society as a whole. CSR describes a company's commitment to be accountable to its stakeholders. CSR demands that businesses manage the economic, social and environmental impacts of their operations to maximize the benefits and minimize the downsides.

Corporate Social Responsibility (CSR) is a business philosophy that stresses the importance of keeping the best interests of the wider society in mind. CSR is linked with giving back something to the society. It is a process whereby the management of a company practices several moral and ethical initiatives, using codes of conduct to manage the impact of their activities on customers, shareholders, employees and the environment (Singh & Paithankar, 2015).

The goal of CSR implementation is enhancing the quality of life for all stakeholders, without compromising company's profitability. Implementation of CSR can bring benefits to all stakeholders, if CSR activities are sincere and persuasive. Socially responsible companies have better reputation and status in public, which allows company to differentiate itself at market and to find additional way to attract more customers (Milena, 2019).

According to Zaman, (2014) a sudden increase in Corporate Social Responsibility activities made by companies has not been deliberately chosen by companies but it was the market conditions which forced them to adopt Corporate Social Responsibility initiatives in order to compete in the market.

In fact, CSR is not only an instrument to compete in the market, but also a means of gaining the confidence and support of stakeholders. The increase in the organizational commitment and job satisfaction is very natural when the employees observe that their company also works for the social wealth through CSR implementations. Hence, it is possible to create a working environment that fulfills the expectations of both the company and the employees (Arcan, 2014).

CSR is a vital part of any contemporary business strategy. Hence, focusing on CSR can provide companies with both operational efficiency as well as image benefits (Mind, 2017). According to Rahman (2016) CSR create the value that has the power to reconnect businesses and society in a way that ultimately leads to the next wave of global growth. Plus, organizations that show CSR have a better reputation (Asemah, Okpanachi &Edegoh, 2013).

CSR is still in infancy stage in sub-Saharan Africa including Ethiopia. The mainstream initiatives of CSR practice only centering on philanthropic concern. The focus is on environmental aspects, the provision of infrastructure, health and microcredit (Fentaye, 2018). The CSR programs are aimed not only at the external community but also towards internal ones (employees and their families) apart from customers and supply chain. As more and more companies like to provide benefits to their employees for greater productivity and retention, it is unclear if benefits provided to employees could also be considered a part of CSR activity. In most organizations, the CSR efforts are an extension of the philanthropic giving of the owner or decided by the top management but can a group at the top represents and be sensitive to the ambitions of the employees (Doshi, Pradyumana, Srinivasan &Vohra, 2012).

CSR has been often utilized by companies for their personal growth and revenue accumulation. Most companies are viewed using CSR as the cost of implementing it is quite high (Singh & Paithankar, 2015). Generally, companies start to engage in CSR activities in order to respond to a demand of the external stakeholders. They also consider the positive effects of CSR on reputation (Gazzola, 2014). On the other side, the internal groups of stakeholders such as current employees are not considered to be affected by those activities (Halbusi & Tehseen, 2017)

There are theories that can support the relationship between CSR and employees Bruns (2017) cited (Freeman, 1984) explained the difference of traditional or shareholder view of a company, which claims that only the owners' or shareholders' interests are vital, and stakeholder theory claims that management should not only consider the interests of its shareholders in the decision making process, but also the interests of other stakeholders. To be successful, organization must identify the needs and interests of key stakeholders (Barić, 2017). The Other theory is social exchange theory; it argues that all human connections are shaped by the use of subjective cost-benefit, which is rooted in three vital areas: economics, psychology and sociology (Homans 1958). A basic tenet of social exchange theory is the rule of reciprocity; it applies in the case of CSR (Farooq, 2013)

Many researchers such as (Ezana, 2014); (Sultan, 2016); (Ermias, 2017); (Yordanos, 2017) and (Emebet, 2018) have carried out research studies on corporate social responsibility (CSR) in Ethiopia especially in manufacturing, oil and gas, banking sector and airlines, but few in telecommunication sector and there is need to investigate the relative effect of corporate social responsibility (CSR) on employee satisfaction in telecommunication industry.

 Ezana, (2014) conducted a research with the aim of investigate the stakeholder perception and attitude on CSR in Meta Abo Brewery Share Company. The study examined only the understanding and benefit of CSR in Meta Abo. Other assessment made by (Emebet,2018) on the practice, challenges and benefit of discharging Corporate Social Responsibility in the case of BGI Ethiopia. The other research was made to examine the relationship between CSR and profit and the impact of CSR on Profitability of the selected Oil and Gas distributing Multi-National Companies in Ethiopia by (Sultan, 2016). Since those papers are made on other industry, there is a contextual difference as this paper studies the Ethio Telecom industry.

The other studies were conducted in service provider companies with the purpose of assess the practice of corporate social responsibly in Commercial Bank of Ethiopia and analyze of CSR program implementations of the Ethiopian Airlines made by (Ermias, 2017) and (Yordanos, 2017). It is possible to see that there is a lack of study on the specific issues of the effect of corporate social responsibility on employee satisfaction in Ethiopian. So, this paper can fill the concept gap in CSR literature of Ethiopia by exploring the effect of CSR on employee satisfaction in a service provider industry of Ethiopia by taking Ethio Telecom into consideration. Methodologically they rely more on questionnaires as a tool for data collection and descriptive research design used the paper fills this

gap by using interview and secondary sources which are present from the selected company and explanatory research design to explore relationships between different factors and variables. Therefore, this study adds to the knowledge regarding the effect of CSR practices on employee satisfaction in Ethio Telecom.

Etho Telecom is one of the highly regarded public institutions in our country. It is a company that has a long history of being the sole telecom service provider that has been part and parcel of country's citizen`s everyday activities. Hence Ethio Telecom has been conducting several activities geared towards the betterment of the society through several social, economic and cultural activities in partnership with government and non-government organization through developing CSR policy which specifies how the company will play its role on promoting human's welfare as well as promoting a good corporate citizenship.

Table 1.1 Ethio Telecom Corporate Social Responsibility Practices

External stakeholder support	Internal stakeholder support
Green Economy and Environment	Employee-led Social Project
Digitization	Gender Diversity
Humanitarian Initiative and Community	Innovation
Local Development of the Community (at regional States)	Education and Workshop
Health	
Other sponsorship (sports, culture & international events)	

Source: Corporate Communication Department Research of Ethio Telecom (2013)

CSR practice which are implementing in Ethio Telecom focused on improving employees' and organization performance to maximize customer satisfaction, while employees' satisfaction on the CSR practice of the company, employees' perception, attitude towards CSR and its effect relatively neglected. Therefore, the above gap initiated the researcher to conduct this research.

The aim of this paper will try to investigate the effect of CSR on employee's satisfaction. Hence, many Ethiopian organization start focus on CSR implementing can offer companies with both operational efficiency as well as image benefits. It is expected that this study will essential to the companies those concern about socially responsible concurrently with maximizing their profit.

1.2 Statement of the Problem

The actual practice of CSR in the developing world is not a widespread phenomenon. Even though most of CSR issues are included in the various laws and policies of the country, their implementation is inevitably lagging behind; that may be due to lack of full awareness of the relevant practices and its consequences. Some companies are also reluctant to the implementation of such rules as costs might be a reason for them (Ezana, 2014).

According to Kassa (2018) In Ethiopia, there is no general aversion to the concept of CSR. At the same time the CSR label has been applied to many initiatives and political programs without any effective strategic planning never having taken place. Companies and organizations in Ethiopia understand CSR practices mainly as corporate charity primarily aimed at addressing socio-economic development challenges. In addition, witnessed that there is no close co-operation with local communities, different stakeholder groups and NGOs (Kassaye, 2016).

Corporate social responsibility communicates an organization's underlying values, and has the tendency to make employees feel good about themselves and increase their morale at work, which can also trigger prosaically attitudes towards the firm (Chung & Yang, 2016).Employees play a crucial role in projecting CSR within the firm (Prutina & Šehić, 2016). Studies have revealed a positive link between an employee's satisfaction and CSR (Obeidat, Altheeb& Masa'deh, 2018 and Attia, Wahba & Hussein, nd).

Employee satisfaction is the terminology used to label whether employees are happy, contented and fulfilling their requirements and needs at work. Many measures support that employee satisfaction is an influence in employee motivation, employee goal achievement and positive employee morale in the workplace (Sageer, Rafat & Agarwal 2012).The employees' knowledge and the attitude towards employer's CSR practices are likely to adopt distinctively according to different situation of the economic and social environment, including culture, business system between developed and developing countries (Prutina, 2016).

Now more than ever ethio telecom feels obligated that it should discharge its CSR of working towards the great good and the betterment of the society in concerted manner through participating kidney dialysis charity, blood donation camps, emergency relief effort in natural calamities, in support of the educational material for student etc. (Internal Communication, 2019).

However, according to the researcher observation and experiences the company may not show the same initiation to measure the effects of corporate social responsibility activities such as giving them training so they cope with the changes and survive in the world, creating a good management-employee relations, make the policies which protect the employee rights, provide them safety and health policies so they can feel secure and eliminate the fear of losing their jobs, for the employees welfares through investing in them by provide them other facilities i.e. medical, insurance, transportation, etc. on employees satisfaction and a very little is known about whether or how corporate social responsibility affects employees. So, it needs to investigation that what is the major benefit of CSR in the development of employee satisfaction.

Therefore, the main purpose of this study will try to investigate effect of CSR which selected as independent variables on employee's satisfaction as the dependent variable for the study. Four dimensions are used as the measuring instruments the CSR, HRD and Intellectual Capital (HRD &IC), Health and Safety at work (H &S), Intra-organizational justice (IOJ) and Adaptation to Change (AC).

1.3 Basic Research Question
- ➢ What is the understanding of Ethio Telecom employees towards CSR practice
- ➢ What effect do HRD and IC practices have on Employee Satisfaction in Ethio Telecom?
- ➢ What effect do Health and Safety practice have on Employee Satisfaction in Ethio Telecom
- ➢ What is the relationship between Intra-organizational justices and Employee Satisfaction in Ethio Telecom?
- ➢ What could be the effect of adaptation to change on Employee Satisfaction in Ethio-Telecom

1.4 Objectives of the Study

1.4.1 General Objective of the Study

The general objective of this study is to investigate effect of corporate social responsibility practice on employee satisfaction in Ethio Telecom Company.

1.4.2 Specific Objectives of the Study

The specific objective of the study includes the following:

- ➢ To assess understanding of Ethio Telecom employees on corporate social responsibility
- ➢ To investigate the effect of HRD and IC practice on employee satisfaction
- ➢ To examine the effect of Health and Safety Practices of Ethio Telecom on employee satisfaction
- ➢ To find out the relationship between Intra-organizational justice and employee satisfaction in Ethio Telecom
- ➢ To examine the effect of adaptation to change on employee satisfaction in Ethio-Telecom

1.5 Research Hypothesis

The following hypotheses are formulated to be tested:

H0 1: There is a no relationship between HRD &IC and employee satisfaction.

HA1: There is a positive significant relationship between HRD &IC and employee satisfaction.

H0 2: There is a no relationship between H &S and employee satisfaction

HA: 2 There is a positive significant relationship between H &S and employee satisfaction

H0:3 There is a no relationship between IOJ and employee satisfaction

HA: 3 There is a positive significant relationship between IOJ and employee satisfaction

H0:4 There is a no relationship between AC and employee satisfaction

HA: 4 There is a positive significant relationship between AC and employee satisfaction

1.6. Significance of the Study

The study will help policy makers to use the findings of the study to set guidelines and benchmarks for employee's issue and to determine the kind of coverage any policy or legislation changes that need to be made to have more active participation in CSR from companies. It is also helping the manager to reallocate resources in areas that have greater influence on employee's satisfaction and to create better company policy related to CSR. In addition, it will also serve as a bridge for other researchers who are aspired to make further study about the issue.

1.7. Scope of the Study

The study restricted itself on assesses only the effects of internal corporate social responsibility on employee`s satisfaction by taking HRD and Intellectual Capital Health and Safety at work, Intra-organizational justice and Adaptation to Change as internal CSR but employee`s satisfaction also affected by many others variables.

The scope of the study covers the employees who work in Addis Ababa in customer service division because of time and financial constraint, and size of the company. In addition to that, this study also includes only the frontline and back office employees who work in contact center advisor, activation and provisioning support and retention and loyalty section of Ethio Telecom include all type of gender, position and experience.

1.8. Limitation of the Study

The major limitations of the study were that Ethio Telecom provides its service throughout the country and have branches from big cities to rural village; the study is limited in sampled Ethio Telecom back office and contact center department in Addis Ababa. Therefore, this sample size might not accurately to represent all the employees in service Sector Company. And there are some respondents will not be seriously when answering the questions in the questionnaire. As a result, the data might not have strong relationship between the dependent and independent variables. Furthermore, the contact center employees are very busy people so they may not deal with the questionnaire well and take more time.

1.9 Organization of the Paper

The paper organized in five chapters. The first chapter deals with an introduction to the reader about the thesis work, which composes the general background of the study and the organization ,statement of the problem, the objective of the study, research questions, research hypothesis , significance of the study, and scope and limitation of the study. The second chapter revises inclusive theoretical and empirical literatures related to this study. The third chapter presents the methodology such as research design, population and sampling techniques, types of data, and instruments of data collection, and methods of data analysis that has been used in the study and reliability and validity tests and Ethical considerations has included and chapter four tells about the analysis and interpretation of the data were collected. Finally, the summary findings, the conclusions, and the recommendations are included in chapter five.

CHAPTER TWO

LITERATURE REVIEW

This chapter revises literatures which are related to the subject matter of the study. This part incorporates theoretical literature reviewed related to this research, empirical findings on effect of internal CSR on employee satisfaction and conceptual framework form that taken from the reviewed literatures which discuses concept and definition of CSR, theories related to the CSR, internal CSR, employee's satisfaction and benefit of CSR .

2.1 Theoretical Literature Review

2.1.1 Corporate Social Responsibility

Corporate Social Responsibility (CSR) evolved from its early beginnings in the 1950's. CSR as a concept found its feet more in Europe than in the US. United Nations played a significant role in universal acceptance of the idea of CSR. The topic of corporate responsibility has been captioned under many names, including strategic philanthropy, corporate conscience, corporate citizenship, social performance, sustainable responsible business (Nadaf, 2014).

The period from the 1950's to the present may be considered the modern era in which the concept of corporate social responsibility gained considerable acceptance and broadening of meaning. During this time, the emphasis has moved from little more than a general awareness of social and moral concerns to a period in which specific issues such as product safety, honesty in advertising, employee rights, affirmative action, environmental sustainability, ethical behavior and global CSR have been emphasized (Grigore, 2017).

There are many definitions of CSR or, even, that there is no consensus on an agreed definition. There is truth in the latter statement but only to the extent that few, if any, definitions in the social sciences have consensus. The definition of CSR contains three main components, corporate, a stakeholder and ethical behavior (Hopkins, 2014)

One of the most complete and regularly cited definitions comes from Archie Carroll, who defined CSR as ―The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time‖

Similarly, the European Commission defined CSR as "the responsibility of enterprises for their impacts on society and outlines what an enterprise should do to meet that responsibility (European Commission, 2011).Corporate social responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interaction with their stakeholders (UNIDO, nd).

The concept of corporate social responsibility (CSR) refers to the general belief that modern businesses have a responsibility to society that extends beyond that to the stockholders or investors in the firm. Businesses typically think of their responsibility to the owners. But the CSR concept extends this responsibility to other societal stakeholders as well, which typically includes consumers, employees, the community at large, government, and the natural environment. The CSR concept applies to organizations of all sizes, but discussions tend to focus on large organizations because they tend to be more visible and have more power. And, as many have observed, with power comes responsibility (Kolb, 2018).

CSR as an area of practice is moving toward responsible competition, and the movement of CSR has been through many transitions in its concept and application because of the environmental activism and government regulations, whereas the legal requirements by government are becoming more and more stringent for compliance (Mohtsham, 2012).

Carroll's Four-CSR Dimensions Definition

Economic Responsibilities: refer to the institutions whose orientation is to produce goods and services that society wants and to sell them at fair prices. Prices that society thinks represents the true value of the goods and services delivered which provides business with profits adequate to ensure its continuation and growth and to reward its investors.

Legal Responsibilities: reflect society's view of "codified ethics" which exemplify fundamental notions of fair practices as established by lawmakers. It is the responsibility of business societies to comply with these laws. If businesses do not agree with laws that have been passed or are about to be passed, the society has provided a mechanism by which dissenters can be heard through a political process.

Ethical Responsibilities: it embraces those activities and practices that are expected of or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody the

full scope of norms, standards, and expectations that reflect what consumers, employees, shareholders and the community regard as fair, just and in keeping with the respect for or protection of stakeholders' moral right

Philanthropic responsibilities: these activities are voluntary, guided only by business's desire to engage in social activities that are not mandated, nor required by law, and not generally expected of business in an ethical sense. Nevertheless, the public has an expectation that business will engage in philanthropy and thus this category has become a part of the social contract between business and society. The activities will include corporate giving, product and service donations and volunteerism.

2.1.2 Theories Related to the Corporate Social Responsibility

According to Low (2016) stakeholder and social exchange theories are marks as an important theory to discourse the relation between CSR and employees. They are also applicable in present context in relation to CSR and employees.

2.1.2.1 Stakeholder Theory

Currently, CSR approach has emerged from concentrating on the shareholders to stakeholders due to the credit of the key roles of stakeholders in every organization (Nikolova & Arsic 2017). According to Carroll and Buchholtz (2009) stakeholder is an individual or a group that has one or more of the various kinds of stakes in the organization. Just as stakeholders may be affected by the actions, decisions, policies, or practices of the business firm, these stakeholders also may affect the organization's actions, decisions, policies, or practices. In today's competitive, global business environment, there are many individuals and groups who are business's stakeholders. From the business point of view, there are certain individuals and groups that have legitimacy in the eyes of management. That is, they have a legitimate, direct interest in, or claim on, the operations of the firm. The most obvious of these groups are shareholders, employees, and customers.

Bruns (2017) cited (Freeman, 1984) explained the difference of traditional or shareholder view of a company, which claims that only the owners' or shareholders' interests are vital, and stakeholder theory claims that management should not only consider the interests of its shareholders in the decision making process, but also the interests of other stakeholders.

Stakeholders can be categorized into primary and secondary stakeholder groups. Where primary stakeholders have a direct involvement in the organization and its success and, therefore, are most important, it includes shareholders and investors' employees and managers' customers, local communities, suppliers and other business partners. Secondary stakeholder may be extremely influential as well, especially in affecting reputation and public standing, but their stake in the organization is more indirect, it includes, government and regulators, civic institutions, social pressure groups, media and academic commentators, trade bodies and competitors (Carroll and Buchholtz 2009).

According to Mitnick (1995) cited in (Nikolova & Arsic 2017) the stakeholders are a crucial factor for the achievement of the CSR practices. Without their commitments, knowledge, skills, talent, loyalty, the organization could not achieve its objectives. A feature of CSR is the idea that the business is accountable to the various stakeholders who can be identified and have a claim, either legally mentioned or morally expected, on the business activities that affect them. Stakeholder theory gives emphasis to the accountability of the organization as well as the rights of stakeholders (Fernando &Lawrence 2014). A stakeholder approach has similarly been used to help assess organizational effectiveness (Freeman &Harrison 2010).

Olajid (2014) claimed that understanding and effective managing of stakeholders' as well as their expectations can improve corporate image and competitive advantage. The implication for practice is that business needs to ascertain relevant stakeholders and integrate primary stakeholders' interests into organizational strategic planning. It shows that identification of stakeholders' groups is beneficial to business managers and decision-makers.

Acceptance of a stakeholder perspective identifies the constraints of current CSR approaches, recognizes the need to incorporate effectiveness and equity assessments of CSR impact, and explains key stakeholder districts and the factors that determine their salience (Mason and Simmons 2013). It is a reality that employees have not only economical, but also social and emotional prospects from their companies. Therefore, CSR application can be used as a means of satisfying such prospects. As the requirements of employees are satisfied in such a way, their affective and normative commitments are expected to be higher (Tuzcu 2014)

2.1.2.2 Social Exchange Theory

According to Farooq, Payaud, Merunka & Florence (2013), social exchange theory helps to explain the effects of CSR practices on employees. CSR has the capability to induce social exchange processes between organizations and its members. Therefore, CSR may influence employees' attitudes and behaviors through a social exchange process. A basic tenet of social exchange theory is the rule of reciprocity. The rule of reciprocity applies in the case of CSR, because it implies voluntary actions by the firm to support well-being of employees as well as other stakeholders. Therefore, employees may feel obliged to reciprocate these voluntary investments. CSR invokes both types of reciprocity (exchange) between employees and their organization. In restricted exchanges, two actors grant benefits in a direct (one to one) reciprocity arrangement. The rule of restricted reciprocity should apply in the case of employees-related CSR, because it implies voluntary actions by the firm to support their well-being.

According to Chung & Yang (2016) Social exchange theory has been commonly noted to justify why CSR positively affects employees. The organization provides benefits to its employees beyond its legal and financial obligations (voluntary) and employees feel obliged to pay back these voluntary investments. (Farooq et al., 2013) Consequently, it stimulates direct social exchange relationships between employees and their organization. Blau (1964, p. 93) cited in Wikhamn and Hall (2012) defined a social exchange relationship as involving unspecified obligations in which there are "favors that create diffuse future obligations, not precisely defined ones, and the nature of the return cannot be bargained about but must be left to the discretion of the one who makes it.

Social exchange theory (SET) is one of the theoretical frameworks used in organizational psychology and human resources management to explain the work outcomes resulting from effective interactions between management, supervisors and employees. In organizational behavior settings, where the relationships between individuals have considerable impact on productivity and other work outcomes (Usadọlọ, 2016).In the current competitive business environment, organizations have taken some actions to boost employee innovative behavior through selecting employees with creativity features, engaging employees in the decision-making process, developing criteria for job performance, and providing constructive feedback (Nazir, Qun, Hui & Shafi 2018). Social Exchange Theory argues that an employee views pleasant working conditions as a "gift" from the organization and responds with a "gift" of increased effort, even if effort is not directly rewarded by monetary incentive scheme (Low

& Ong, 2015). SET is that employees are likely to continue the relationship with their employer/manager/owner when they perceive that the relationship is worthwhile for them (Almaaitah, Harada, Sakdan& Almaaitah, 2017)

2.1.3 The Internal Dimensions of CSR

Research in social responsibility has focused on only the external CSR, that is, community development and environmental protection, and literature is lacking in the internal dimension of CSR (Saeed & Arshad 2012). Due to the continuous development of the economy and society, the definitions and meanings of CSR are constantly changing. Many scholars believe that CSR is a multi-dimensional concept related to different corporate stakeholders, including communities, employees, consumers, and the environment. Some of these CSR beneficiaries belong to the corporation's internal stakeholders, while others belong to the corporation's external stakeholders(Yu, JiaJinglu, Tianyuan and Jun 2019).

According to Barić (2017) concept of corporate social responsibility is primarily oriented towards external stakeholders, the organization's management must not neglect the effect of socially responsible activities on the internal stakeholders and their role in the concept. CSR at least covers human rights, labor and employment practices (such as training, diversity, gender equality and employee health and well-being), environmental issues (such as biodiversity, climate change, resource efficiency, life-cycle assessment and pollution prevention), and combating bribery and corruption.(EU, 2011)

Internal corporate social responsibility refers to the responsibilities held on the employers for the well-being of their employees in other words organizations responsibility towards their employees and how organization build excellent relationship between employees and organizations by caring for them. (Junejo, Gohar, Rochwani, & Rubab, 2018). Meanwhile, there is rising attention that direct to the internal stakeholders, specifically the employee, from the field of organizational behavior and human resource management (Aguinis & Glavas 2013).

2.1.4 Employee Satisfaction

Corporate social responsibility efforts has often focused on the perceptions and level of satisfaction of consumers, however as the concept of CSR has grown, businesses have recognized the importance of CSR programs that invest in and take into consideration the values of their Employees (Harris, 2018). Employees are one of the most vital stakeholders of any organization and play a key role in the success or failure of their organization. Since they can be affected by and affect their organizational activities (Mohammad, Abdulhamid and Saleh 2014).

Employee satisfaction is the terminology used to label whether employees are happy, contended and fulfilling their requirements and needs at work. Many measures support that employee satisfaction is an influence in employee motivation, employee goal achievement and positive employee morale in the workplace (Sageer, Rafat & Agarwal 2012).

According to Heathfield, (2019) employee satisfaction, while generally a positive in your organization, can also become a problem if mediocre employees stay because they are satisfied and happy with your work environment. The critical factor with employee satisfaction is that satisfied employees must do the job and make the contributions that the employer needs. If they don't, all that the employer does to provide an environment that satisfies employees is for naught. Employees are more and more conscious of the spreading obligations of firms towards the society, means that employees observe that corporate social responsibility as one of the important issues to be considered by the employers. If cognizance about the issue is enhancing it may be resulted in influences on employees' attitudes and behaviors (Tamm, Eamets &Mõtsmees 2010).

According to Sageer, Rafat & Agarwal (2012) the organization determinants of employee satisfaction play a very important role. The employees spend major part of their time in organization so there are number of organizational variables that control satisfaction of the employees. Everyone from managers, retention agents to HR need to get a handle on employee loyalty and satisfaction –how committed is the workforce to the organization and if workers are really satisfied with the way of things for judging their likelihood to stay with the company. One of the main facets of Human Resource Management is the measurement of employee satisfaction. Every company must make sure that employee satisfaction is high among the workers, which is a precondition for increasing productivity, responsiveness, and quality and customer service.

All in all, companies and top management can encourage their employees by including them in planning, management and evaluation parts; therefore, they can develop internal communication and leadership (Bir and Yapar 2017). The human resources are always considered as the lead resources to take any industry to flourish and enhancement. Hence, the comfort and satisfaction of the employees in any company should be sustained to a high level of quality for them to provide their maximum capacity of production. The comfort and satisfaction of employees can be maintained when the company works on providing all kind of internal and external social responsibilities, which will create a satisfactory environment to work in. (Bader, Sura & Ra'ed 2018). If employees perceive their company as socially responsible, they will show positive behavior towards company and they will be more productive (Milena 2019)

2.1.5 Benefit of Corporate Social Responsibility Practice

Organizations that practice CSR activities take the opportunity of having the following business advantages (Asemah, Okpanachi and Edegoh 2013)

1. Enhanced Brand and Reputation: companies that are socially responsible have boosted brand image and reputation. Consumers are often attracted to brands and companies with good reputations in CSR related issues and can also have benefit from its reputation within the business community by attracting capital and trading partners.

2. Reduction in Operation Costs: The method of adopting the CSR principles motivates managers to reconsider their business practices and to obtain more efficient ways of operating. Some CSR initiatives help to cut operating costs. For example, reducing packaging material or planning the optimum route for delivery trucks not only reduces the environmental impact of a company's operation, but it also reduces.

3. It Discourages Government Regulation: Most of the time government prepare and issue regulation when there are challenges due to the functions of the organizations and the organization has responsible to keep safe and health of the people. when the government full concerned that all organization are active to social responsibility for the community where they operate, the government develops discouraging business regulation that may affect business negatively.

4. It Promotes Long Run Profit: when the company committed to social responsibility for the community during their business operation, it generates more profit in the long run.

5. Recognizes Business Moral Obligations: Organizations be obliged it a duty to provide conveniences to environments where they operate. Thus, those who argue in favor of corporate social responsibility note that it is the organization's moral obligation to help society.

6. Improved Relations with the Investment Community and Better Access to Capital: CSR approach by a company can improve the reputation of the company in the perspective of the investment community, a company's stock market valuation and its capacity to access capital from that community.

7. Enhanced Employee Relations, Productivity and Innovation: "A key potential benefit from CSR initiatives involves establishing the conditions that can contribute to increasing the commitment and motivation of employees to become more innovative and productive. Companies that employ CSR related perspectives and tools tend to be businesses that provide the pre-conditions for increased loyalty and commitment from employees. These conditions can serve to help to recruit employees, retain employees, motivate employees to develop skills and encourage employees to pursue learning to find innovative ways to not only reduce costs, but to also spot and take advantage of new opportunities for maximizing benefits, reduce absenteeism and may also translate into marginally less demands for higher wages."

8. Stronger Relations within Communities through Stakeholder Engagement: To the extent that stakeholder engagement and collaboration involve maintaining an open dialogue, being prepared to form effective partnerships and demonstrating transparency, through measuring, accounting and reporting practices, the relationship between the business and the community in which it operates is likely to be more credible and trustworthy. Companies can use stakeholder engagement to internalize society's needs, hopes, circumstances into their corporate views and decision-making.

2.1.6 CSR Practices of Telecom Industry in Ethiopia

All of national companies and government organizations in Ethiopia have not created their own or used others 'definition of the concept CSR. CSR in Ethiopia is closely linked to philanthropy and sometimes the subjects are not even separated from each other and there is no an increased concept of CSR in Ethiopia, of the need for new management systems, which are more in tune with cultural contexts and traditions.(Kassaye,2016).

Ethio Telecom implement some key CSR activities like green economy and environment, humanitarian initiative and community local development of the community, health, sponsoring sports, culture & international events, innovation, education and workshop, employee-led social project and gender diversity by developing CSR police that specify the company's obligation to all stakeholder.

2.1.7 Internal CSR and Employee Satisfaction

Internal corporate social responsibility involves the human resource policies (in which the total focus is on the employees) and they make the polices that can tell how the career of their employees are develop, giving them training so they cope with the changes and survive in the world, make the policies which protect the employee rights, provide them safety and health policies so they can feel secure and eliminate the fear of losing their jobs. (Junejo, Gohar, Rochwani & Rubab, 2018)

According to Harris (2018) the discussion of Corporate Social Responsibility efforts has often focused on the perceptions and level of satisfaction of consumers, however as the concept of CSR has grown, businesses have recognized the importance of CSR programs that invest in and take into consideration the values of their Employees. Meeting the expectations of society and seeking to provide products or services that are aligned with the values of consumers have been what many corporations seek in hopes to increase brand equity and in turn, sales. CSR efforts, however, do not solely affect the perceptions of consumers, but they also affect, arguably even more so, the perceptions of employees and potential employees within an organization. The increasing of corporate social responsibility (CSR) practices makes it important to determine how they influence different stakeholders such as employees, consumers, investors, suppliers, and the government (Aguinis & Glavas, 2012).

2.2 Empirical Literature Review

Several studies have found that a positive relationship exists between internal corporate social responsibility and employee's satisfaction. An empirical study made by (Obeidat, Altheeb& Masa'deh 2018) investigate the impact of internal corporate social responsibility on job satisfaction in pharmaceutical companies in Jordan, five dimensions were used to measure I-CSR which are working conditions, skills development, work life balance, employment stability and empowerment. According to the finding it has been found that working conditions has a significant impact on job

satisfaction. Health and safety at work is considered as a legal compliance leads to competitive advantage and world class business performance. As for the work life balance, it has been found that work life balance has a remarkable effect in enhancing job satisfaction. Also, it can be noted that empowerment can be useful in enhancing job satisfaction.

Although, (Low & Ong 2015) made investigation on internal CSR practices towards the crucial internal stakeholders, i.e., the employees in aspects such as the pervasiveness of its practices, and how it affects the employee's attitudes and behaviors. The studies result shows the positive impact of the implementation of internal CSR practices that have enhanced employee's job satisfaction and organizational commitment.

Albdour & Altarawneh (2012) also investigate the impact of internal Corporate Social Responsibility (CSR) practices on Employees' Engagement. Specifically, it examines the impacts of five internal CSR practices namely, training and education, human rights, health and safety, work life balance and workplace diversity on the two dimensions of employees' engagement Job Engagement and Organizational Engagement. This analysis showed that only one dimension of internal CSR, namely work life balance as being less adopted compared with the other four dimensions of internal CSR. Although the results of this study highlight the fact that the impact of internal CSR practices on OE was greater as compared with that of JE. This implies that internal CSR practices could predict employees' OE stronger than their JE.

Another study Attia, Wahba & Hussein (nd) they examined the impact of five dimensions of Social Accountability Standards (SA8000) practices on employee satisfaction: Health and safety, unions and bargaining right, discrimination, work life balance and sufficient wage. The finding indicates that Unionization and Discrimination have the Strongest and Most significant Impact on Satisfaction. Similarly, it shows that both the constant and Health and safety variable are negatively associated/correlated with employee satisfaction.

Other study Effect of Corporate Social Responsibility on Job Satisfaction investigated by focusing only on the promotion and working environment as CSR factor of employee satisfaction but it doesn't cover other factors. As the result of the study there is a significant effect CSR on job satisfaction at the two variables and most employees were satisfied with the majority of factors in this research Alkayed (2017).

Also Suher, Bir and Yapar (2017) applied a survey on 100 employees at large and small scale companies conducting Corporate Social Responsibility practices, the research was conducted with the purpose of investigating the effects of perception regarding the efforts on Corporate Social Responsibility over their satisfaction and loyalty levels. The result shows that in a company, as the efforts on Corporate Social Responsibility increase and as the positive perception regarding these efforts increases, employee satisfaction and employee loyalty also increase accordingly. They concluded that companies conducting Corporate Social Responsibility practices and having their employees be aware of these efforts create a positive influence over their employees. This positive influence created on the employees motivates them and causes them to work harder having adapted the company policies. Moreover, state of awareness created by the company makes the employees be more sensitive towards the problems around them and develop a different perspective towards these problems.

Amarsaikhan (2014) investigate the extent of which CSR effects on employees' commitment to the organization. The researcher categorized the study into three elements, namely CSR to social and non-social stakeholders, which encompasses natural environment, the society, future generations, and non-governmental organizations, CSR to employees, and CSR to customers. The results of the study indicated that employees favor to work for and identified with the organization if the organization is socially responsible towards natural environment, society and future generations, customers, and employees.

Corporations are using CSR to strengthen its relationships with different stakeholders including customers, investors, government, suppliers, and employees. These strengthened relationships ensure corporations minimum conflicts with stakeholders and maximum loyalty from all stakeholders (Ali, Rehman, Ali, Yousaf and Maria Zia 2010).

The aim of this research is to identify the effect of corporate social responsibility on employee satisfaction in Ethio Telecom Company. To define the dependent and independent variables and extensive studies in the literature were reviewed. As a result, the internal corporate social responsibility (HRD&IC, Health and Safety, Intra Organizational Justice and Adaptation to Change) was found to be the independent variable and the employee satisfaction as the dependent variable.

2.3. Conceptual Frame Work of the Study

INTERNAL CSR

HRD &IC
- Employee training and Education
- Performance appraisal
- Promotion

H &S
- Working environment
- Medical service
- Safety training

IOJ
- Distributive justice
- Interactional justice
- Procedural justice

AC
- Employee involvement
- Communicating the change

Employee Satisfaction
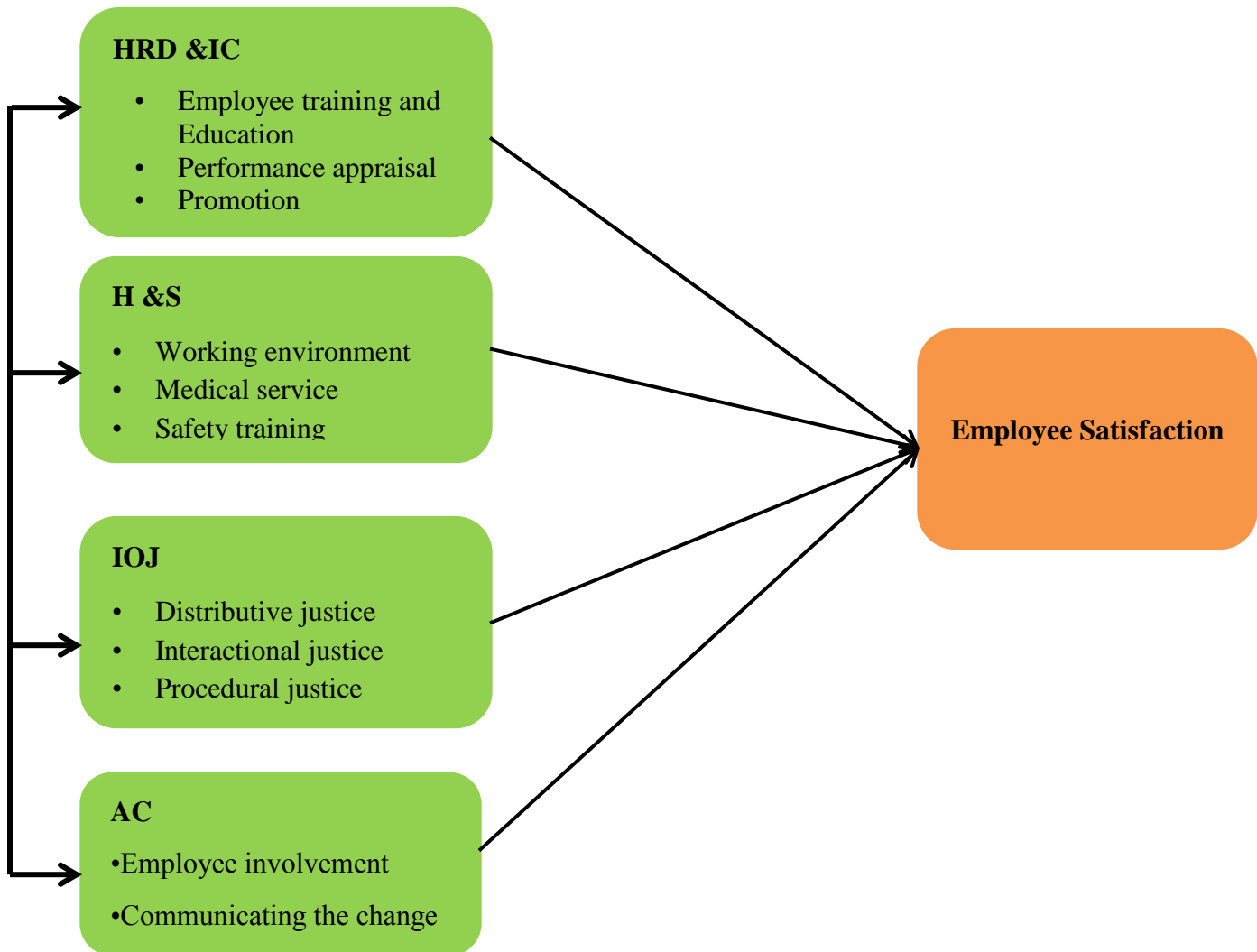
Figure 2.1 Conceptual Framework of the Study

(*(Source: Researcher's Survey, 2020)*

After reviewing many empirical findings, the following conceptual framework is developed for this research which explains about the general topic and the main purpose of this research. This theoretical model consists of components which have been selected from previous. Relevant components from the established models have been selected to fit the research question in this thesis. HRD and Intellectual Capital (HRD &IC), Health and Safety at work (H &S), Intra-organizational

justice (IOJ) and Adaptation to Change (AC) were taken to investigate employee satisfaction in this thesis.

CHAPTER THREE

RESERCH METHODOLOGY

This chapter presents details of the research design and methodology which was used in the research. This includes the research design, sample size and sampling technique, data source and collection method, measuring instrument and method of data analysis.

3.1 Research Design

A research design is a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problems (Kumar, 2011). The research design of this study is explanatory type as it tries to explain the effect of CSR on employee's satisfaction in Ethio Telecom.

According to Bryman & Bell (2011) in research either inductive or deductive method can be applied depending on the data utilized. The main difference between the deductive and inductive approach is that the inductive processes begin with collection of data from which a theory is created based on the result. The deductive research, on the other hand, is dependent on former research and theories. In this study, a deductive approach has been applied which is closely related to the positivistic and quantitative research approaches. Since this study has a deductive approach, a research question was developed to explore the effect of CSR's on employee's satisfaction. Furthermore, a theoretical model, based on former theories and concepts was developed, which is typical for a deductive approach.

3.2 Sources and Instruments of Data Collection

To meet the objectives of this study, the researcher was relied on both primary and secondary data. The primary data were collected using by self-administer questionnaire and interview. Self-administered questionnaire method of collection is selected because it is relatively quick to collect information from a large portion of employees, are helpful in gathering information that is unique to individual such as attitude and behavior and the result of the questionnaire can be easily and quickly quantified. The secondary data were collected from books, research journals and articles conducted on CSR and other related titles, unpublished materials of Ethio Telecom and web addresses and/or internet.

3.3 Sample and Sampling Techniques

The target populations were employees who are working in Back office and frontline department of Ethio Telecom in Addis Ababa. In this study Back office employees includes A&PS and R&L section (121employees) and frontline employees include one branch of contact center advisor (914employees) as the total population.

The technique which was used in drawing the sample is stratified sampling method. Researchers use stratified random sampling to obtain a sample population that best represents the entire population being studied. stratified random sampling ensures that the resulting sample will be distributed in the same way as the population in terms of the stratifying criterion and its advantages include minimizing sample selection bias and ensuring certain segments of the population are not overrepresented or underrepresented (Bryman & Bell 2011)

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

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

Where n is the sample size,

N is the total population size, and

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

n= 1035 / [1+1035 (0.05²)

n=287 Thus sample size for this study was 287 employees from Billing and customer care and contact center department.

3.4 Data Analysis and Analytical Tools

The analytical tool used to analyze the empirical data was software program IBM SPSS Statistics 20. This tool helps to translate and analyze data into to relevant information for studies and it can take data from word and excel file, and use them to generate tabulated report, charts, descriptive statistics and complex statistical analysis like correlation and regression analysis. Correlation analysis was used to measure the strength or degree of association between variables. In addition, a regression analysis

was used to see how different CSR practices affect employee's satisfaction. More specifically, a multiple regression was applied to learn more about the relationship between internal CSR practice, which are independent variables, and employee satisfaction which is a dependent variable.

The regression equation or model specification for an examination of internal corporate social responsibility practices on employee satisfaction in Ethio Telecom.

$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + e$

Where, Y = Employee Satisfaction

a = y intercept

b_1 = the regression coefficient of HRD and Intellectual Capital

x_1 = HRD and Intellectual Capital

b_2 = the regression coefficient of Health and Safety

x_2 = Health and Safety

b_3 = the regression coefficient of Intra-organizational justice

x_3 = Intra-organizational justice

b_4 = the regression coefficient of Adaptation to Change

x_4 = Adaptation to Change

e = error term

3.5. Reliability and Validity

The purpose of reliability analysis was to determine the reliability and internal consistency of the items (Naidu, 2008). For this study Cronbach's alpha was used to assess the internal consistency of variables in the research instrument. Cronbach's α is the most used test to determine the internal consistency of an instrument (Heale & Twycross, 2015). The Cronbach's α result is a number between 0 and 1. An acceptable reliability score is one that is 0.7 and higher. Therefore, to meet consistency reliability of the instrument, questionnaire was distributed to 24 billing and customer care

employees of Ethio Telecom as a pilot and reliability test is done. As the result, Cronbach's alpha was found to be 0.936 for 28 items. And the below table shows the internal consistency of all variables

Table 3.1 Reliability Statistics for all variables

Cronbach's Alpha	N of Items
0.936	28

Validity is defined as the extent to which a concept is accurately measured in a quantitative study (Heale & Twycross, 2015). Furthermore, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested. To gain enough validity in this thesis both secondary and primary data collection are using as source of the information. To collect the primary data interview and questionnaire are using therefore, to comfort validity, questionnaires were designed based on previous studies 'questionnaires and review of related literatures. Furthermore, this study infer hypothesis from a theory that is relevant to the concept.

3.6. Ethical Considerations

The participants in this study was selected with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis; and the researcher was assure that as she will keep the information confidential and the data was used only for intended purpose.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter enlightens about the results and interpretation of the data which is gathered through self-administer questionnaire. The first portion presents the result of sample and response rates. The second part gives detail information regarding the respondents' sex, position, experience in the current position, experience in the company & educational background. Finally, the data which have direct relevance in addressing the research questions or specific objectives of the study were presented and analyzed using both descriptive and inferential statistical tools. To be more specific, the researcher deployed descriptive statistical tools such as charts, tables, frequency and percentage expressions, and other advanced statistical tests like correlation and multiple regressions through the help of SPSS version.

4.1 Results

4.1.1 Sample and Response Rates

Two hundred eighty seven questionnaires were distributed to the respondents and out of 287 questionnaires, 270 of them were returned, that accounts 94 % response rate, 17 were discarded because they were not fully completed. Accordingly, the analysis of this study is based on the number of collected.

4.2. Descriptive Analysis

This section deals with the descriptive analysis of the data collected through the questionnaires during the research process. Descriptive statistics is the discipline of quantitatively describing the main features of a collection of data. Descriptive statistics help us to simplify large amounts of data associated with these variables in a sensible way.

4.2.1. Demographic Characteristics of Respondents

Before the data was analyzed in accordance to the study objectives, a demographic characteristic of the data was obtained.
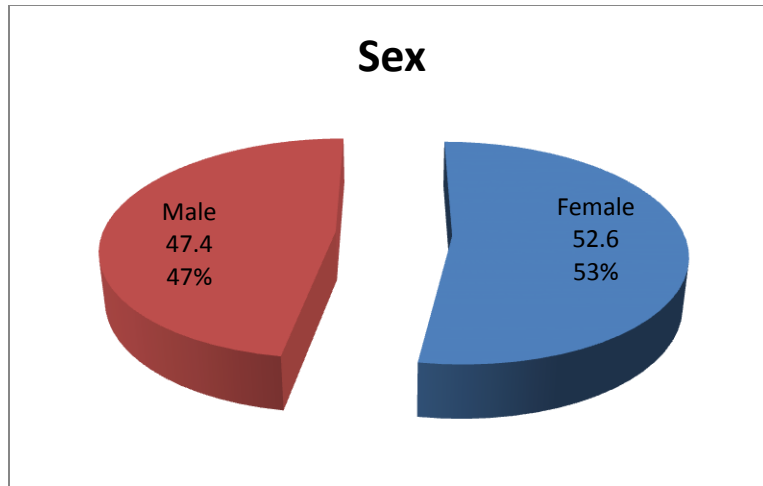
Figure 4.1 Sex Distributions of Respondents

The above figure shows the sex analysis of the respondents. It reveals that 53% of the respondents were female and the rest 47% of the respondents were male. This indicates that the number of females is higher than the number of males in the sampled Ethio Telecom contact center and billing and customer care department.
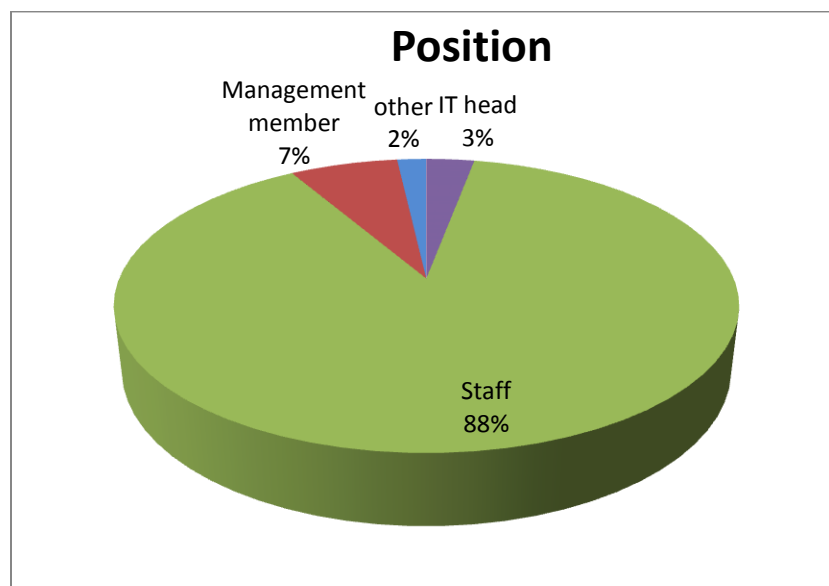
Figure 4.2 Positions of Respondents

With regard to the position of respondents, 7% are management member, 3% of the respondents are IT head, 88% of the respondents are ordinary staff and 2% of the respondents are others like personal

assistant. Therefore, this shows that, the data collected for this study mostly from ordinary staff it covers 85 % of the respondent.

Table 4.1: Experience in the Current Position

Experience in the current position?	Description	Frequency	Percent
	Less than 1 year	48	17.8
	1-3 years	119	44.1
	4-5 years	59	21.9
	above 5 years	44	16.3

(Source: Researcher's Survey, 2020)

Table 4.1 indicates experience in current position of respondents. From the table, 17.8% of the respondents work in ethio telecom less than one year, 44.1% of the respondents work from one year up to three years long, 21.9% and 16.3 % of the respondents work in ethio telecom from four years up to five years and above five years respectively. This may give an indication that most of the employees have an experience from one year up to three years in current position.
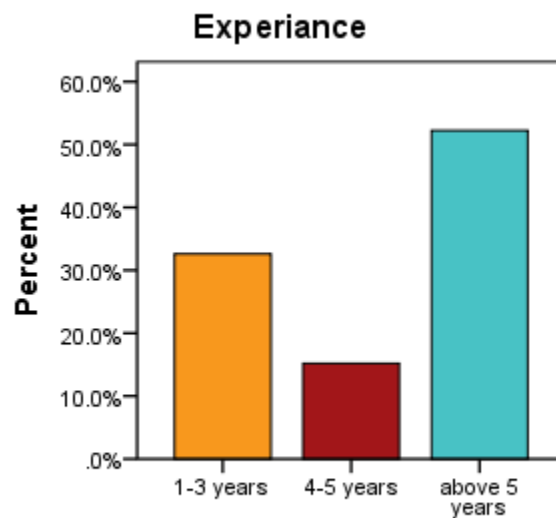
Figure 4.3 Experiences in the Company

Figure 4.3 indicates that company experience of Ethio Telecom employees. 32.6% of employees had one up to three years' experience and the most respondents 52.2% had above five years' experience,

15.2% of the respondents had four up to five years, and there is no below one year of experience. From this one can understand that most of the employees in Ethio Telecom have a company experience above five years.

Table 4.2: Educational Background

Educational background	Description	Frequency	Percent
	Information and communication Technology	46	17.0
	Computer science	58	21.5
	Business related fields	86	31.9
	Engineering	80	29.6
	Total	270	100.0

(Source: Researcher's Survey, 2020)

As shown in table 4.2 in terms of educational background 17.0 % of the employees are information and communication technology, 21.5% computer science, 31.9% has business related fields and 29.6% of the respondents has engineering. It can be said from the survey that, the largest proportion of the respondents fall under the categories of business related fields and engineering.

4.2.2 Perceptions of Employees towards CSR

In this section of the analysis respondents asked to identify the extent to which they know concerning about the concept of CSR, what makes the company responsible and what is the reasons the company to get involved in CSR activities. The below table comprises the three basic questions in which that respondents are replied against to determine the perceptions of employees towards CSR.

Table4.3 Perceptions of Employees towards CSR

1..	What is level of your knowledge regarding corporate social responsibility (CSR)?	Frequency	Percent
	I don't know what it is	31	11.5
	I have heard the name, but I don't know exactly what it is	54	20.0
	I have basic understanding about this concept	134	49.6
	I am familiar with CSR topic	38	14.1

	I am well versed in CSR concept	13	4.8
	Total	270	100.0
2.	What makes company responsible in your opinion		
	Following legal requirement	86	14.7%
	Offering good quality product	119	20.3%
	Being environmentally friendly	101	17.3%
	Getting involved social campaigns	84	14.4%
	Treating employees with respect	123	21.0%
	Others	72	12.3%
	Total	585	100.0%
3.	What are the most important reasons for companies to get involved in CSR activity in your opinion?		
	To improve image of a company	155	24.2%
	To attract employees	72	11.2%
	To help society and environment	169	26.4%
	To increase income	79	12.3%
	To attract customers 'attention	106	16.6%
	Other	59	9.2%
	Total	640	100.0%

As it is clearly illustrated in Table 4.3, item 1, above, the respondents asked whether they have basic knowledge concerning the concept of CSR. Based on the question the respondent chose their level of understanding towards CSR concept. From 270 respondents 134 of them confirm that they have basic understanding about this concept which accounts to 49.6% which means respondents have some basic idea about the subject of CSR. 20% (54) of respondents are they heard the name, but they don't know exactly what it is. 14.1% (38) of respondents are familiar with CSR topic. 11.5% (31) of respondents have no idea about the concept of CSR. The rest respondents which accounts to 4.8 %(13) think they are well aware about the CSR concept and consider it as the aim of the company. Generally from the above findings we can conclude that majority of employees have basic knowledge about the concept related to CSR activities in the company.

The other hand the table shows that the response rate of employees about the activities that the company makes responsible. According to the respondent "treating employees with respect" is makes the company responsible with respondent rate of 21.0%. The other practice that makes the company responsible is "Offering good quality product" that around 20.3%. "Being environmental friendly" is the other respondent opinion which the company's makes responsible with 17.3% rate. In addition, respondents also replied that with rate of 14.7% and 14.4% following legal requirement and getting involved social campaigns is makes the company social responsible .Moreover 12.3% of respondent confirms that there are others activates that makes the company responsible. Generally, the above discussion revealed that employees think that companies expected to consider employees in a way that performing their CSR activities.

Employees of the company give various reasons why the company involving in social responsible activities. As shown Table 4.3 above the respondents give their opinion about what are the most important reasons for companies to get involved in social responsibility? Majority of respondents that are 26.4% and 24.2% confirm that the most important reasons for the company involving in social responsibility are to help society and environment and to improve image of a company. In addition, respondent also replied that with rate of 16.6% to attract customers 'attention is one of the other reasons to involve in social responsible. Others which accounts to 12.3% and 11.2% respondents have an opinion to increase the company's income and to attract customer's attention respectively as most important reason for involving in social responsibility. In addition 9.2% of respondents replay that there are others reason for the company for involving in social responsibility.

In addition to the survey result above the interview part of the study with managers of the company cover under this study also reviled that, the managers were familiar with and had a good knowledge of the concept of corporate social responsibility. And the managers expressed that their company extensively participates in CSR activities in various programs such as social development, environmental protection, and safety and health schemes.

4.3 Inferential Analysis

The inferential analyses include the correlation analysis and multiple regression analysis to test the hypothesis set that built in the previous chapter.

4.3.1 Correlation

Correlation is meant for exploring the degree of relationship between two variables in consideration. Correlation coefficient is the measure to quantify such degree of relationship of the variables (Senthilnathan, 2019). In this study spearman's correlation analysis was used to investigate the relationship between CSR variables and employee satisfaction variable. The Spearman's rho correlation test is commonly used to disclose relationships between different variables. Since all the statement variables in this study are ordinal, this type of correlation test is suitable (Bryman & Bell, 2011).

Table 4.4 Correlation

			HRD&IC	HS	IOJ	AC	ES
Spearman's rho	HRDIC	Correlation Coefficient	1.000				
		Sig. (2-tailed)	.				
		N	270				
	HS	Correlation Coefficient	.528**	1.000			
		Sig. (2-tailed)	.000	.			
		N	270	270			
	IOJ	Correlation Coefficient	.609**	.634**	1.000		
		Sig. (2-tailed)	.000	.000	.		
		N	270	270	270		
	AC	Correlation Coefficient	.540**	.509**	.709**	1.000	
		Sig. (2-tailed)	.000	.000	.000	.	
		N	270	270	270	270	
	ES	Correlation Coefficient	.556**	.562**	.522**	.478**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.
		N	270	270	270	270	270
**. Correlation is significant at the 0.01 level (2-tailed).							

(Source: Researcher's Survey, 2020)

As the result shown from the Table 4.8 above, at a 1% significance level, employee satisfaction appears to be significantly and positively correlated with the four independent variables which are

HRD & IC (r = 0.556), health and safety at work (r = 0.562), IOJ(r = 0.522) and adaptation to change (r = 0.478). Through the value that have mentioned, health and safety achieved the highest positively correlated with employee satisfaction whereas human resource development and intellectual capital is the second highest correlation with employee satisfaction, and followed by intra organizational justice and adaptation to change. However, it is not sufficient to be used to accept or reject the hypothesis stated in this research because the correlation only shows the overall pattern and general relationship among the variables.

4.3.2 Regression Analysis

Regression analysis is performed so as to determine the correlation between two or more variables having cause-effect, and to make prediction for the topic by using the relation (Nese and Kaya, 2013). The regression was made between the independent variables which are HRD&IC, HS, IOJ and AC with dependent variable (ES).

4.3.2.1 Multiple Regression Analysis

A multiple regression was conducted to determine if CSR variables (HRD &IC, HS, IOJ & AC) significantly predict employee satisfaction. But before carrying out a regression analysis, there are different kinds of assumptions used for multiple regression analysis such as normality of distribution, linear relationship, homoscedasticity (equal variance), independent of residuals and multi colinearity.

Multiple linear regressions require that the independent variables in the analysis be normally distributed. A common test for normality is to run descriptive statistics to get skewness and kurtosis. Skewness should be within +2 and -2 range, if the data is normally distributed. Kurtosis is the peakedness of a distribution and this distribution shall also commonly fall between +2 and -2, although a few other authors according to Garsn (2012) are more lenient and allow kurtosis to fall with in +3 and -3.

Table 4.5 Test of Normal distribution

	Descriptive Statistics				
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
HRDIC	270	-.435	.148	-.053	.295
HS	270	.098	.148	-.477	.295

IOJ	270	-.697	.148	.647	.295
AC	270	-.387	.148	-.502	.295
Valid N (listwise)	270				

The result of the normal distribution for independent variables, skewness and Kurtosis shows that the variables are within the acceptable range for normality (-2.0 to +2.0).

To check the assumption of linear relationship and homoscedasticity, a scatter plots was drawn for independent variable against the dependent variable. The result (attached to annex) shows that there is a linear relationship between internal CSR and employee satisfaction.

Multiple regressions assume that the residual are independent. Residuals are the prediction errors or differences between the actual score for a case and the score estimated by the regression equation. The Durbin-Watson statistic was used to test for the presence of serial correlation among the residuals. As a general rule, the residuals are not correlated if they are within the acceptable range of is 1.50 - 2.50.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.657[a]	.432	.423	4.28200	1.882

a. Predictors: (Constant), AC, HS, HRDIC, IOJ

b. Dependent Variable: ES

The above table shows Durbin-Watson statistic for the employee satisfaction variables. The result shows that a Durbin-Watson statistic which measures correlation among the residuals is 1.882 and it is within acceptable range and the independent of residuals assumptions are met.

Multi collinearity test is helps to determine whether there is similarity between the independent variables. Tolerance values and Variance Inflation Factor (VIF) for each independent variable determines multicollinearity (Garson, 2012).

Table 4.7 Multicollinearity

Model		Collinearity Statistics	
		Tolerance	VIF
	(Constant)		
	HRDIC	.571	1.753
	HS	.546	1.833
	IOJ	.347	2.882
	AC	.442	2.264

(Source: Researcher's Survey, 2020)

Since the values of the variance of inflation (VIF) are lower than (10) and the value of tolerance is higher than (0.1) therefore there is no collinearity problem in the study regression models. Accordingly, the researchers can perform the inferential statistics for the study hypotheses.

Table 4.8 Regression Analysis Result

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.657[a]	.432	.423	4.28200	1.882

a. Predictors: (Constant), AC, HS, HRDIC, IOJ

b. Dependent Variable: ES

(Source: Researcher's Survey, 2020)

The above table shows the result of the regression analysis. The strength of the relationship between the dependent and independent variables is based on R statistic. The R statistic is 0.675 this means that there is a positive and moderate relationship between dependent variable (employee satisfaction) and independent variable (internal CSR) because R value is positive value and 0.626 is fall under coefficient range 0.41 to 0.70.

Thus the four independent variables of CSR in aggregate are significant predictor employee satisfaction. And the regression model in which the R square is found. The result shows a value of 0.432, which explains how much the independent variables affect the dependent variable. This means that the regression explains 43.2 % of employee satisfaction variation depends on the four independent variables. The remaining 56.8 % of the variance is explained by other unexplored variables not included in this study.

Table 4.9 ANOVA

ANOVA[a]					
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3695.035	4	923.759	50.381	.000[b]
	Residual	4858.906	265	18.335		
	Total	8553.941	269			

a. Dependent Variable: ES

b. Predictors: (Constant), AC, HS, HRDIC, IOJ

(Source: Researcher's Survey, 2020)

The relationship between the independent variable and the dependent variable is determined by examining the significance of the regression. The probability of the significance statistic for the regression analysis is .000, less than the level of significance of 0.1 with 90% confidence interval. Thus there is significant relationship between internal CSR and employee satisfaction

Table 4.10 Coefficient of Regression

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	90.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	8.395	1.403		5.984	.000	6.080	10.711
HRD&IC	.271	.083	.200	3.264	.001	.134	.407
HS	.388	.074	.327	5.224	.000	.266	.511
IOG	.178	.104	.135	1.717	.087	.007	.350
AC	.262	.153	.119	1.714	.088	.010	.513

- Dependent Variable: ES

(Source: Researcher's Survey, 2020)

The above table shows the coefficients of the regression analysis. The β coefficient of the independent variable is the slope. It represents the amount of change in the dependent variable for a one-unit change in the independent variable. The HRD& IC, HS and AC are huge related to employee satisfaction than IOJ. This means that the HRD& IC, HS and AC are more important factors to enhance employee satisfaction. The β coefficients in the table show that, it is positive for all independent variable indicating that as internal CSR variables (HRD & IC, HS, IOJ and AC) increases employee satisfaction also increases.

The standardized coefficient, in contrast to the unstandardized, explains how much each independent variable uniquely contributes to the regression model. In this case health and safety at work has the largest β coefficient of 0.388, which means that this variable contributes the most to the model compared to the other independent variables.

The regression model of this study can now be properly written in an equation form as the following.

$$Y = a + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + e$$

Where, Y = Employee Satisfaction

a = y intercept

β_1 = the regression coefficient of HRD and Intellectual Capital

X_1= HRD and Intellectual Capital

β_2 = the regression coefficient of Health and Safety

X_2= Health and Safety

β_3 = the regression coefficient of Intra-organizational justice

X_3= Intra-organizational justice

β_4= the regression coefficient of Adaptation to Change

X_4= Adaptation to Change

e = error term

Y (ES) = 8.395(constant) +0 .271HRD &IC +0.388HS+0.178IOJ+0.262AG

4.3.2.2. Hypothesis Testing and Interpretation of Results

Four hypotheses were drawn for the purpose of identifying relationship between dependent and independent variables in this study. Each hypothesis is tested on the basis of the multiple regression analysis presented in Table 4.12. Test on each of these hypotheses is discussed below:

Hypothesis 1

H_0 1: There is a no relationship between HRD &IC and employee satisfaction

H_A1: There is a positive significant relationship between HRD &IC and employee satisfaction.

The analysis coefficients table 4.12 tells us the weight and direction (positive or inverse) of the relationship of each independent variable with the dependent variable. Based on the tables and justifications provided in the preceding paragraphs, human resource development and intellectual capital has a positive relationship with the dependent variable employee satisfaction. The value of the coefficient of HRD & IC was also found to be 0. 271 and it significant level also 0.001 which is less than 0.1.

This result tells us the value of β is positive and shows it HRD & IC in Ethio Telecom has an influence on employee Satisfaction. Hence we reject the null hypothesis that stated there is a no relationship between HRD &IC and employee satisfaction (H_0 1) at 1% level of significance so that the alternative hypothesis that stated there is a positive significant relationship between HRD &IC and employee satisfaction is accepted. This finding concurred with the finding by Kanyiginya & Mugizi (2017) that HRD such as employee performance appraisal, training and promotions are essential prerequisites for satisfaction of employee. Similarly Longo & Mura (2011) found out that intellectual capital positively affect employee satisfaction and retention. In addition Kooji (2010) suggested that HRD are important determinants of employee satisfaction.

Hypothesis 2

H_0 2: There is a no relationship between H &S and employee satisfaction

H_A: 2: There is a positive significant relationship between H &S and employee satisfaction

The other hypothesis testing provided that the coefficient of health and safety at work was calculated to be 0.388, which indicates that keeping other factors constant, a unit change in HS causes a 38.8%

increase in employee satisfaction of Ethio Telecom. And the relationship of the health and safety at work with that of the employee satisfaction is found to be positive and statistically significant. Hence we reject the null hypothesis this is because p-value health and safety is 0.00 which is less than alpha value 0.1, so that the alternative hypothesis that stated there is a positive significant relationship between H &S and employee satisfaction is accepted. Mihiravi & Perera (2016) found out that the occupational safety and health practices are positively correlated with employee satisfaction this indicates that a good working environment with employer's considerable concerns on employees' health and safety situation will promote employee's satisfaction. Moreover, when the organization provides safe and conducive working environment that compliance with health and safety standards, employees will feel appreciated. Likewise, Mayuran (2018) reported that there is very strong positive relationship between health and safety facilities and employee satisfaction; it implies that if employees' health facilities provided by organization increase, employees' satisfaction also will be increased. In addition, Bayram (2018) found that management commitment to organization health and safety has a positive effect on employee satisfaction.

Hypothesis 3

H_0:3 There is no relationship between IOJ and employee satisfaction

H_A: 3 There is a positive significant relationship between IOJ and employee satisfaction

As shown in the table 4.12, the coefficient of intra organizational justice was computed to be 0.178, which means that a unit change in consumer protection has the influence to increase employee satisfaction by 17.8% assuming all other variables constant. This also proves that there is positive and significant relationship between intra organizational justice and employee satisfaction. Hence we reject the null hypothesis (H_0:3) this is because p-value intra organizational justice is 0.087 which is less than alpha value 0.1, so that the alternative hypothesis which stated that there is a positive significant relationship between IOJ and employee satisfaction is accepted. This finding agreed with the findings of previous scholars For instance, Mahboob and Khan (2017) found positive correlation between organizational justice and employee satisfaction. Similarly Rahman, Haque, Elahi & Miah (2015) findings demonstrate significant impact of distributive justice and interactional justice on employee job satisfaction. Yiğitol1& Balaban (2018) also confirmed that there was positive relationship between organizational justice in human resources functions and employee satisfaction.

Hypothesis 4

H_0:4 There is a no relationship between adaptation to change and employee satisfaction

H_A: 4 There is a positive significant relationship between adaptation to change and employee satisfaction

The fourth hypothesis testing provides that adaptation to change has the regression coefficient β value = 0.262. This implies that one unit increase in adaptation to change has the influence to increase in employee satisfaction by 26.2% and the relationship of the independent factor adaptation to change, whose t-statistic value was found to be 1.714 at p-value of 0.088 which is less than alpha value 0.1 with that of the dependent variable employee satisfaction is found to be positive and statistically significant, which leads to the acceptance the alternative hypothesis which stated that there is a positive significant relationship between adaptation to change and employee satisfaction and reject the null hypothesis(H_0:4). This finding was consistent with the findings of previous scholars. For instance, Liya (2018) revealed that there is statistically significant positive correlation between employees' overall job satisfaction and organizational change. Gupta & Singla (2016) the results further depict that organizational change has also been positively and significantly correlated with job satisfaction. This implies that an organizational change that provides more autonomy for decision making makes their employees more involved and increases their satisfaction level.

In line with those points, managers of the company were also asked about their opinion. From their answer, one can understand that the relationship between CSR and employee satisfaction was positive. This implies that when a company provides employees' safety through adequate working conditions, keeps them motivated through financial bonuses, shows respect for all and treats them fairly and care about their self-growth, in this way the employees' productivity is stimulated. This shows that CSR is the key to motivation and productivity of the workforce and employees are mostly interested, satisfied, loyal and productive in those companies that have incorporated in their daily core business internal CSR activities.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter gives a brief overview of findings and conclusion of the study. It draws the inferences from the findings which lead to make the generalization. This chapter consists three sections: summary of the findings, conclusion of the study, recommendations and suggestion for further research or study.

5.1 Summary of Findings

In this study, the main purpose was to investigate the effect of corporate social responsibility on employee satisfaction. Based on the literature review, various relevant independent variables were identified. The independent variable includes human resource development and intellectual capital, health and safety at work, intra organization justice and adaptation to change. Specifically, this study sought to examine whether these independent variables has relationship with employee satisfaction (dependent variable). The conceptual framework of the study was developed on the basis of dependent and independent variables identified through literature review. A sample size was selected using stratified random sampling technique. The data was collected with the help of self-administered questionnaire and interview the gathered data has analyzed by means of descriptive and inferential statistics using SPSS version 20 software.

Before investigating the effect of CSR on employee satisfaction the study try to examine perception of employees on CSR activities in the companies. In view of this, the study assessed employee perception of CSR based on the three items. In the end, the study revealed that majority of the employees (49.6%) had basic knowledge about the concept related to CSR activities and employees think that companies expected to consider employees in a way that performing their CSR activities. Further examination showed that employees of the company give various reasons why the company involving in social responsible activities majority of respondents that are 26.4% and 24.2% confirm that the most important reasons for the company involving in social responsibility are to help society and environment and to improve image of a company. The interview conducted for the study also supports this.

On the other hand the study also examined that effect of human resource development and intellectual capital practice on employee satisfaction. Based on extant literature, the study hypothesized that

human resource and intellectual capital of CSR will significantly predict employee satisfaction. Results from the regression analysis showed that human resource development and intellectual capital, has a positive and significant effect on overall employee satisfaction. The result also shows that human resources development and intellectual capital was the second strongest contribution to explain the variation in employee satisfaction because of β value 0. 271 as compare other independent variable.

Furthermore the study made investigation on the role of health and safety practices of Ethio Telecom on employee satisfaction. Based on extensive review of existing literature, the study hypothesized that there is a positive significant relationship between health and safety at work and employee satisfaction. Results from the regression analysis showed that health and safety practice was the most strongest in predicting employee satisfaction than other internal of CSR activities with β value of 0.388. This means that an employee's overall assessment of the company's health and safety practice is likely to predict their level of satisfaction.

Moreover the study examined the contribution of Intra-organizational justice on employee satisfaction. Again, based on extant literature, the study hypothesized that there is a positive significant relationship between adaptation to change and employee satisfaction. Result of the regression indicated that there is positive significant relationship between IOJ and employee satisfaction with β value of 0.178. This result shows that employees perceive their outcomes in fair, and this leads to satisfaction for employee. However, the contribution of the intra organizational justice has the weakest effect on employee satisfaction than other internal CSR.

In addition the study also examined the effect of adaptation to change on employee satisfaction in Ethio-Telecom. Based on extensive review of existing literature, the study hypothesized that there is a positive significant relationship between adaptation to change and employee satisfaction. Results from the regression analysis showed that there is positive significant relationship between adaptation to change and employee satisfaction with value of β 0.26. The value of β similarly shows that adaptation to change make the third contribution to explain the variation in employee satisfaction. The interview conducted with the managers about relationship between corporate social responsibility practices with employee satisfaction. All interview respondents expressed a belief also that the relationship between CSR and employee satisfaction was positive.

In so far as the adequacy is concerned the managers were asked to make suggestions to improve the company's CSR programs. The manager stated company need to include CSR activities into their day today operational strategies and make it visible to all stakeholders especially those schemes that relate to stakeholders such as activities that enhance the safety of workers, protecting the environment, and activities directed towards sustainable development in the community. In addition to that the management of the company should create a unit or department within their firms that will be responsible for their social responsibility programs which should ensure social responsibility policies are adequately implemented. Lastly, they suggested the company should develop a wide variety of communications tools to improve awareness and highlight CSR initiatives across the company, giving particular attention on improving employees' understanding of CSR priorities and good practices. For this purpose, tools such as the CSR blog, the CSR brochure, videos and the company internet should be used.

5.2 Conclusions

Corporate social responsibility is an important management concept and studies have shown that firms that engage in CSR initiatives derive benefits such as favorable consumer perception which influences brand awareness and brand loyalty and for overall business performance. However, this study sought to examine the effect of corporate social responsibility on employee satisfaction in Ethio Telecom Company. This study try to examined the perception of employee towards company's CSR activities and it revealed that majority of the employees had basic understanding about the concept related to CSR activities and employees think that companies expected to consider employees in a way that performing their CSR activities. Further examination showed that employees of the company give various reasons why the company involving in social responsible activities such as, to help society and environment and to improve image of a company, to attract customers 'attention, to increase the company's income and to attract customer's attention.

Regarding to the relationship between corporate social responsibility and employee satisfaction the study revealed that the independent variables which are human resource development and intellectual capital, health and safety, intra organizational justice and adaptation to change have a positive and significant relationship towards employee satisfaction. Based on the multiple regression analysis of this research, it showed that health and safety has the most influence for the employee satisfaction in Ethio Telecom Company. The following influence factors are human resource development and

intellectual capital, adaptation to change, and intra organizational justice. Thus, it is evident from this study that a company that seeks to improve employee performance as well as overall company performance can do so through effective and strategic CSR initiatives.

5.3 Recommendations

Following the hypothesis testing, data analyses and findings of this study, it would be necessary therefore to conclude that internal CSR is necessary for employee satisfaction. Based on this the following recommendations are follows:

The study shows that the relationship between CSR and employee satisfaction is positively significance. In view of the findings made in the study, it is recommended to management executives and formulators of CSR programs in the company should consider the potential influence of these programs on employees and their subsequent behaviors towards them.

Furthermore, based on the results of this study, it indicated health and safety at work as the most influential variable that affecting employee satisfaction due to the standardized coefficient Beta value of 0.388. Therefore, it is essential for top management to exert greater amount of effort in health and safety of internal CSR practices. For instances, management could deploying work-life balances policies and practices more effectively (such as flexible work schedules), improving suitable work environment for employees and provide health-lifestyle support to employees through subsidized exercise facilities.

The study also discovered that human resource development and intellectual capital is the second influential variable that affecting employee satisfaction therefore, it is recommended that companies should improve organizational commitment for human resource development and intellectual capital. In order to improve the organization commitment for HRD & IC; complete faith and support of top management is essential. Managers at all levels will support HRD &IC efforts only when top management considers employees as the greatest assets of the organization. Therefore, first and for most, it is necessary to have awareness creation programs for top managers, line managers and employees regarding the need and importance of HRD & IC for the organization.

The finding indicates that the influential of intra organizational justice is weak, therefore decision makers, particularly the human resource managers have an obligation to better understand the relationship between intra organizational justice and employee satisfaction; accordingly, they can

formulate suitable strategies that can lead to higher employee performance through satisfaction by ensuring justice in the organization. For employees, if all activities are implemented in justice in the workplace that means that they are important for the organization. So they will be satisfied and improve work performance.

The study also reached out important conclusion that adaptation to change also positive and significant effect on employee satisfaction. So the company should inform and involve the employee in the change process. Informing the employees of all consequences and expectations builds the trust among employees. It makes them highly motivated and satisfied as change is not forced upon them, but, they are involved in the change process. The employees should be encouraged to develop and enhance their skills through training and workshops. This will help employees to positively accept the change and implement it for effective working.

5.4 Directions for Future Researcher

This study examined CSR and its effect on employee satisfaction. Since CSR is constantly emerging and there is still no common definition or core principle of what CSR means, it is importance to maintain further research of CSR. Therefore future studies should adopt a more qualitative approach in order to explore and understand the meanings and values employees associate with their companies CSR activities. With respect to company sizes, future research should use companies of similar sizes and stature in terms of corporate resources in order to make a balanced analysis of CSR activities and its effect of employees. Moreover, future studies should investigate more about the relationship between CSR and other employee attitudes such as organizational commitment and organizational citizenship behavior across various industries. Besides that, there are other variables that would affect the employee satisfaction which are not included into this research. For future studies, other factors should be taken into considerations.

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Appendix A- Results of the SPSS Test

Appendix AA: Reliability Analysis of the Variables

Measurement	N of Items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
HRD and Intellectual Capital	6	.747	.742
Health and Safety at work	6	.826	.825
Intra organizational justice	6	.791	.797
Adaptation to Change	3	.759	.761
Employee satisfaction	7	.854	.859

Appendix AB: Perceptions of Employees towards CSR

1..	What is level of your knowledge regarding corporate social responsibility (CSR)?	Frequency	Percent
	I don't know what it is	31	11.5
	I have heard the name, but I don't know exactly what it is	54	20.0
	I have basic understanding about this concept	134	49.6
	I am familiar with CSR topic	38	14.1
	I am well versed in CSR concept	13	4.8
	Total	270	100.0
2.	What makes company responsible in your opinion		
	Following legal requirement	86	14.7%
	Offering good quality product	119	20.3%
	Being environmentally friendly	101	17.3%
	Getting involved social campaigns	84	14.4%
	Treating employees with respect	123	21.0%
	Others	72	12.3%
	Total	585	100.0%

3.	What are the most important reasons for companies to get involved in CSR activity in your opinion?		
	To improve image of a company	155	24.2%
	To attract employees	72	11.2%
	To help society and environment	169	26.4%
	To increase income	79	12.3%
	To attract customers 'attention	106	16.6%
	Other	59	9.2%
	Total	640	100.0%

Appendix AC: Correlation

			HRD&IC	HS	IOJ	AC	ES
Spearman's rho	HRDIC	Correlation Coefficient	1.000				
		Sig. (2-tailed)	.				
		N	270				
	HS	Correlation Coefficient	.528**	1.000			
		Sig. (2-tailed)	.000	.			
		N	270	270			
	IOJ	Correlation Coefficient	.609**	.634**	1.000		
		Sig. (2-tailed)	.000	.000	.		
		N	270	270	270		
	AC	Correlation Coefficient	.540**	.509**	.709**	1.000	
		Sig. (2-tailed)	.000	.000	.000	.	
		N	270	270	270	270	
	ES	Correlation Coefficient	.556**	.562**	.522**	.478**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.
		N	270	270	270	270	270
**. Correlation is significant at the 0.01 level (2-tailed).							

Appendix AD: Scatter Plot Mean

Scatterplot
Dependent Variable: ES
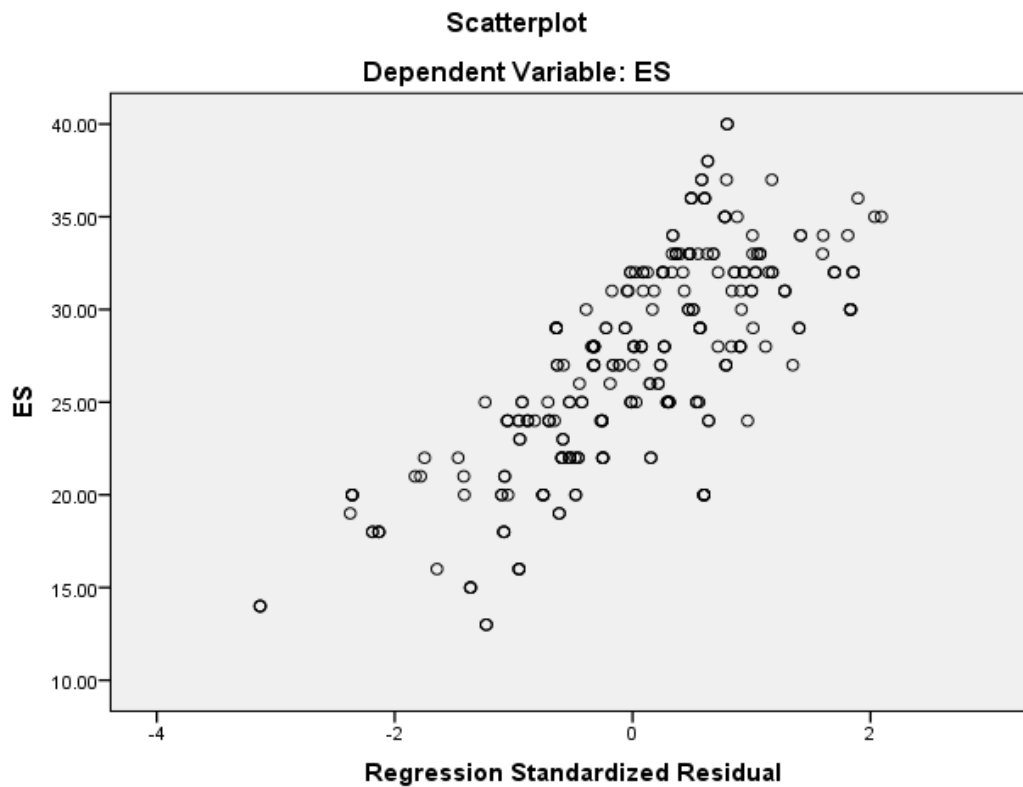
Appendix AE: Multicollinearity

Model		Collinearity Statistics	
		Tolerance	VIF
	(Constant)		
	HRDIC	.571	1.753
	HS	.546	1.833
	IOJ	.347	2.882
	AG	.442	2.264

Appendix AF: Regression Analysis Result

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.657[a]	.432	.423	4.28200	1.882

a. Predictors: (Constant), AG, HS, HRDIC, IOJ

b. Dependent Variable: ES

Appendix AG: ANOVA

ANOVA[a]					
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3695.035	4	923.759	50.381	.000[b]
	Residual	4858.906	265	18.335		
	Total	8553.941	269			

a. Dependent Variable: ES

b. Predictors: (Constant), AC, HS, HRDIC, IOJ

Appendix AH: Coefficient of Regression

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	90.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	8.395	1.403		5.984	.000	6.080	10.711
HRD&IC	.271	.083	.200	3.264	.001	.134	.407
HS	.388	.074	.327	5.224	.000	.266	.511
IOG	.178	.104	.135	1.717	.087	.007	.350
AC	.262	.153	.119	1.714	.088	.010	.513

Appendix BA: Questionnaire

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA PROGRAM

RESEARCH QUESTIONNAIRE

Dear respondents, the purpose of this questionnaire is to gather data on the effect of corporate social responsibility practices on employee satisfaction: In the case of Ethio Telecom. The study is purely for academic purpose and thus will not affect you in any case. So, your genuine, frank and timely response is vital for successfulness of the study. Therefore, I kindly request you to respond to each items of the question very carefully.

General Instructions

- There is no need of writing your name

- Where answer options are available please tick (√)

If you have any question, please don't hesitates to contact me by the following address:

Mobile: 0911-527925

Email: hanadires378@gmail.com

Thank you for your cooperation!

Best Regards, Hana Dires

Section: A. Demographic Data of the employee (Please put the tick (√) mark in the box provided in front of the given below items)

1. Please indicate your Gender

   Male   ⬭

   Female   ⬭

2. What is your position in your company?

   IT head   ⬭

   Staff/ End user   ⬭

   Management member   ⬭

   Others, please specify   _____

3. Experience in the current position?

   Less than 1 year   ⬭

   1-3 years   ⬭

   4-5 years   ⬭

   Above 5 years   ⬭

4. Experience in the company?

   Less than 1 year   ⬭

   1-3 years   ⬭

   4-5 years   ⬭

   Above 5 years   ⬭

5. Educational background?

   Information and communication Technology   ⬭

   Computer science   ⬭

   Business related fields   ⬭

Engineering

Others, please specify _____

Section: B. Perceptions of employees towards CSR: Where answer options are available please tick (√) and if it needed you can select more than one choice.

1. What is level of your knowledge regarding corporate social responsibility (CSR)?
   - ○ I don't know what it is
   - ○ I have heard the name but I don't know exactly what it is
   - ○ I have basic understanding about this concept
   - ○ I am familiar with CSR topic
   - ○ I am well versed in CSR concept

2. What makes company responsible in your opinion
   - ○ Following legal requirement
   - ○ Offering good quality product
   - ○ Being environmentally friendly
   - ○ Getting involved social campaigns
   - ○ Treating employees with respect
   - ○ Please specify if there is other: _____

3. What are the most important reasons for companies to get involved in corporate social responsibility (CSR) activities in your opinion? _____
   - ○ To improve image of a company
   - ○ To attract employees
   - ○ To help society and environment
   - ○ To increase income
   - ○ To attract customers 'attention
   - ○ Please specify if there is other: _____

Section: C. CORPORATE SOCIAL RSEPONSBILTY (CSR) ITEM

Note that: 1 = Strongly Disagree   2 = Disagree   3 = Neutral   4 = Agree   5 = Strongly Agree= please put the number you selected in the box.

1. HRD and Intellectual Capital	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree(5)
1.1.Ethio Telecom offers training opportunities for employees					
1.2.Ethio telecom provides education support for employees					
1.3.Objectives of the performance appraisal are clearly communicated and understood					
1.4.The chances of promotion in Ethio Telecom are contingent on performance appraisal outcome					
1.5. Ethio Telecom has a clear policy on promotion					
1.6. Ethio Telecom provides equal opportunities to its employees in term of promotion					
2. Health and Safety at work					
2.1.Ethio telecom has a suitable working environment					
2.2.Ethio telecom provides health care for the employees including health assistance, maternity leave.					
2.3.Ethio telecom offers regular health examination for employees					
2.4. Ethio telecom allows flexible work time schedule for employees					

2.5.Ethio telecom Provides Health-lifestyle support to employees through subsidized exercise facilities (e.g. gym, sporting clubs) to keep employees safe					
2.6. Ethio Telecom provides safety training for employee good health					
3. **Intra-organizational justice**					
3.1. Ethio telecom Practices equitable remuneration to employees according to position					
3.2. Ethio Telecom has a system that reward employees based on their contribution					
3.3.Ethio telecom provides a benefit based on one`s personal requirement					
3.4.Ethio telecom treats employees with politeness, dignity, and respect.					
3.5.Ethio telecom shares relevant information with employees					
3.6. Ethio telecom has process that are fair to everyone in the organization regardless of race, gender, age, position and education					
4. **Adaptation to Change**					
4.1.Ethio telecom allows their employees to contribute to the Change					

4.2. The management of Ethio Telecom communicate change implementation timeously with staff					
4.3.Management of Ethio telecom provides necessary Training and Development during change					

Section: D. EMPLOYEE SATISFACTION ITEMS

Note that: 1 = Strongly Disagree   2 = Disagree   3 = Neutral   4 = Agree   5 = Strongly Agree

5. Employee satisfaction	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
5.1. The policy of corporate social responsibility (CSR) of Ethio Telecom meets my expectation.					
5.2. Overall, I am satisfied with corporate social responsibility (CSR) activities of Ethio Telecom.					
5.3. Overall, I am satisfied with the company I work in.					
5.4. I would recommend this company to my family and friends as a great place to work					
5.5. I believe working in this company will bring me opportunity to improve my career and grow					
5.6. I feel that my work is important for this company to succeed					
5.7. I think that working in this company makes my life better					

Appendix BB: Interview Guides:

This interview questions will be answered by purposively selected respondents of managers.

1. Are you aware of corporate social responsibility programs of Ethio Telecom and what you think the CSR programs includes?
2. Do you perceive the corporate social responsibility programs so far benefited the workers and what were the benefits?
3. How do you perceive the relationship of corporate social responsibility programs practice with regard to employee satisfaction and explain if in your opinion on CSR activities positively or negatively affect satisfaction of Ethio Telecom employees.
4. What in your opinion, should be done to strengthen the company's Corporate Social Responsibility program?

Comment or additional information

Please use the space below for additional comment or additional information.

_____
_____

_____
_____

Thank you