The Effect of Socially Responsible Human Resource Management Practices on Sustainable Performance in Case Ethiopian Cement Manufacturing Industry

Feyisa Debisa(Mba),

Abstract

Human resources is the most precious resource available to the firm that needs proper deployment within key strategic goals of the organization. This study is aimed to examine the role of human resources management practices on the relationship between commitment to social responsibility and sustainable performance. This study explained variables such as ethical culture, recruitment and selection, engagement, training, and development in corporate social responsibility-related activities and attaining higher sustainable performance. A mixed approach which is a descriptive and explanatory research design was used. In a cross-sectional study, qualitative and quantitative data were employed. To achieve the study objective data was collected through a questionnaire distributed to the study population, which consisted of all 380 employees from four cement factories using a stratified sampling technique. A proportional stratified random sampling technique was used to collect data from sample factories located in Ethiopia. An in-depth semi-structured interview was conducted with managers at different levels and functional departments from each selected cement factory. To analyze the study data and its variables multiple regression analysis was used to examine the effects of the independent variable on the dependent variable using SPSS V-26 to understand the effect of socially responsible human resource management practices on sustainable performance. The results have shown that the organization's commitment to human resource social responsibility has a positive and significant effect on achieving sustainability in its performance. Based on the results, the study recommended that business organizations should be interested in demonstrating the importance of maintaining the ethical culture in their recruitment processes and selection, demonstrate the desired ethical culture for training, development, and engagement of the employee with a tendency to follow human resource management practices and policies.

Keywords: Human Resource Management, Social Responsibility, Sustainable performance

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1. Feyse Derbisa Lecturer of Management, Hope Enterprises University College, Addis Ababa, Ethiopia.

Fayyoo2018@Gmail.Com / Moile Number: 0922238010

1. Introduction

1.1 Background of the Study

Corporate Social Responsibility (CSR) has become an emerging issue in the recent business world. It is a known fact that the key reason for the firm's existence is that of profit intensification. In a bid to achieve this goal, firm's processes have been able to avoid leading to the degeneration of the environment within and around it. Corporate social responsibility is an imperative concept that is gradually being considered and reformed worldwide. All over the world, CSR has become more and more common in the business municipal. Meaning that the concept of CSR is being argued globally. Nowadays, CSR has become a necessity of modern business. It links the organization with its social environment where interaction is required between them (Adegbie & Ogan, 2020; Samer et al., 2018; Tsegaw, 2018).

Corporate Social Responsibility is the set of principles that is used by organizations to make a positive contribution to society. It is agreeable that a firm's ability to flavor CSR towards improved business performance is based on employee commitment and its performance. Hence, it could be a good idea to engage in CSR for employees given that they are an important pillar in every business. Considered as the immediate internal stakeholders and employees are a crucial component of the target group for most CSR outlines (Mensah et al., 2017).

By any count, the world is altering faster than ever earlier. Human numbers are growing faster, and the impressions of organizational activities are being felt in more and more ways. This change has philosophical inferences for business and means that the world of corporate social responsibility (CSR) is at the vanguard of this change (Ruhama.T, 2019).

Ethiopia is one of the developing countries where the attitude of corporate social responsibility is not well developed and also the governance system takes the form of simple control and decision-making rather than inspiring the development and implementation of a well-developed ethical code of conduct. In Ethiopia, there is a lack of research work on CSR concepts and practices. Businesses operating in the country are expected to integrate social demands (integrative approach) along with ethical considerations (ethical approach) in order to generate a positive impact on society. Corporate social responsibility (CSR) in Ethiopia

has become a significant feature of managing businesses which implies all the appropriate social, environmental, and economic actions that a firm must incorporate to satisfy the concerns of stakeholders and the financial requirements of shareholders (Eyasu & Endale, 2020; Workeaferahu, 2017).

In fact, there has been a lack of absolute definition among researchers and experts of CSR in terms of the nature and scope of what constitutes the CSR of organizations or companies. This is because the scope of social responsibilities and the expected contributions of businesses are progressively changed and extended (Samer et al.2018). Studies in the past have uncovered conflicting results when looking at the effects of CSR on a firm's performance.

In addition, most of the previous studies were conducted in overseas countries, indicating scarcity of studies in African economies and also previous researchers focused more on profitability whereas organizational performance goes beyond profitability. This implies that this area is pierced with inconclusiveness, and this breach motivates the researcher to conduct the study for further create awareness about CSR which plays a significant role and its effects in line with organizational performances.

This idea was first appeared along with the idea of sustainable development after the Second World War (Agudelo et al., 2019). This problem became more prevalent as a result of the growing consequences of globalization, easy access to information, and growth in the global market (Grigoropoulos, 2019). In order to further advance their interests and earnings, these businesses' capitalists became even more avaricious (McLntoch, Sheppy & Zuliani, 2017). As a result, they began incorporating immoral tactics into their operations. Being a fundamental component of infrastructure development, cement is essential to economic growth. The primary growth engine for the cement sector is infrastructure investment. As a result, the value addition that the cement industry makes to the nation's Gross Domestic Product, the creation of new jobs, tax payments, and the total amount of money made by the cement industry may all be used to quantify the contribution of the cement industry to economic development (Ali, 2015). Some studies have discovered CSR to have a positive effect while others have publicized to have a negative effect. Therefore, the goal of this study was to determine how socially responsible human resource management affected the Ethiopian cement industry's ability to function sustainably.

1.2 Statement of the Problem

The concept of corporate social responsibility (CSR) is not new. Discussion about it was initiated in the 1950s and it has been exposed to a lot of debate, comment, and research. Despite the seemingly endless discussion about it, it has seen a lot of development in both academic and practitioner communities all over the world (Carroll & Shabana, 2010). In this current business atmosphere, the attention of every organization is to develop a good and permanent relationship with customers, employees, and society at large which will certify long-term business sustainability. Hence some organizations have understood and comprised CSR as a means of improving their performance. Others, however, do not buy the idea behind CSR and they see it as having a negative influence on organizational performance. To them, CSR drains the company's financial resources and simply they refuse to be involved in CSR.

Several studies have been carried out on CSR and firm's performances. Studies in the past have revealed incompatible results when observing at the effects of CSR on a firm's performance. Some studies have exposed CSR to have a positive effect while others have shown to have a negative effect. For example, the finding (Tamayo, 2013) showed that the relationship between CSR and organizational performance is either negative or insignificant for firms with low customer awareness. The authors believe that CSR philosophies do not make firms profitable and how the market works rather CSR is a waste of time and money. On the other hand, earlier studies such as (Ahmad et al; Omoro, and Kinyua, 2014) have shown that CSR has no effect on the financial performance of firms. Bedada et al., (2011) and Degaga et al., (2019) had also studied on CSR. The finding of these authors only displays the challenges of implementing CSR and without doubt, they said that because Ethiopia is one of the developing countries, the mindset of companies' social obligation isn't gleaming advanced. On the other hand, the findings of (Hafiz et. al, 2019; Kesto, 2017) disclosed that except for one firm, almost all firms considered for the study did not have a standardized written guideline for how to discharge their CSR activities.

A previous study was conducted by Abebe A. (2020) on the Dangote cement factory to study the relationship between CSR activities to improve its performance. However, it is not clear which types of corporate social responsibility CSR have the greatest effects on organizational performance. In the study there are no proper demarcations available about

CSR and none of the above - 4 - studies had proved to be prominent effects of CSR on organizational performances.

Most firms have a tendency to place less focus on the needs of employees in HRD programs in developing nations, notably in Africa (Wan, 2007). Ethiopia is experiencing a similar tendency as a member of the continent (The Reporter Ethiopia, 2017). Ethiopia's primary policy goal in GTP II was the pursuit of quality, productivity, and competitiveness, with increasing manufacturing productivity being one of the core areas of emphasis. Ethiopia's current industrial operations are primarily labor-intensive due to the country's sizeable workforce and high proportion of youth, but it has relatively little capital accumulation outside of basic tools and light machinery. Having a productive workforce that earns comparably little can give industries a competitive edge (Rao & Tesfahunegn, 2015). The lack of educated human resources in management and technology for the Ethiopian cement industry is one of the strategic issues, according to the Ethiopian Cement Industry Development Strategy (2015-2025). Although the Ethiopian cement sector was formerly thought to be a major employer, there is a severe lack of managerial and technical expertise in the region. Many foreigners from many nations work in the management, operation, quality control, and maintenance sectors as a result (FDRE Ministry of Industry, 2015). An extensive examination of the literature revealed that little attention has been paid to fully identifying the socially responsible human resource management methods that affect the Ethiopian cement industry's performance sustainability. Hence, there is a significant gap between CSR and its effects organizational performances of cement factories.

Therefore, this study aims to investigate how CSR practices clearly affect organizational performances in selected cement factories in Ethiopia and try to contribute towards filling the knowledge gap regarding the awareness of corporate social responsibility. Furthermore, the findings of this research will contribute deep understanding of socially responsible human resources on performance sustainability in the cement industry and similar organizations.

1.3 Objectives of the Study

1.3.1 General objective

The general objective of this study is to examine the effects of socially responsible human resources on performance sustainability in the cement manufacturing industry in Ethiopia.

1.3.2 Specific objectives

1. To examine the effect of ethical culture on factory's sustainable performance.

2. To examine the effect of the recruitment and selection process on factory's sustainable performance

3. To identify the effect of firms' engagement on factories sustainable performance,

4. To examine the effect of training and development on factory's sustainable performance.

2. Literature Review and Study Hypotheses

2.1. Theoretical Literature Review

2.1.1. Concept and Definition of Corporate Social Responsibility (CSR)

The concept of Corporate Social Responsibility (CSR) is defined differently by different scholars, researchers, Working groups, business executives, and other institutions. Corporate social responsibility can also be defined as the sense of responsibility of the organization towards the social environment and community. It helps to understand what actually company is actually doing with its profits and how they are affecting society. As with the growing factor in the economy and advancement in business strategies, the organizations are not only accountable to shareholders but also to the stakeholders such as suppliers consumers employees communities, etc. It is basically a partnership between business corporations and socially active groups for the purpose of society development and community growth (Siddiq & Javed, 2014).

The emerging perspective on corporate social responsibility is not to emphasize on shareholder perspective by maximizing profit but to focus on stakeholders' viewpoints (employees, customers, suppliers, management, and community) and for their welfare. In a real sense corporate social responsibility is the coalition of business operations with social standards. Nowadays business corporations and organizations are more interactive with societies than ever before. Corporate social responsibility is an integral part of the business corporations as it not only provides support to beat the business competitor but also provides help to grow the business in the society. So, by focusing on financial success and community growth, the company can increase its performance rapidly as compared to its competitors (Siddiq & Javed, 2014).

Social responsibility has for a long time been defined and conceptualized in many ways by different writers, nevertheless, researchers do not share a common definition or core principles of what being socially responsible consists of Despite the growth of CSR practices, there is no single accepted method to measure CSR. Nowadays, no analysis of corporate governance structures would be complete without taking into consideration the pressures on companies to be seen as responsible corporate citizens in terms of their contribution towards their employees, consumers, competitors, community, environment, and society at large (Williams, 2016).

Corporate social responsibility (CSR) has gained more attention recently from researchers, practitioners, and organizations. This is due to the significant impact that social responsibility has on an organization's performance and customer loyalty (Al-Hassan, 2014). According to a number of scholars, commercial companies may practice social responsibility in a variety of ways, or dimensions (Khalaf, 2012; Rubi', 2020; Temvada, 2020). To research and build a synergy between CSR and HRM and sustainable performance, a number of practitioners and scholars have established theories and concepts (McCune Stein and Ai Min, 2019). According to Gilal et al. (2019), the social dimension of HRM is mostly concerned with the welfare of employees, including their job stability, which fosters positive intergroup behaviors, as well as their health. Beyond what would typically be regarded as essential organizational operations, CSR programs focus on managing social, environmental, and economic repercussions (Chowdhury et al., 2019). In order to have a beneficial impact on the environment and society, business operations must be managed ethically (Garca-Sánchez and Arajo-Bernardo, 2020).

2.2 CSR in Ethiopia

Around greater worldwide organizations have presented corporate social duty (CSR) plans; all things considered; most extreme Ethiopian foundations don't practice CSR (Getachew, 2019). Like many other developing countries, CSR practices in Ethiopia are guided by five recognized domains: economic, legal, ethical, philanthropic, and environmental. Here, philanthropy gets the main attention from the corporate bodies. Nevertheless, CSR practices in Ethiopia are still in their infancy.

There has been increasing pressure on the national and multinational corporations in Ethiopia to consider the rigorous incorporation of CSR in their actions. A number of corporations are now following an increased commitment to CSR beyond just profit-making and compliance with regulation (Solomon & A, 2017) Results from a study (Deyassa, 2016) indicate that certain actors alone will not attain poverty eradication and sustainable development through CSR in Ethiopia. All actors should have the CSR concept and enhance their concentration on the potential contribution of the international and national sectors and have their CSR policy and strategies. Currently, the concept of CSR is used as shorthand for businesses' contribution to sustainable development and a number of core development issues are already central to the international CSR agenda in different countries. The study (Deyassa, 2016) indicates the fact that companies and organizations in Ethiopia understand CSR practices mainly as corporate charities primarily aimed at addressing socio-economic development challenges.

2.3 Socially Responsible Human Resources Management

According to Leroy et al. (2018), the transition from a micro-level individual human resources management practice to a holistic management strategy may have an impact on the performance of organizations at the macro-level. In particular, a growing body of research on human resources management has shown that HRM practices are linked favorably to financial performance, employee satisfaction, well-being, and lower turnover and are intended to improve employees' skills and abilities (Pham et al., 2020). According to Singh et al. (2019), HR strategies involve identifying the department's needs, hiring, and training, providing financial and social incentives, and addressing health and safety issues. Gilal et al. (2019) noted that the efficient use of HRM methods in firms is frequently seen as a crucial element. Human resources management is thus involved in the policies that businesses establish from the frameworks and practices that already exist for managing personnel and will, thus, provide organizations with long-term value (Gupta, 2018). The substantial use of teamwork in decision-making has recently been noted by various writers as an HRM practice that plays a crucial part in developing and putting into action workplace strategies (Ehnert et al., 2016; Jamali and Carroll, 2017).

2.4 Empirical review

(Yu, 2015) examined the impact of CSR on employees' performance. The study revealed that there is a positive significant relationship between CSR and employee performance. This leads to CSR having significant effects on organizational performance. This indicates that employees who work in a socially responsible firm will exhibit better operating performance in terms of sales per employee and net income per employee than their peers who work in less socially responsible firms.

(Radwan & Radwan, 2015) in investigating the impact of CSR on Employees in the Hotel Sector in Egypt, revealed that internal CSR variables have a significant positive relationship with employees' organizational performances (Radwan & Radwan, 2015). This implies that with any increase and/or positive change to the tested internal CSR variables, the employees' organizational performances will be increased.

 (Radwan & Radwan, 2015) concluded that internal CSR could be used as an important driver for enhancing employee job engagement and organizational performance. (Madichie et al., 2018) examined the effect of CSR on the performance of quoted oil and gas firms in Nigeria from 2012 to 2016. The study revealed that CSR has a positive and significant impact on the performance of the Oil and Gas firms examined. The study concluded that socially responsible firms continue to flourish, partly as a result of CSR activities yielding their return. assessing the impact of CSR on the profitability of Nigerian manufacturing firms, revealed that CSR has a positive and significant impact on the net profit of manufacturing firms in Nigeria. This result implies that as the firms add to the welfare of society, it affects the returns of the firms in terms of profit positively (Madichie et al., 2018).

2.5 Dimensions of Socially Responsible Human Resource

2.5.1. Recruitment and Selection Process

Many experts agree that developing workforce effectiveness in line with corporate strategy and objectives should occur concurrently with hiring people into organizations. This is in line with the claims made by several academics who hypothesized that effective hiring and selection procedures result in excellent business performance (Mayson, S.; Barret, R., 2006).

As a result of rapid industrial development, Human resource policies are pursued that aim to attract greater foreign investment, and the investors are often keen to start benefitting from fiscal incentives and cheap labor. While these strategies make economic sense, they have adverse social and environmental effects, including the use of child labor, low or unpaid wages, unequal career opportunities, occupational health and safety concerns, and increased pollution (Carroll, 2016).

2.5.2. Training and Development

When researching the effects of various HR practices, Herrbach et al. (2009) found that offering training opportunities helps employees develop their skills and knowledge, which subsequently increases their productivity and effectiveness. Effective training programs strengthen the relationship between employees and businesses by enhancing employees' abilities, skills, and knowledge, which reduces staff turnover.

2.5.3. Ethical Culture

Globalization has greatly increased pressure on companies to implement CSR initiatives. Business ethics, which includes strong CSR initiatives, is becoming a far more sophisticated issue in our society today. Talking about ethics is crucial to the development of business success so nowadays ethics got huge attention and a number of books published in the last 2 decades. In general, it is said that a company needs to be responsible for all the actions they do, ethically - 12 - and socially (Chemwile & A, 2017; Siddiq & Javed, 2014). The expectations of the public of companies' social contributions are rising, while the perceived performance of companies on social goals is progressively declining. Despite this, society and business share tacit knowledge that is a part of humanity and this leads to the creation of a moral fabric. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights (Mekonnen, 2018)

The workplace's official (codes of conduct, training initiatives) and informal (ethical standards and peer behavior) systems to promote ethical behavior are together referred to as the "ethical culture." Additionally, it was hypothesized that an ethical organizational culture

could influence employees' attitudes and conduct as well as act as a motivating element (Maamari, B.E.; Majdalani, J.F., 2017).

2.5.4. Engagement

Employee engagement is a crucial factor in organizational performance. Employee engagement, according to Armstrong A. (2006,) is a setting in the workplace where all employees have an equal chance to have an impact on organizational decisions and help the organization operate better. Employee engagement is described as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli, W.B.; Bakker, A.B., 2021). Gupta N. and Sharma V. (2018) concluded in their study on the impact of employee engagement on performance that when employees are engaged, they are more likely to be motivated, committed, and satisfied with their work, which can lead to several positive outcomes.

The study aimed to gain insights into the relationship between employee engagement and organizational performance by thoroughly analyzing relevant research articles published in reputable journals between 2010 and 2022. The findings strongly indicated a substantial relationship between employee engagement and organizational performance, supported by a p-value of less than 0.01. These results suggest that higher levels of employee engagement are linked to enhanced organizational performance. Jaya L. and Ariyanto E (2021) conducted a study aiming to examine the impact of vigor, dedication, and absorption on the performance of employees.

One of the key factors contributing to poor organizational performance is inadequate communication within the organization. Employees often perceive a lack of transparency, with instructions being unclear and not promptly communicated. Consequently, this leads to of work, and commitment to achieving organizational goals and objectives (Erajesvarie Pillay and Singh, 2018). It is crucial to emphasize the significance of effective communication in enhancing organizational performance, as poor communication can result in negative outcomes and hinder overall organizational success.
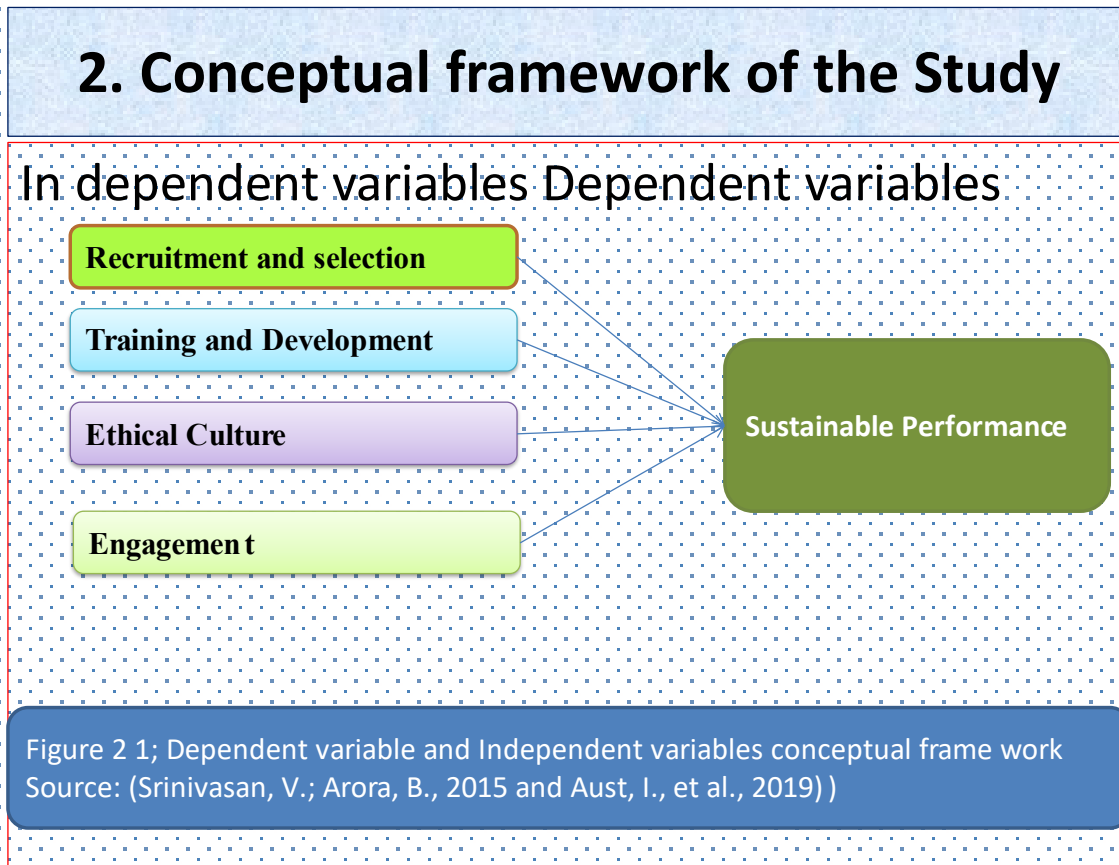
To foster employee engagement and reduce turnover, organizations must prioritize the establishment of a robust career development framework. This framework should provide

employees with clear growth opportunities and demonstrate a commitment to supporting their professional advancement. By doing so, organizations can create an environment that encourages employees to remain loyal and committed, rather than actively seeking out alternative employment options (Nebo et. al, 2015).

2.6 Sustainable Performance

Al-Mawajdeh (2019) defines sustainable performance as a collection of strategies for producing value over the short- and long-term that take into account the economic, environmental, and social ramifications. Performance has been viewed from various perspectives depending on the objectives and expectations of the users of the information generated. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). (Chemwile & A, 2017). According to (Henao, et al., 2019), sustainable performance also shows how much an organization helps to maintain and grow economic growth, create sustainable jobs, increase value for all stakeholders, and meet the needs of the underprivileged in order to help society achieve a proper balance between economic, social, and environmental goals. According to Yang, F. et al. and Shehadeh, H.K. et al. (2019), HRM is a major predictor of organizational success, productivity, and individual work attitudes and behaviors. In order to achieve Sustainable performance, HRM practices must support the alignment of CSR strategies with organizational operations in the following areas: financial incentives, teamwork, recruitment, and selection procedures, training and development, ethical culture, shared objectives and results, transparency, engagement, well-being, human rights, and health and safety.

2.7 Conceptual framework

2. Conceptual framework of the Study

In dependent variables Dependent variables

Recruitment and selection

Training and Development

Ethical Culture

Engagement

Sustainable Performance

Figure 2 1; Dependent variable and Independent variables conceptual frame work
Source: (Srinivasan, V.; Arora, B., 2015 and Aust, I., et al., 2019))

3. Research methodology

3.1 Research Approach

Quantitative and qualitative mixed approaches were used. Creswell (2003) states quantitative research employs inquiry strategies such as surveys and collecting data on predetermined instruments that yield statistical data". The qualitative approach was used to gather data from interviews with government officials to understand the current challenges affecting the study area's entrepreneurs and small business management. The study employed a cross-sectional study where the required data was collected only once.

3.2 Research Design

A research design refers to the plan or strategy selected to integrate different sections of a study logically and coherently, thus ensuring that a research problem is sufficiently and effectively addressed. It encompasses of a blueprint for collecting, measuring, and

analyzing data (Bhattacharjee, 2018). The possible type of research design undertaken for this study was descriptive and explanatory. The study used a mixed-method research design and hence incorporated both qualitative and quantitative research methods. Mixed methods research is a method of carrying out research through the collection, analysis, and integration of both qualitative and quantitative research approaches (Cooper & Schindler, 2006). The descriptive study design was used to analyze the respondent's general characteristics to provide background material that characterizes the phenomena as it is without the researcher's intervention. An explanatory research design was utilized to analyze the effect of independent variables on dependent variables.

3.3 Target population

The target population of the study was all employees of selected cement factories located in different regions of Ethiopia. According to data from FDRE Ministry of Industry, in 2023 the total population of the respective cement factories was shown in the below table and computed by the researcher were 9016 employees.

Table 3.1: Sample Cement Factories Selected for the Study

S/No	Name of industrial parks	Total population	Sample taken
1	Dangote	2474	104
2	Habesha	2390	101
3	Muger	2371	100
4	Derba Midroc	1781	75
	Total	9016	380

Source: FDRE Ministry of Industry, 2023

3.4 Sample Size Determination

The study was conducted with a 95 percent confidence interval and a 5 percent marginal error. Based on this supposition, the actual sample size for the study was calculated using Kothari's (2004) methodology for calculating sample size, which is utilized to arrive at the necessary sample size.

$$n = \frac{Z^2.p.q.N}{e^2(N-1) + Z^2.p.q} = \frac{1.96^2 * 0.5 * 0.5 * 9016}{0.05^2(9016) + 1.96^2 * 0.5 * 0.5} = 380$$

So, 380 employees served as the sample for this investigation. By stratifying the population into several distinct, non-overlapping subpopulations, the researcher was able to calculate the sample size from the whole population (Freud, 2013).

3.5. Sampling Technique

The sampling method employed in this research was probability sampling to collect data from each selected cement factories to collect data using a questionnaire. A proportional stratified random sampling was employed to address respondents from each cement factory and a purposive sampling technique was used to conduct interviews with selected five Human Resource Management officials of each cement factory.

3.6 Methods of Data Collection

A structured 5-point Likert scale (Strongly agree, Agree, neutral, disagree, & strongly disagree) was developed and collected from the study population, which was made up of 380 employees from four selected cement factories. Questionnaires and interviews were utilized to collect primary data and different published sources such as books, and articles related to the contents were used. The multiple regression analysis was performed to assess the study's data and look at its variables in order to see how the independent and dependent variables interacted.

3.7 Reliability test

Table 3.2: Reliability test

S/No		Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
	Reliability Statistics			
1	Ethical culture	.886	.887	9
2	Recruitment and Selection Process	.843	.847	11
3	Engagement	.914	.916	6
4	Training and development	.869	.871	9
5	Sustainable performance	.862	.873	5
	Over all	**.875**	**.878**	**47**

Source: Own survey, 2024

The questionnaires were adopted from pervious researchers work. An internal consistency reliability test was conducted using Cronbach's alpha coefficient test for each statement rated on a 5-point Likert scale through questionnaire that was distributed for pilot study. Typically, Cronbach's alpha value of 0.70 or higher is taken as a good indication of reliability (Sekaran, 2003). Therefore, the Cronbach's alpha coefficient for this study was checked for acceptable reliability. Thus, ethical culture has Cronbach's alpha coefficient 0.886, Recruitment and

Selection Process 0.843, engagement Cronbach's alpha coefficient 0.914, training and development Cronbach's alpha coefficient 0.869 and sustainable performance have a Cronbach's alpha coefficient of 0.862, the overall Cronbach's alpha coefficient was 0.875 as shown in the above table 3.2. Pre-testing questionnaire is essential to increase the reliability, validity and practicability of the questionnaires. Thus, to check validity of the questionnaires, before the questionnaires were administered by the researcher, some useless, repeated or redundant and ambiguous items were omitted and checked according to standards in terms of adequacy, structuring and sequencing of ideas. The Validity of the data was checked before distributing the questionnaire using 30 questionnaire of pilot study.

4. Result and Discussion

From 380 distributed questionnaires, 330(86.8%) return rate was obtained. From distributed questionnaires 35 questionnaires were not returned and the remaining 15 were not properly filled. Hence 330 questionnaires were valid and used for analysis.

4.1 Descriptive analysis

Figure 4.1 Analysis of the sex of respondents
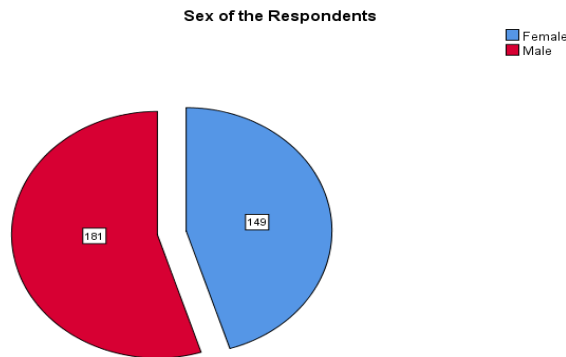
Source: Source Data survey: 2023

Figure 4.1: Analysis of the sex of respondents

As shown in Table 4.1.1, the analysis of the sex of respondents revealed that the majority of the respondents 181(54.8%) were male and the rest 149(45.2%) were Female.

4.1.2 Analysis of the age of respondents

Table 4.1.1 Age of respondents

Age of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	68	20.6	20.6	20.6
	26-30	85	25.8	25.8	46.4
	31-35	69	20.9	20.9	67.3
	36-40	59	17.9	17.9	85.2
	Above 40 years	49	14.8	14.8	100.0
	Total	330	100.0	100.0	

Source: own survey, 2024

As to the age of respondents, the majority of respondents 85(25.8%) were found in the age category of 26-30 years of age, a significant number 69(20.9%) found in the age of 31-35 and 68(20.6%) respondents are found between 18-25 years of age. This result indicates that more than 66% of the respondents are found between 18-35 years of age which indicates the respondents are old enough to answer the research questions.

4.1.3 Analysis of the Educational background of respondents

Figure: 4.2 Educational background of respondents
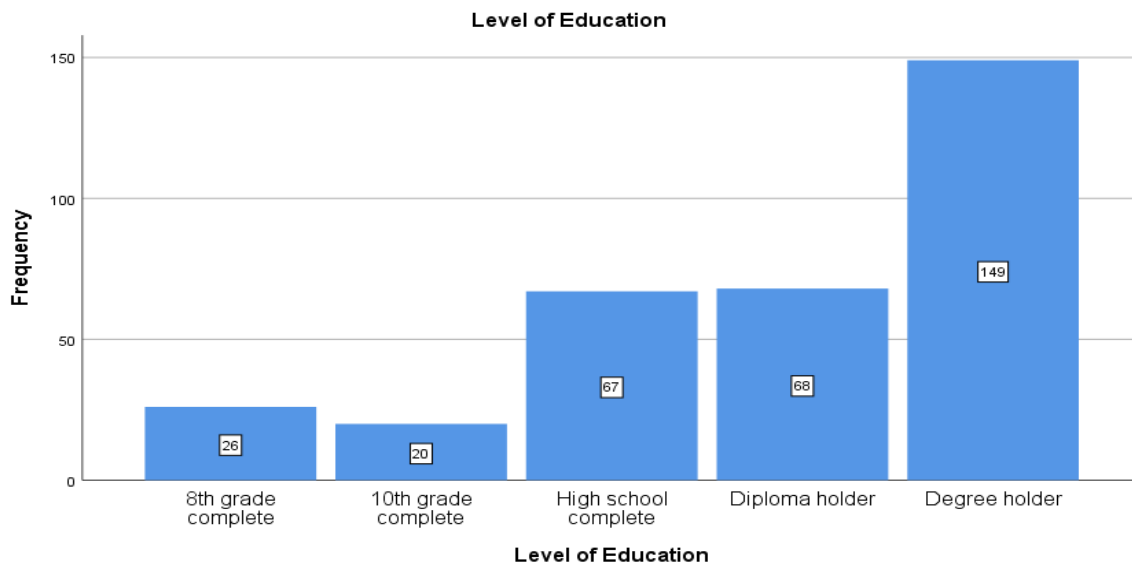
Source: Source Data survey: 2023

From the above figure 4.2 educational background of the respondents, 149(45.2%) of the respondents were degree holders, and 68(20.6%) were diploma holders, 67(20.3%) were high school complete. Hence, more than 65% of the respondent's educational status were diploma and degree holders which indicates the respondents can easily understand and answer the research questions.

4.1 Testing Regression Assumptions

 4.1.1 Multi collinearity test

Model		Collinearity Statistics	
		Tolerance(1/VIF)	VIF
	Engagement	.447	2.235
	Training and development	.302	3.314
	Ethical Culture	.723	1.384
	Recruitment and selection	.313	3.421
a. Dependent Variable: Sustainable Performance			
Source Data survey: 2024			

The multi-collinearity statistics of tolerance and variance inflation factors should be greater than 0.1 (tolerance) and less than 10 (VIF) values for each variable (Reyna 2007, Gujarati & Porter 2009 Tarres Douglas 2012). As the result shows the tolerance values for the variables are greater than 0.1 and all VIF values are less than 10. Hence, it proves that none of the explanatory variables have any multi-collinearity problems.

4.1.2. Normality test
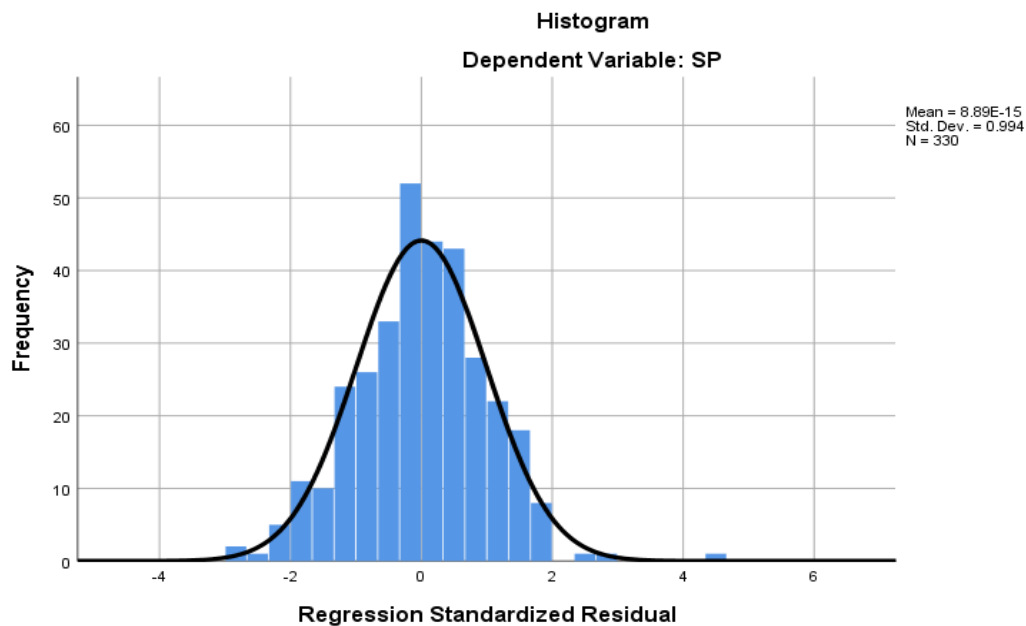
Assumptions of normality: Most of the parametric tests require that the assumption of normality be met. Normality means that the distribution of the test is normally distributed (or bell-shaped). The normality of variables is assessed by either statistical or graphical

methods. Two components of normality are skewness and kurtosis. Skewness has to do with the symmetry of the distribution; a skewed variable is a variable whose mean is not in the center of the distribution. Kurtosis has to do with the peaked Ness of a distribution; distribution is either too peaked (with short, thick tails) or too flat (with long, thin tails).

In a normal distribution, the values of skewness are 0. If a distribution has values of skew above or below 0 then this indicates a deviation from normal (Field, 2006). Skewed distributions are not symmetrical and instead, the most frequent scores (the tall bars on the graph) are clustered at one end of the scale. A skewed distribution can be either positively skewed (the frequent scores are clustered at the lower end and the tail points towards the higher or more positive scores) or negatively skewed (the frequent scores are clustered at the higher end and the tail points toward the lower more negative scores) (Field, 2005).

A histogram of a variable shows rough normality, and a histogram of residuals, if normally distributed, is often taken as evidence of the normality of the entire variable. Frequency histograms are an important graphical device for assessing normality, especially with the normal distribution as an overlay, but even more helpful than frequency histograms are expected normal probability plots and detrended expected normal probability plots. In these plots, the scores are ranked and sorted; then an expected normal value is computed and compared with the actual normal value for each case. The expected normal value is the z score that a case with that rank holds in a normal distribution; the normal value is the z score it has in the actual distribution. If the actual distribution is normal, then the points for the cases fall along the diagonal running from lower left to upper right, with some minor deviations due to random processes. Deviations from normality shift the points away from the diagonal (Tabachnick and Fidell, 2013).

4.1.3. Linearity Assumption Test

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: SP
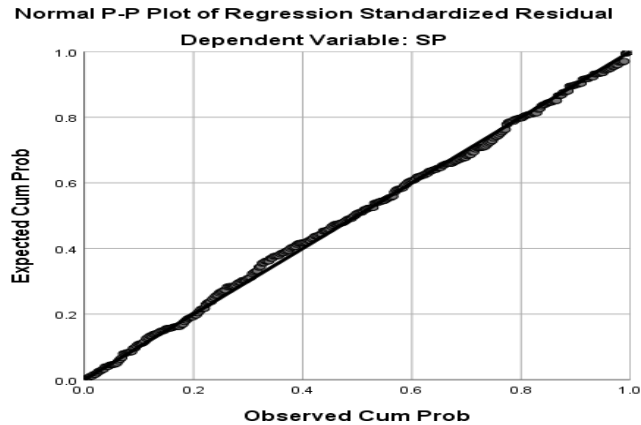
A scatter plot is a plot or graph of two variables that show how the score for an individual variable is associated with its score on the other variable. If the correlation is highly positive, the plotted points will be close to a straight line (the linear regression line) from the lower-left comer of the plot to the upper right. The linear regression line will slope downward from the upper left to the lower right if the correlation is highly negative. For correlations near zero, the regression line will be flat with many points far from the line (Tabachnick and Fidell, 2013). Accordingly, the below graphs indicate the study found a linear relationship between independent variables and the dependent variable. Therefore, these regression assumptions were confirmed, and it is possible to perform a correlation test and regression analysis in this study.

4.1.4 Heteroscedastic Assumption test

Scatterplot
Dependent Variable: SP
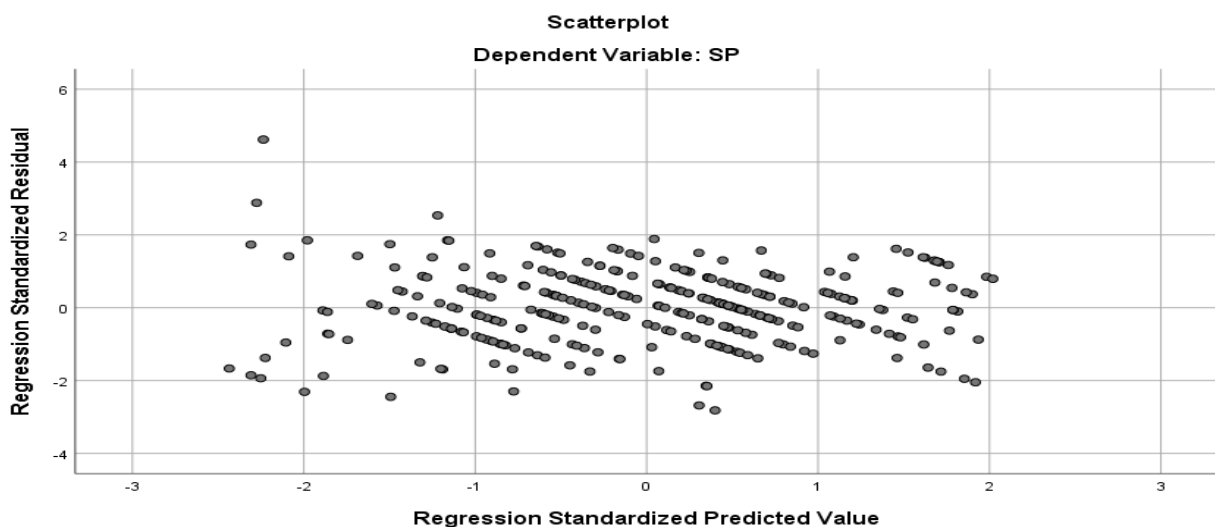
Heteroscedasticity is the equality or violation of the residuals for every set of values for the independent variable. So, the researchers assume that errors are spread out constantly

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between the variables. A heteroscedasticity problem exists when the scatter plot is greater than 3.3 and less than -3.3. Therefore, as it was indicated in the figure below the data did not violate the Heteroscedasticity assumption and instead, it was homoscedastic.

4.2 Correlation Analysis

Table 4:2 Correlations

Correlations (N=330)		SP	RS	Eng	TD	EC
SP	Pearson Correlation	1				
	Sig. (2-tailed)					
RS	Pearson Correlation	.782**	1			
	Sig. (2-tailed)	.000				
Eng	Pearson Correlation	.868**	.834**	1		
	Sig. (2-tailed)	.000	.000			
TD	Pearson Correlation	.736**	.830**	.749**	1	
	Sig. (2-tailed)	.000	.000	.000		
EC	Pearson Correlation	.872**	.564**	.656**	.685**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).						
Recruitment and Selection (RS), Engagement (Eng), Training and development (TD), Ethical Culture (EC), sustainable performance (SP)						

Source: own survey, 2024

According to above table 4.2, there was a (.872**) correlation between ethical culture and sustainable performance, (.868**) between engagement and sustainability, (.736**) between training and development, and (.782**) between recruitment and selection process and sustainability performance. Ethical culture and engagement, which has a highly positive link with sustainable performance, recruitment and selection, training & development, have positive and moderate relationships with sustainable performance. According to the table of correlation results above, ethical culture and sustainable performance are positively and substantially correlated at

the 0.01 significant level (r=0.872). This demonstrates that firms recognize the requirements of ethical culture and that employee and manager should understand ethical culture is a factor of sustained performance. The Pearson correlation test shows a positive and strong association between engagement and sustainable performance, with a value of r=0.868 at a significance level of 0.01; this relationship has the potential to affect the sustainable performance of the cement industry. Building high engagement of employees in every decision of the organization affects sustainable performance. Recruitment and selection have a positive and moderate association with r=0.782 with sustainable performance. Similarly, training and development has a positive and moderate relationship with r= 0.736 with sustainable performance.   Based on Pearson correlation analysis, the results of the correlation analysis in the table demonstrate that all of the independent variables were positively and substantially correlated with the dependent variables at a significance level of 0.01.

4.3 Multiple Regression

Multiple regression analysis is to be carried out in order to investigate the effect of independent variables such as the Ethical Culture (EC), Recruitment and Selection (RS), Engagement (Eng), Training and Development (TD), and a dependent variable, i.e. sustainable performance.

4.3.1 Model summary

Table 4.3: Model Summary

Model Summary [b]						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Sig. F Change**	**Durbin-Watson**
1	.914[a]	.835	.834	.24827	.000	1.801
a. Predictors: (Constant), Ethical Culture, Recruitment and selection, Engagement, Training and development						
b. Dependent Variable: Sustainable Performance						

 Source: own survey, 2024

The R, R Square, and Adjusted R^2 values, for example, are among the key information provided by the model summary. The values of the various correlation coefficients between the predictors

and the result are listed in the R column. As we already know (Field, 2009), the R^2 value in the next column is an indicator of how much variation in the result is taken into consideration. The SPSS regression output model summary shows that the adjusted R-square (R^2) value is 83.4 percent and that the R^2 value is 83.5 percent. To put it another way, the chosen explanatory variables of Ethical Culture, Recruitment and Selection, Engagement, and Training and Development factors account for 83.5 percent of the variation in sustainable performance. Additionally, the model's overall significance is 0. With the aid of multiple regressions, you may evaluate the predictive value of several independent variables and identify the ideal set of elements for forecasting a dependent variable. You can also use it to look at how various independent variables interact to affect the value of a dependent variable. To evaluate the accuracy with which we predict how the several potential independent variables interact, it additionally computes the standard errors associated with each of these regression coefficients (Glatz & Slinker, 1990). Multiple linear regression analysis was used in the study because there were more than two independent variables. To compute primary data, the statistical packages for social science (SPSS) V–26 software packages were utilized.

Multiple regression analysis formula:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_{2+} \beta_3 X_{3+} \beta_4 X_4 + £$$

Were,

Y= is dependent variable that is sustainable performance

BO= represents the intercept term. The intercept is defined as the average value of a dependent variable (Y) when the effect of independent variables (X) is eliminated.

B1, B2, B3, B4, and β_5 = represent the Regression coefficient. The partial regressions coefficient represents the change in the independent variables is changed by one unit and other dependent variables are held constant.

X1, X2, X3, X4 & X5 are independent variables, that is

X1= Ethical culture (EC)

X2= recruitment and selection (RS)

X3= Engagement (Eng)

X4= Training and development (TD)

When one independent variable is increased by one unit and the other independent variable remains constant, the dependent variable's mean change is represented by the regression coefficient. The analysis was processed using the SPSS software version 25 and all tests

were verified at a 95% confidence level.

4.4 Correlational coefficient

Table 4.4 Correlational coefficient

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.807	.123		6.552	.000
	Ethical Culture (EC)	.907	.068	1.099	13.253	.000
	Recruitment and selection (RS)	.428	.037	.641	11.409	.000
	Engagement (Eng)	.863	.061	.900	14.040	.000
	Training and Development (TD)	.369	.069	.353	5.364	.000
a. Dependent Variable: Sustainable Performance (SP)						

Source: own survey, 2024

4.5 Regression equation

Sustainable performance (SP) = 0.807+0.907EC+0.428RS+0.863Eng+0.369TD.

The greatest beta value is for share beta 0.907, which signifies the cement manufacturing industry's ethical culture to enhance sustainable performance. Table 4 shows the beta value on the coefficient level; and the effect of each variable has on dependent variables of sustainable performance. It is implied that ethical culture had a significant impact on sustainable performance when it enhances sustainable performance by 0.907(90.7%) at the 5% significance level while assuming that other factors remain constant. At a 5% level of significance, when ethical culture increases by one unit (1%), it improves sustainable performance by 0.907 (90.7%), provided that all other variables remain constant. On the other hand, if other variables are held constant and engagement improves, sustainable performance increases by 0.863 (86.3%), recruitment and selection 0.428(42.8%), and training and development 0.369(36.9%) improves sustainable performance at the 5% significance level. This analysis result indicating ethical culture and employee engagement had a significant effect on sustainable performance.

5. Conclusions and Recommendation

5.1 Conclusion

The purpose of this study was to investigate the effect of socially responsible human resource management practices on sustainable performance. Using multiple regression analysis on data collected from a sample of 330 employees in cement manufacturing factories in Ethiopia, the results revealed that socially responsible human resource practices have a significant influence on the sustainable performance of factories. From the analysis finding the greatest beta value is for a share beta of 0.907, which signifies cement manufacturing industry an ethical culture to enhance sustainable performance. This revealed that ethical culture has a significant effect on sustainable performance when it enhances sustainable performance. In addition to these other variables held constant and engagement improves, sustainable performance increases by 0.863 (86.3%) at the 5% significance level, indicating that employee engagement had a significant effect on the sustainable performance of cement manufacturing factories in Ethiopia.

5.2 Recommendations

Based on the analysis findings and conclusion, the study recommended that the factories should be interested in the following aspects.

- Cement factory top management is better at demonstrating the engagement of employees in their recruitment processes and staffing people with a tendency to follow socially responsible human responsible practices and policies.
- The researcher suggests that the management of each cement factory regularly identifies the training needs of employees in light of the developments in their human resource management practices in addition to working on holding training aimed at developing employees.
- The researcher suggests the factories provide employees with skills in the ethical culture areas such as: occupational safety, efficiency in energy use, and waste management practices.
- It is recommended that each factory manager establish employee motivational tools who demonstrate greater compliance with socially responsible standards and not waste the resources used in every stage of cement production processes.

Recommendation for Future researchers

- Furthermore, this study calls for further research that focuses on areas not given sufficient research attention such as the impact of CSR activities in HRM in achieving Sustainable performance: Efficiency, Productivity, and Financial Performance of Organization.
- Future research needs to address ways to overcome the challenges of socially responsible human resource management and sustainable performance in other industries.

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