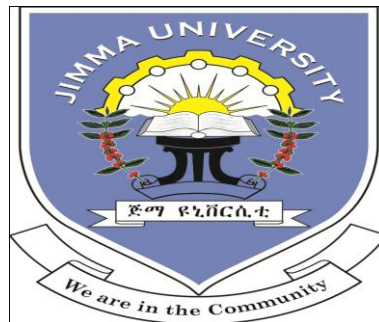


***THE PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY
AT BEDELE BREWERY***

***A THESIS SUBMITTED TO THE SCHOOL GRADUATE STUDIES OF
JIMMA UNIVERSITY IN PARTIAL FULFILLMENT OF THE AWARD
OF THE DEGREE OF MASTERS OF PUBLIC MANAGEMENT (MPM)***

BY:

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**MAY, 2016
JIMMA, ETHIOPIA**

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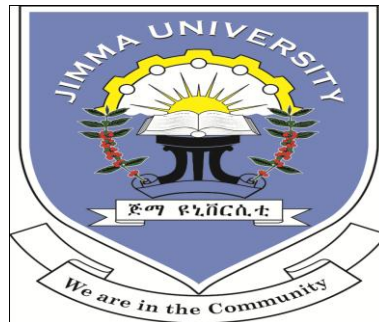
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Under the Guidance of

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*A thesis Submitted to the School Graduate Studies of Jimma University in
Partial Fulfillment of the Award of the Degree of Masters of Public
Management (MPM)*

JIMMA UNIVERSITY

MPM PROGRAM

MAY, 2016

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JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
MPM PROGRAM
THE PRACTICE OF CORPORATE SOCIAL
RESPONSIBILITY AT BEDELE BREWERY

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CERTIFICATE

This is to certify that the thesis in titled “The Practice of Corporate Social Responsibility at Bedele Brewery “, submitted to Jimma University for the award of the Degree of Master of Public Management (MPM) is a record of bona fide research work carried out by Mr. Tezera Bekele Haile, under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for award of any degree or diploma.

Main Advisor Name

Date

Signature

Co-advisor

Date

Signature

DECLARATION

I hereby declare that this thesis in titled “The Practice of Corporate Social Responsibility at Bedele Brewery” has been carried out by me under the guidance and supervision of A. V. R. Pandian (Prof.) and Lalise Kumera (MBA).

The thesis is original and has not been submitted award of any degree or diploma to any university or institutions.

Researcher Name

Date

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Tezera Bekele Haile

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LIST OF ABBREVIATION

BSR- Business for Social Responsibility
CD - Consumer demands
CE - Community enforcement
CP - Consumer protection
CSR - corporate social responsibility
CW - Community welfare
EP - Environmental protection
EU - European Commission
HR - Human rights
ILO - International Labor Organization
ISO - International Organization for Standardization
LT - Labor treatment
NF - Nature of the firm
NGO - Non Governmental Organization
OECD- Organization for Economic Co-operation & Development
SL- Social license
SP- Sustainability and profitability
SPSS- Statistical package for social science
TA- Transparency and ant-corruption
USAID- U.S. Agency for International Development

ABSTRACT

The purpose of the study was to examine practice of corporate social responsibility and its deterrent factors affecting CSR in Bedele Brewery. The researcher used descriptive and exploratory research designs and the population of study was 240 employees of Bedele Brewery. The study used simple random sampling technique to select the respondents and 180 employees were selected from the total employees. Sources of data for this study used primary source. The primary data were collected through questionnaire and semi structured interview. The method of data analysis used was descriptive and inferential statics. The major finding of the study was Bedele Brewery practices CSR in terms of labor handling, consumer protection, environmental protection and transparency and anticorruption. In contrary to this, the CSR practice of the factory doesn't involve human right and community welfare. The study also revealed that CSR practice in Bedele Brewery was positively affected by factors such as labor pressure, consumer demands, community enforcement, sustainability & profitability, social license and nature of the firm.

Key words: Corporate social responsibility, labor pressure, consumer demands, community enforcement, sustainability & profitability, social license and nature of the firm

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

All organizations governmental or non-governmental, non-profit or profit should do business in the way that maximize positive effects and to minimize negative effects of that business activity. This is the concept of corporate social responsibility (CSR). European Commission (2002) describes CSR a close relationships between companies and societies to tackle social and environmental concerns. They define CSR as:

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

According to D'Amato, Henderson, & Florence, (2009) corporate social responsibility is the world struggling with a new role, which is to meet the needs of the present generation without compromising the ability of the next generations to meet their own needs. Organizations are being called upon to take responsibility for the ways their operations impact societies and the natural environment. They are also being asked to apply sustainability principles to the ways in which they conduct their business. Sustainability refers to an organization's activities, typically considered voluntary, that demonstrate the inclusion of social and environmental concerns in business operations and in interactions with stakeholders.

Corporate Social Responsibility (CSR) in developing countries has been relatively limited and recent in nature; many aspects are still in need of clarification. While perceptions of companies' responsibilities date far back in history, modern history has witnessed various shifts in focus. From the 1970s onwards, the environmental dimension was very much in focus; by the late 1980s and early 1990s, a shift toward social and labor conditions, including the "internal (working) environment" started. This gained prominence by the mid-to-late 1990s as the focus on CSR and self-regulation, in particular expressed by the increase in codes of conduct, intensified, and the "external environmental" dimension tended to be down played even forgotten (Freeman, 1984).

It was Brundtland, (1987) that for the first time systematically emphasized the link between poverty, environmental degradation, and economic development. Its definition of sustainable development, as meeting the needs of the present, without compromising the ability of future generations to meet theirs, extends the responsibility of firms both inter- and internationally. Thus, firms are expected to also consider traditionally unrepresented stakeholders such as the environment and as well as future generations. Although many CSR authors have taken up the notion of a “triple bottom line” (Elkington, 1997)

Today, managers of large Companies have found a need that the environment in which they operate should be provided for because their intermediate and macro environments have a direct impact on the attainment of the corporate goals, objectives and mission statement. The purpose of all profit-making organizations is to maximize profit and in turn minimize cost, through optimal utilization of available resources to achieve the best results they are capable of. The business practice of CSR involves identifying its stakeholder groups and incorporating their needs and values within day today decision making process. Thus, CSR is a means of analyzing the inter-dependent relationships that exist between businesses, the economic systems and the communities within which they are operating.

CSR is a means of discussing the extent of obligations a business has to its immediate society; a way of proposing policy ideas on how those obligations can be met. CSR is a key indicator to determine the true worth and value of modern organizations to give back to the society as part of their income through some mutually beneficial initiatives Nkanbra and Okorite, (2007).

Hence, this study was describing the practice of corporate social responsibility in Bedele Brewery. It also focuses on examining the determinant factors of CSR practice which helps to bring sustainable and green development in the business and its environment.

1.2. Statement of the problem

When the relationship between business and society is considered, companies face a conflict of aims between maximizing shareholder and stakeholder value. On the one hand, some claim that Corporate Social Responsibility (CSR) helps to meet objectives that produce long term profits, while others claim that CSR is a step towards a decent society because companies are doing what is ethically correct. In the following few paragraphs, let's discuss regarding these and other arguments about CSR practice as well as its determinants in companies.

Regarding the practice of CSR, Friedman (2007) revealed that the social responsibility of business begins and ends with profit maximization. Authors like Maignan & Ferrell(2001) argued that CSR is a citizenship function with moral, ethical and social obligations between a corporation and its consumers. The purpose of the company is to provide return on investment for shareholders and thus corporations are seen as instruments of creating economic value for those who risk capital in the enterprise (Greenwood, 2001).

On the other hand, former chief economist of the OECD, David Henderson argued against CSR and argued its general adoption by business would reduce welfare and undermine the market economy (Tyrrell, 2006). According to Carroll & Buchholtz (2000) many critics of CSR view it too narrowly and merely take into account its ethical and philanthropic categories.

Curran (2005) refers to this as "social permission theory", which holds that corporations exist and act by permission of society at large corporations are obliged to consider all possible stakeholders because they make up society at large and these stakeholders were the ones who gave corporations permission to do business in the first. Further, if corporations use that power in ways that are not consistent with society's expectations, they will eventually face increasing externally imposed controls over their behavior, thus society will circumscribe that power.

According to findings by (Agle & Mitchell, 2008; Vaaland & Gronhaug, 2008) and interview (Sweeney & Coughlan, 2008), CSR activities were categorized under the headings like Environment, Customers, Employees and Community. Firstly, in relation to the environment,

the most common activities include waste reduction and recycling. Energy conservation is also quite common. To a lesser extent; reduction in water consumption, air pollution and packaging is carried out by firms. The most common activity toward customers is commitment to providing value to customers. Responding to customer complaints in a timely manner is also quite popular and to a lesser extent, supplying clear and accurate information to customers and considering customer accessibility. The most common activities in relation to employees are a commitment to the health and safety of employees and ensuring adequate steps are taken against discrimination. Slightly less popular activities include encouraging employees to develop skills and long term career paths and work life balance. Lastly, in relation to the community, the most common activity involved donating to charity. Having employees volunteer on behalf of the firm and having recruitment and purchasing policies in favor of the local community are also popular activities (Vaaland & Gronhaug, 2008).

Furthermore, William & Jose, (2009) conversed that the CSR standards hinge on many aspects of life such as human rights, treatment of labor, the environment, consumer protection, health, fighting corruption and transparency in reporting.

Regarding the determinants of CSR, one of the most pragmatic reasons for business to be socially responsible is to ward off future government intervention and regulation, which is costly to business and restricts its flexibility of decision making. Arguably, if business voluntarily exceed their regulatory obligations then the need or will for government interference in business affairs is reduced (Tyrrell et al, 2006). According to Nick (2010) Stated 45 forces driving CSR activities which are categorized as including community, shareholders, employees, and social license, nature of the firm, and sustainability and profitability. He has organized these drivers into overarching themes.

Although these are the arguments on CSR practices and determinants, business of this complex and dynamic environment should consider the concepts or core components of CSR such as integration of social and environmental concern; voluntariness; ethical behavior; economic development; improving the quality of life of the citizens; human rights; labor rights; protection of environment; fight against corruption; transparency and accountability. The arguments, however, faced short sights in terms of findings, approaches, content and so on.

In this respect, the Bedele Brewery has certain problems in the processes of being socially responsible business sector. The problems includes in producing and the sales counter as finished goods is a long process that leaves its effects on individuals and communities surrounding the company (Somo & Pro-found,2006). Correspondingly, although the Beer industry and its associated sectors contribute significantly to the Ethiopian economy the waste which is discharging from factory pollutes the air, soil, and water, causing serious health problems. These malicious wastes negatively affect the company and its stakeholders in the following way. First, the company's acceptance, image, reputation and approval by the society obviously will suffer. Second, the company may face sanctions or other types of punishments from the regulatory body which have its own cots financial as well as non-financial. Third, with regard to impact on stakeholders, it can cause health and well-being problems on their day-to-day activities as well as interaction with the company. Therefore, to save the company and its stakeholders form such discrepancies, scientific research & modernization of CSR practices becomes apparent.

Therefore, this study will fill such a gap assessing practice of CSR in Bedele Brewery on the basis of the data which has been collected from different workers of the Bedele Brewery.

1.3. Research Questions

This study tried to answer the following research questions.

1. What does the condition of CSR practices in Bedele Brewery looks like?
2. Is there relationship between labor pressure, consumer demands, community enforcement, sustainability & profitability, social license and nature of the firm?

1.4. Objectives of the study

1.4.1. The general objective of study

The main objective of this study was to describe the practice of corporate social responsibility and its determinant factors in Bedele Brewery.

1.4.2. **The specific objectives**

The specific objectives of this study were:

- To assess practices of CSR in Bedele Brewery.
- To examine factors that affect corporate social responsibility in Bedele Brewery.

1.5. *Significance of the Study*

The results of this study have the following potential contribution to different beneficiaries:

- First and foremost, this study were contribute a lot to the Bedele Brewery with regard to the best CSR practices which will help to create positive relationship between the company and stockholders.
- This study also benefits the researcher for conducting extensive and ongoing research through providing reliable and accurate information about CSR. Moreover, it will also serve as a reference to conduct further study on the topic.
- In addition, it is believed that this study may have importance in creating and building CSR awareness, and attitude for managers of company customers, employees and community in general in the industry.
- The researcher may also benefit a lot in such manner to develop research experience and culture as well as broaden knowledge of CSR.

1.6. **Delimitation and Limitations of study**

The scope of the study was confined to the investigation of practice of corporate social responsibility and its' determinant factors in Bedele Brewery. The data type that used in this study was primary data which collected through questionnaires and semi structured interview with top managers. It focused on examining of factors that affect CSR practices in Bedele Brewery. For the sake of gathering relevant information about the research and to cope with the available time and resource constraints, this study focused only on corporate social responsibility practices at Bedele Brewery in Oromiya region, although CSR is equally important for other business organization.

The limitation of the study composes from participant of study, for instance the researcher wants to observe the condition of CSR practice as stakeholders of the company but it was

impossible. However, it doesn't affect the findings of study because employees of the company were the local community living around brewery and the consumer of the product.

1.7. Ethical consideration

To ensure that the study was conducted as thoroughly and ethically as possible, a number of ethical considerations were taken into account throughout this study. A formal letter issued by Jimma University was sent to each firm to request for provision of data related to the research. When permission was granted, the research topic was introduced to the respondents by assuring the confidentiality of maintaining the data they provide. The interview questions (appended) were also very clear that the research was purely for academic purposes and that confidentiality of participants was assured. Anonymity of the respondents was also maintained in the research report. Based on the verbal consent obtained from each respondent, their profile is appended in the research report. Throughout this research, the data analysis and interpretation were conducted objectively. The researcher didn't make any personal judgment and due considerations were given only to the facts obtained in the research process. Therefore, this research tried as much as was possible to respect persons that provided information and on whom information was collected as well as respect the knowledge gained and indeed respect for academic research.

1.8. Organization of the Thesis

This study organized under five chapters. Chapter one deals with the introduction which includes the background of the study, statement of the problem, basic research questions, objectives, delimitation and limitations and ethical consideration of the study. Chapter two presents concepts and definition, review of both the theoretical and empirical literatures, and conceptual framework of the study. Chapter three is about research design, sample design, data sources and instruments, and analytical method of the research. Chapter four provides result and discussion of both descriptive and explanatory analyses corresponding to the research questions of the study. Chapter five constitutes major findings, conclusions and recommendation on the bases of findings.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 THEORETICAL REVIEW

2.1.1. Definition of CSR

As it has been studied by many scholars and agreed that it is quite difficult to have an agreed definition that clearly reveals the concept of corporate social responsibility. However, the border definition of corporate social responsibility is concerned with what is or should be the relationship between global corporation, governments of countries and individual citizens. More locally the definition is concerned with the relation between a corporation and local society in which it operates. (Hameed, 2010) , had provided the definition of the corporate social responsibility in such a way that Corporate Social Responsibility (CSR) provides strategic framework for achieving sustainability by considering the ethical concern in the society. Dahlsrud, (2008) quoted in the works of Hameed and forward the very important definition which was included in the study is that there is no as such correct definition of CSR. The most commonly used definitions of CSR come from the Commission of the European Communities in 2001 “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.

CSR is complex area with an interdisciplinary focus which includes human rights, environmental responsibility, and diversity of management, sustainability and philanthropy (William R. , 2010) CSR concerned with treating stakeholders of the firm ethically or in a responsible manner. It is a new phenomenon as well as the business practices associated with it (Jone, 2005). “Ethically or responsible” means treating stakeholders in a manner deemed acceptable in civilized societies with regard to social, economic and environmental responsibility. Stakeholders exist both within a firm and outside. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the

profitability of the corporation, for peoples both within and outside the corporation (Micael, 2006).

According to EU Commission 2002 CSR is the concept whereby the companies integrate social and environmental concern in their business operations and interaction with stakeholders on voluntary speaks of CSR in the following terms: “Socially responsible business practices strengthen corporate accountability, respecting ethical values in the interests of all stakeholders. Responsible business practices basis.

Organization’s engage in corporate social responsibility activities to influence and improve stakeholders' perception of their image. Organization or brand image is important because it ultimately provides the company a competitive advantage for their business (Barone, Norman, & Miyazaki, 2007). Corporate social responsibility is being monitored more closely now than ever before because consumers are very concerned with responsible business practices (Morsing & Schultz, 2006). Stakeholder groups can have tremendous influence on profitability; so, it is in the best interest of the company’s bottom line to meet the expectations of these groups. Organizations that recognize the fact that they ought to be socially responsible to their stakeholders and go a step further to practicing CSR have a lot of benefits.

Business for Social Responsibility, (BSR, 2003) respect and preserve the natural environment. Helping to improve the quality and opportunities of life, they empower people and invest in communities where a business operates.

2.1.2. Theories of CSR

Since there is a great heterogeneity of theories and approaches of CSR, (Secchi, 2007) has come up with a group of theories based on a criterion what role the theories used to the corporation and society.

2.1.2.1. Utilitarian Theory

In the utilitarian theories the corporation serves as a part of the economic system in which the function is mechanical i.e. traditionally known as in profit maximization. CSR ideas emerged

after a realization that there is a need for an economics of responsibility, embedded in the business ethics of a corporation.

The utilitarian theories are related to strategies for competitive advantages. The proponents of these theories are, for instance, (Litz, 1996) who viewed the theories as bases for formulating strategies in the dynamic usage of natural resources of the corporation for competitive advantages. The strategies also include altruistic activities that are socially recognized as instruments for marketing. The utilitarian theory, therefore, suggests that the corporation needs to accept social duties and rights to participate in social co-operation. Within it, the functionalist theory, specifically advocates that the corporation is seen as a part of the economic system, which one of the goals is profit making. The firm is viewed as an investment, and investment should be profitable to the investors and stakeholders. Putting it from the internal point of view of the firm, CSR was coined as a defense tactic of the industrial system against external attacks because there needs a balance between profit making and social objectives for the economic system's equilibrium.

2.1.2.2. Managerial Theory

Managerial theory that emphasizes corporate management in which CSR are approached by the corporation internally. This makes the difference between utilitarian and managerial perspective of CSR. This suggests that everything external to the corporation is taken into account for organizational decision making (Secchi, 2007).

Managerial theories are also covered under the integrative theories of (Garriga, 2004), namely, the entities of public responsibility and corporate social performance. Public responsibility stresses on law and public policy process that are taken as a reference for social performance, while corporate social performance searches for social legitimacy relevant to social issues.

2.1.2.3. Stakeholder theory

There is common way of differentiating the different kinds of stakeholders is to consider groups of people who have classifiable relationships with the organization. Friedman (2006) means that there is a clear relationship between definitions of what stakeholders and identification of who are the stakeholders.

The Stakeholder Theory of the firm is used as a basis to this study to which the firm should be responsible. According to Freeman (1984), the firm can be described as a series of connections of stakeholders that the managers of the firm attempt to manage. Freeman's classic definition of a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives".

Post, (2002) believe that effective stakeholder management is a critical requirement for sustaining and enhancing the wealth creating capacity of the organization. Jones (1995) suggests that stakeholder management is a source of competitive advantage, as contracts between organizations and stakeholders will be on the basis of trust and cooperation and therefore less expense will be required in monitoring and enforcing such contracts. Clarkson (1995) argues that failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system and its ability to continue as a going concern. Jarillo (1988) and Jones (1995) argue that collaborative working relations with stakeholders will deliver organizational success.

2.1.2.4. Organizational Challenges and Limitations

Companies face challenges and limitations as they implement CSR. These usually relate with different issues or to organizational level concerns and are often embedded in culture. The complexity of operating in a global society places new demands on organizations and their leadership (D'Amato, Henderson, & Florence, 2002).

Fundamental to meeting the development challenge is the growing importance and power of the private sector and of civil society. In the last decade, the development challenge has increasingly become one of addressing complex ethical, financial, and environmental issues to ensure the sustainability of defined development objectives. This has created opportunities for multi-sector initiatives that can effectively address a host of issues and that can optimize the use of human and material resources. At the same time, businesses recognize the imperative for the private sector to ensure long term markets for their services and products. Corporate social responsibility presents the business community the right vehicle form promoting its commercial interests, while at the same time giving back to the community (USAID, 2002).

2.2. Empirical review

The empirical part of literature review is based on analysis of number of research findings. The reviewed findings are discussed in the as follows.

According to Abdulhamid (2013) conducted a research thesis on assessment of corporate social responsibility practices and determinants. A study was comparative conducted in Addis Ababa Tannery and Awash Tannery including 88 and 35 workers in Awash and Addis Ababa tanneries were selected from the total employees of 654 and 275 in each tannery. Data were collected through questionnaire and structured & unstructured interview. He identified CSR practices based on ISO 26000 seven fundamental subjects of CSR which are supported by lots of research findings of CSR. In his conclusion, CSR practices including environment, labor practice, human rights, organizational governance, fair operating practice, consumer issues and social development. These practices are discussed in the following few paragraphs based on lots of research findings on CSR.

According to the finding of Abdulhamid(2013) finding labor treatment is one of CSR practices of companies. In relation to this, Anupam & Ravi(2012), in their study described labor treatment of CSR with focus on health, education and environment. The study based 12 large scale organizations basically from the IT, FMCG and Auto sectors. The detailed study of CSR initiatives by all these firms has been taken and then scores compiled for all three sectors undertaken for the study vise education, health and environment. Using a combination of case studies and industry matrices for all three sectors, i.e. education, health and environment sectors the results are discussed. The results indicate that the selected companies (IBM, Tata consultancy service and Nestel) are practicing CSR via the selected CSR standards including labor treatment. These firms are trying to provide different services such as education and training for their skills and long term career, health care, work life balance and safety facilities.

According to Dirk & Jeremy, (2004), in their study of CSR standards, described labor treatment seeing that fair wages, working time and conditions, healthcare, redundancy, protection against unfair dismissal, just to name a few examples, have been key issues to which CSR policies have been addressed. In general, the theme is firms should respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment.

Another CSR practice of companies, in many research findings, is consumer protection. For instance, Carroll & Shabana, (2011) in their business cases suggested that CSR initiatives can contribute to strengthening a firm's competitive advantage, its brand loyalty, and its consumer patronage. Consumers are showing increasing interest in supporting responsible business practices and are demanding more information on how companies are addressing risks and opportunities related to social and environmental issues. Anupam and Ravi (et al, 2012) also stated that consumer protection can be achieved through improved products. In the main, these and other findings indicate that consumer protection can be achieved through different dealings such as:

- ✚ Firms should deal with all customer issues in a fair and honest manner, by listening to them and giving sincere consideration to their comments and suggestions.
- ✚ They should strive to deliver high value, quality products and services that meet and/or exceed the expectations of their customers.
- ✚ They should ensure that all products meet the required safety and environmental standards.
- ✚ They will carefully monitor cost issues in order to provide our customers with affordable products.
- ✚ They will provide goods and services that can be used for socially beneficial purposes.
- ✚ They will actively invest in research, development, and manufacturing improvements that enable them to add value to the customer by consistently creating innovative products and services.

In many research findings, community welfare is also considered as a standard of CSR practice. Each country, governing agencies should supposedly regulate and watch over the processes involved. According to Sage (2011) CSR can be described in terms of “social values and behavioral issues” in order to reduce unemployment level of the community. This and other research findings on community standard of CSR summarized as:

- ✚ Firms should create strategic partnership between civil society, organizations and business gain momentum.
- ✚ They should participate in local purchase.
- ✚ Companies should provide various social services in infrastructure, entertainment, health, culture and so on.
- ✚ Business organizations should produce socially beneficial products
- ✚ Dialogue with the local community is also other thing which be considered in community standard of CSR.

According to Hadi & Raveed, (2011), their article explained certain CSR practice descriptions in terms of environmental protection. They used a combination of qualitative and quantitative methods to identify the CSR themes and measure the priority of each theme, and also the extent to which the Industrial Management Institute (Iran) have contributed toward each of them. The research population primarily includes 100 top - in terms of annual sales Iranian companies and semi-structured questionnaire are developed and used as instrument. The findings of the article indicate that promotional programs for environment, in environmental group should be designed in CSR strategies and practices of firms.

Shafiqur (2011), in his study stated that environmental protection is one of the dimensions by which CSR described. As a methodology, dimensions of CSR were identified through a content analysis of its definitions. According to Anupam & Ravi, (2012), the environment can be protected via various measures such as using less water, emitting fewer greenhouse gases and reduction of energy consumptions. CSR standard studies of (William & Jose, 2009) proposed that environmental protection using means such as:

- ✚ Comply with or surpass set environmental laws, rules and regulations to promote environmental protection and minimize, if not eliminate, environmental risks.
- ✚ Companies will continue to work towards developing innovative products that integrate environmental standards, minimize environmental impacts in integrated manner and enhance the social value.

- ✚ They will participate in environmental protection and restoration projects.
- ✚ They will promote environmental awareness and provide information to their employees to enhance their understanding of environmental issues.

With reference to, (William & Jose, 2009) study of CSR standards, the CSR standards hinge on many aspects of life such as human rights, treatment of labor, the environment, consumer protection, health, fighting corruption and transparency in reporting. The findings of the study claim that companies are under obligation to respect and promote human rights in their operations. The Universal Declaration of Human Rights of 1948 recognizes the dignity and equality of all persons as members of the global community. This also forms the basis for freedom, justice and peace across the world. Corporations, as organs of society are under obligation to comply wherever they may be operating in the world. It stated that corporations are required to:

- ✚ Promote human rights in those countries where they operate.
- ✚ Investigate how human rights might be affected by the various types of business operations.
- ✚ Ensure that all security personnel respect human rights and comply with the principles of the UN Code of Conduct for Law Enforcement Officials
- ✚ Include in their code of conduct, the aspect of respect for human rights.

Similar to his description about environmental dimension, Shafiqur (et al, 2011), has declared that CSR be treated in terms of human rights.

According to Australian Government (2010) study, social responsibility is premised on fair operating practices, meaning ethical conduct in an organization's dealings with others, including government agencies, partners, suppliers, contractors, competitors and the associations in which they are members. A key issue in fair operating practices is anti-corruption. Corruption can result in the violation of human rights, the erosion of political processes, impoverishment of political processes, impoverishment of societies and damage to the environment. It can also distort competition, distribution of wealth and economic growth.

Socially responsible companies will consequently have in place robust anti-corruption policies and practices, backed up by senior management buy-in, staff training, and reporting, and accountability arrangements. Similar explanation about transparency and anti-corruption are also raised by (Shafiqur, 2011).

In the last decade, in particular, empirical research has brought evidence of the measurable payoff of corporate social responsibility (CSR) initiatives to companies as well as their stakeholders. Companies have different reasons for being attentive to CSR. Varieties of studies about factors which determine CSR are discussed below.

According to Martin & Yunita (2012) tried to describe profitability as a determinant of CSR. This research used data from 30 Indonesian listed corporations in 2007-2009. Data used in this research are financial data, stock price, and information of CSR activities extracted from annual report. For profitability testing, they used three indicators: Return on Asset, Return on Equity, and Net Profit Margin. As a result, descriptive statistics and linear regression model were designed for the analysis. Accordingly, the findings shows, CSR defined as business contribution to sustainable development and that corporate behavior must not only ensure return to shareholders, wage to employees and products and services to consumers, but they must respond to societal and environmental concerns and value.

Antonia & VonWeltzein, (2009), in their study stated determinants of CSR. The study was done through hypothesis testing. The findings show that a variety of drivers emerged upon CSR namely utopian philosophers and social critics, philanthropists, religious and ethical thinkers, political and business interests. Accordingly, CSR is not only business ethics, but also social ethics and even political ethics, and besides the corporate responsibilities, there are also responsibilities of government, public administration, trade unions, the media, consumers, workers and etc.

On the basis of the above descriptions about determinants of CSR and other related studies mainly based on (Nick C. , 2010) the findings of CSR determinants are summarized as follows:

More than ever before, the public-at-large (community) is placing social, ethical and environmental expectations on organizations large and small. Many companies are now engaging in corporate social responsibility simply to catch up with these expectations.

Shareholder resolutions related to social and environmental issues have steadily increased year-on-year. Through these resolutions, activist investors attempt to sway management policies either by passing a binding resolution or simply by forcing the board and senior management to respond publicly to social concerns.

Indeed, employees at all levels are suffering a lack of meaning at work. Even at the lowest levels of many companies, entrepreneurial employees are launching their own initiatives targeting social and environmental issues within the context of their company. So grassroots employee activism is the other critical determinant of the practice of CSR.

CSR and ethics education is the other determinant of CSR practices. In response to the growing interest in corporate social responsibility, companies are sending staff to workshops focused on sustainability, ethical decision making, and other dimensions of CSR. MBA programs worldwide are incorporating these aspects into their curriculum.

The other determinant which rose was level of social license. In order for buyers to verify the social and environmental record of their suppliers, many are turning to certification programs that provide independent verification. ISO 14001 was one of the first and most popular of these programs, but many more have been launched since.

The internet and social media is also affects the activity. Once, the internet enhanced the public's access to information - including information about social issues and the social & environmental performance of companies. On Facebook, Twitter, MySpace, thousands of review sites and tens of thousands of discussion forums, people's compliments, complaints, and criticisms are readily shared with the world.

Regulation on social and environmental reporting influences the company to be socially responsible. In a fairly recent development, some jurisdictions and laws are now pursuing legislation or securities regulation that would force companies to report on social and environmental performance, similar to mandatory financial reporting to shareholders.

The other very important factor is sustainability and profitability. One common myth of corporate social responsibility is that it is costly to implement. But on the contrary, many companies are being driven to engage in responsible business practices out of a desire to save money. Firms that conserve energy & resources and create a more efficient value chain help the environment and their bottom line. Some companies are even earning revenue through their activities. For example, some are installing solar panels on roofs and selling energy back to the grid.

International organizations including NGOs also put pressure on CSR practices. A major role of these organizations is to raise public awareness of social issues and to pressure those with the power to fix those issues. This activism is responsible for much of the increase in public awareness of social issues and the questionable activities of some companies, as well as shifting attitudes toward the social role of the corporation.

In summary, the preceding description about the empirical studies of CSR presents a landscape of CSR standards and determinants although some of them provided a propagation of approaches, which are controversial and complex. These concepts have been examined and classified by scholars since the mid-1970s. However, owing to the evolving meaning of CSR and the huge number of scholars who have begun to analyze the issue in recent years fresh efforts are needed to understand new developments.

In relation to this study, the CSR determinants are discussed and presented in the following certain conceptual framework.

2.3 Conceptual Framework

There is no agreed measurement system for CSR, the framework that can be developed based on CSR practice standard, which have been adapted and to be applied to the related companies (Morsing & Schultz, 2006). As we can see Figure 2.1 below, according to (Abdulhamid., 2013), conceptual framework can be present in form of a cycle in which companies exist, i.e. with an external and a company internal environment which together define the CSR practice.

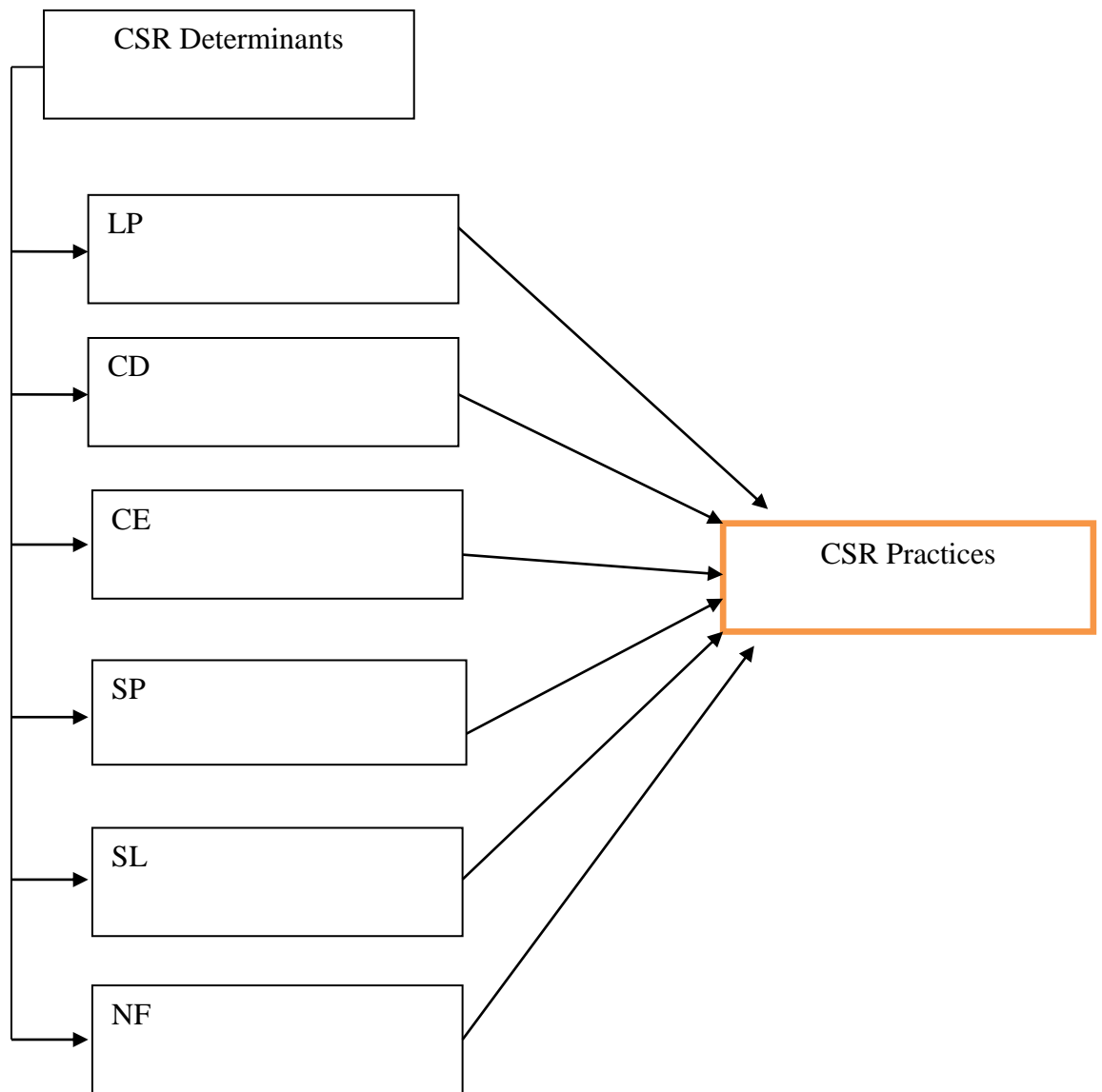


Figure 2.1 Conceptual frame work adopted from (YUSUF, 2013).

The above figure shows that CSR practices, depends on various factors also called independent variables such as labor pressure (LP), consumer demands (CD), community enforcement (CE), sustainability and profitability (SP), social license (SL) and nature of the firm (NF). Based on the findings of number of researches (Abdulhamid, 2013; Dirk &

Jeremy, 2004; Anupam and Ravi et al, 2012; Hadi & Raveed, 201; Shafiqur, 2011and others) determinants of CSR are discussed below.

I. Labor Pressure

Grassroots employee activism is a critical factor which influences CSR practices of a firm. Indeed, employees at all levels are suffering a lack of meaning at work, even at the lowest levels of many companies, entrepreneurial employees are launching their own initiatives targeting social and environmental issues within the context of their company.

Firms should respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment for their workers. They should also draw strength from workers diversity, creating a positive synergy between the individual and the company. Because business performances of a firm is more depends on the activities of its employees. So, employees influences CSR activities of their organization through their labor unions or/and in the informal groups, Anupam S. and Ravi K. (2012).

II. Consumers Demands

Marketplace demand primarily focuses on consumers pressure towards the companies' policy of CSR corresponding to marketplace polices. Consequently, firms should keep their customer in mind at all times and make the quality of their products and services their highest priority. From the quality assurance efforts of each employee to the quality of their company as a whole, a firm should devote itself to creating products and services that please their customers and earn their trust.

Generally consumers of a particular company have impact on the business activities of that company. Many companies tried to resist this impact using different strategies including CSR. For some companies, corporate social responsibility is becoming a core component of their overall branding strategy. Given the positive impact that CSR can have on a firm's reputation, and the usefulness of CSR to bond with stakeholders on an emotional level, firms are increasingly turning to it as an alternative to traditional marketing activities. Some other companies implements ethical consumerism which is a strategy to encourage sustainability and responsibility in their systems of production and consumption, by making purchase decisions based on social and environmental criteria Carroll A. and Shabana M. (2011).

III. Community Enforcement

Many companies are engaging in various activities which enhance the welfare of the community. As a result, companies should actively contribute to the communities, in which they operate, as well as the international community, and facilitating mutually beneficial relationships. Because community enforcement, threat profitability as well as survival of business organizations. More than ever before, the public-at-large is placing social, ethical and environmental expectations on organizations large and small. Many companies are now engaging in corporate social responsibility simply to catch up with these expectations.

Community welfare includes different social, economic and political activities regarding to the problems of the society. These activities might be in education, health, sport, infrastructure or other similar activities. Organizational or institutional participation in these activities can be considered as a CSR practice.

IV. Sustainability and Profitability

The objective of many firms is to sustain in the business and to achieve the objective of the firm. CSR activities concerning labor, customers, community and the environment are key elements to sustain and to achieve its objectives. The sustainability approach to CSR is based on the idea that the corporate entity should remain economically viable over the long run. The corporation must generate profits because survival requires it, but survival most emphatically does not require short-term profit maximization. In fact, a short-term time horizon may impede the corporation's long-run sustainability because it can result in policies that sacrifice future earnings for current net income.

In the competitive environment companies should identify new markets for their existence. Not only are these trends increasing demand for socially-responsible, sustainable products, they are also creating whole new markets centered on them. For example, organic foods, green brands, and locally-produced goods are niche markets quickly becoming main stream. Further, heightened demand for energy conservation and renewable energy has propelled a rapidly-growing environmental industry focused on innovation to meet those needs.

V. Social License

Social license includes recognition from various angles such as buyers, media, government, international organizations and self-certification. In order for buyers to verify the social and environmental record of their suppliers, many are turning to certification programs that provide independent verification. ISO 14001 was one of the first and most popular of these programs, but many more have been launched since.

Social media has impact on CSR activities especially in the transformation of information among stakeholders to create awareness. It is not the only thing giving individuals a louder voice; the traditional media is complicit too. Many prominent news outlets (Aljazeera, BBC and CNN perhaps being the most famous example) have turned to the public-at-large to provide news reports and opinion.

Regulation on social and environmental reporting is the other factor which influences CSR activities. In a fairly recent development, some jurisdictions are now pursuing legislation or securities regulation that would force companies to report on social and environmental performance, similar to mandatory financial reporting to shareholders. These laws will have a similar effect as the CSR reporting norms already established for large companies, but more pronounced and more widespread.

International organization such as UN, ILO, and other governmental and non-governmental organizations influences CSR practices of a firm. The major role of the non-governmental organization (NGO) is to raise public awareness of social issues and to pressure those with the power to fix those issues. This activism is responsible for much of the increase in public awareness of social issues and the questionable activities of some companies, as well as shifting attitudes toward the social role of the corporation.

Governments are also using positive and negative financial incentives to encourage more sustainable behavior by both individuals and corporations. Here, governments attempt to reward companies for the positive impact they have on society as a whole, and punish them for negative impacts. Through financial incentives, governments attempt to correct this problem and encourage appropriate levels of CSR.

VI. Nature of the Firm

The business case for CSR differs from firm to firm, depending on a number of factors. These include the firm's size, products, activities, location, leadership and reputation (as well as the reputation of the sector within which the firm operates). Another factor is the approach a firm takes to CSR, which can vary from being strategic and incremental on certain issues to becoming a mission-oriented CSR leader.

CSR and ethics education has impact on the practice of the concept of CSR. In response to the growing interest in corporate social responsibility, companies are sending staff to workshops focused on sustainability, ethical decision making, and other dimensions of CSR.

CHAPTER THREE

RESEARCH DESIGN & METHODOLOGY

3.1. Introduction

The research methodology section presents the research design, population of the study, Sampling technique and Source and method of data collection and the methods of data analysis.

3.2. Design of the study

There are three aspects involving the research approach of the study: quantitative, qualitative and mixed methods approach. Traditional methods approaches use the first two approaches while the mixed method approach is relatively new (Tashakkori and Cres, 2007). The aim of this study was to create a clear image of the state of the art of Corporate Social Responsibility in Bedele Brewery.

To accurately study CSR in manufacturing companies, the study was descriptive nature tried to develop an overall description of the situation of CSR practice in Bedele Brewery. This knowledge will be obtained in a quantitative research design, through questionnaire and only four questions for an interview which is qualitative. The motivation for adopting survey for the study stems from its potential to provide a better statistical sample. The quantitative approach is well suited for the study as it facilitates examination and explanation of the relationship between variables; and, a conclusion can be drawn from the sample of the population to achieve the research objective. So the research gave much focus to quantitative research and very little for qualitative in another way it used mixed research approach.

Therefore, this study used both descriptive and exploratory research designs. Descriptive design was used because this study described the existing practice of CSR as it is in Bedele Brewery. Exploratory design was used to determine the relationship between CSR practice and its determinants.

3.3. Population

The target populations of this study were the managerial and non-managerial employees of Bedele Brewery. Currently, in Bedele Brewery, there are total of two hundred forty (240) staff members.

3.4. Sampling technique

To select representative population from employees, the study used simple random sampling technique to give equal chance for participant. Random sampling selected because it gives equal chance to homogenous population of the study.

The sampling procedure starts from determining the sample size by using the formula adopted from Yamane (1967), as shown below.

$$n = N / (1 + N(e^2)) \text{ Where,}$$

n = sample size required

N = number of population=240

e = Precision desired, expressed as a decimal 0.05.

Therefore, the researcher will take the best technique to use the conservative figure of variance 50% at the precision level of 95%.

$$n = N / (1 + N(e^2)) = 240 / (1 + 240(e)^2) = 240 / (1 + 240(0.05)^2) = 240 / 1.6$$

$$n = 150$$

According to the above formula the sample size which selected 150 respondents to keep the respondent ret to be constant, the sample size increase by 20% as allowance. Therefore, final sample size 180 respondents from Bedele Brewery staff members.

After determining the sample size, the researcher asked the HR department of the factory to provide the list of employees. Based on the list of employees, the researcher used lottery method to select sample representatives from the population.

3.5. Source and Method of data collection

The sources of data for this study used primary source. The primary data was collected directly from respondents using instruments like questionnaires and interviews. As stated above, in the population section, respondents include managers, and workers in Bedele Brewery.

3.5.1. Questionnaire

For this study, five point scale or Lickert type of questionnaire where used which was adopted form (Abdulhamid., 2013), the questionnaire have been five point scale ranging from 1= strongly disagree to 5= strongly Agree. Respondents are asked to indicate their opinion about the practice and determinants of CSR in the company. It was contain two major parts. Part one is about the CSR practice in Bedele Brewery and part two is about the determinate factors of CSR in yes or no format.

3.5.2. Interview

The purpose of the interview was to gather qualitative data about CSR practice in Bedele Brewery. Moreover, the interview was used to substantiate the results obtained from the questionnaire. In order to come up with a reasonable explanation and to enrich the study, a semi-structured interview conducted with top managers of the company.

3.6. Validity and Reliability

Validity, often called construct validity, refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure. The validity of this study has been ascertained via different methods or techniques corresponding to whether the validity is internal, external, or construct. Interval validity of the study tied to achieve by demonstrating that the independent variables are directly responsible for the effect of the dependent variable (CSR practices). The quality of the study also depends on its external validity in some extent. Through the accurate representation of the population by the sample, external validity of the study achieved. As the sampling design of the study pointed out the sample is selected using the well-known sampling technique. Besides internal and external validity, construct validity plays important role in the quality of the study by creating similarity between the concept of the study and its findings. This attained

through a clear operational definition of the independent variables of the study. Independent variables of the study are briefly stated in the subsequent two sections of this chapter besides the discussions of the empirical review.

Reliability is the degree to which the measure of a construct is consistent or dependable (Bhattacharjee , 2012). It can be also defined as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials. The quality of the findings of the study accomplished when the reliability of the study achieved corresponding to its validity. The reliability of this study reached its highest level by determining whether the participants feel that they are accurate. This has been realized through brief, clear and concise preparation of questions in the questionnaire. Additionally, questionnaires have been translated to Amharic, in order to make the respondents comfortable in understanding the essence of the questionnaire.

Finally, Cronbach's Alpha test was done. According to Nunnally (1998) the value should be greater than 0.7. Cronbach's Alpha result of the questionnaire was 0.79 and it fulfills the requirement of Nunnally. Hence, the validity and reliability of this study have been ascertained.

3.7. Method of Data Analysis

To analyze the collected data both qualitative and quantitative approaches were used. The method of data analysis was descriptive and inferential. Among the various descriptive methods of data analysis percentage, frequency, mean and standard deviation were used to measure the CSR practice. The inferential statistics were used to determine the relationship between CSR practice and its determinant factors. As inferential statistics multiple linear regression analysis was used because the study has six independent variables (determinants of CSR) and dependent variable (CSR practice).

After the required data collection, the latest version of SPSS was used for the purpose of processing and analyzing the given data. The analyzed data were presented by using tabulation and charts.

3.8. Model specification and description of the study variables

3.8.1. Model specification

As discussed in the conceptual model, this study has six independent variables which affect the dependent variable. The relationships between the independent variables and the dependent variable as well as among the independent variables themselves are discussed below.

To determine the relationship between the variables, multiple linear regression model is formulated which is discussed below.

The multiple linear regression formula is applied that is;

$$Y_i = \beta_0 + \beta_i X_i + e_i$$

This formula indicates Y as the dependent variable - CSR practice and X_i includes the independent variables (determinant factors) of this study.

In this formulation β_0 is a constant representing the baseline value of the transformed cumulative probability and β_i represents the effect of the covariates on the transformed cumulative probabilities. Thus, in this study, $E(Y_i | X_i)$ gives the probability of the existence of CSR practices due a determinant X_i . (Gujarati N. 2004)

The justification the above model can be seen as follows: Assuming $E(e_i) = 0$, as usual (to obtain unbiased estimators), we obtain

$$E(Y_i | X_i) = \beta_0 + \beta_i X_i \quad \text{or}$$

$$P(\text{CSR}) = \beta_0 + \beta_1 \text{LP} + \beta_2 \text{CD} + \beta_3 \text{CE} + \beta_4 \text{SP} + \beta_5 \text{SL} + \beta_6 \text{NF}$$

Where,

P (CSR) = the dependent variable - CSR practice X_i = independent variables (Labor Pressure = LP; Consumer Demands = CD; Community Enforcement = CE; Sustainability and Profitability = SP; Social license = SL; Nature of the Firm =NF

3.8.2. Description of the study variables

In this study, in the regression analysis, there were two groups of variables namely dependent and independent variables. The dependent variable was CSR practice and independent variables were labor pressure, consumer demand, community enforcement, sustainability & profitability, social license and nature of the firm. These independent variables are discussed briefly as follows.

Labor Pressure: Grassroots employee activism is the other thing that influences CSR practices of a firm.

Consumer Demand: consumers of a particular company have impact on the business activities of that company. Many companies tried to resist this impact using different strategies including CSR. For some companies, corporate social responsibility is becoming a core component of their overall branding strategy.

Community Enforcement: Many companies are engaging in various activities which enhance the welfare of the community.

Sustainability and Profitability: The sustainability approach to CSR is based on the idea that the corporate entity should remain economically viable over the long run. The corporation must generate profits because survival requires it, but survival most emphatically does not require short term profit maximization.

Social License: Social license includes recognitions of the firm from various angles such as buyers, media, government, international organizations, and self-certification etc.

Nature of the Firm: These include the firm's size, products, activities, location, leadership and reputation (as well as the reputation of the sector within which the firm operates). Another factor is the approach a firm takes to CSR, which can vary from being strategic and incremental on certain issues to becoming a mission-oriented CSR leader.

CHAPTER FOUR

RESULTS & DISCUSSIONS

4.1. INTRODUCTION

The aim of this study was to assess the practice of corporate social responsibility, and to determine the factors that affect CSR practices in Bedele Brewery. Therefore, mixed research design was employed for this study. To this end, data were collected from a total of 158 respondents from Bedele Brewery staff members. Based on the questionnaire and interview the employees show their beliefs on corporate social responsibility practice. Data gathered were analyzed both quantitatively and qualitatively.

The study includes two categories of methods of analysis: descriptive statistics and inferential statistics (multiple linear regressions). The first part which is descriptive statistics primarily provides CSR practices of Bedele Brewery corresponding to six dimensions namely labour handling, consumer protection, community welfare, environment protection, human rights, and fighting corruption and transparency. Therefore, descriptive statistics tools such as frequencies, percentage, mean, and standard deviation were employed in this regard. The second part provides the results of the estimations of the model (multiple linear regression model) which was formulated to determine the relationship between the general CSR practice and independent variables (labor pressure, consumer demands, community enforcement, sustainability and profitability, social license, and nature of the firm) is presented in this part of the study.

4.2. Response rate

As indicated in chapter three of this study, questionnaire was used to collect data form respondents adopted form (Abdulhamid., 2013). In this study, a total of 180 questionnaires were distributed for respondents to meet the objectives. Among 180 questionnaires distributed, 158 questionnaires were filled and returned for analysis which makes the response rate 87.7%.

4.3. Analysis of CSR practices

This sub-part provides the analysis of CSR practices in terms of labor handling, consumer protection, welfare of the community, protection of the environment, human rights, and

fighting corruption and transparency are described using various statistical tools. Regarding the descriptive interpretations for variables or dimensions used on Lickert scale; the measurement was used on the basis of the survey; 5 = Strongly agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1 = Strongly disagree. This scales merged in to three as 1& 2= no CSR practice, 3= undecided and 4 & 5= yes CSR practice.

4.3.1. Analysis of labor handling

As it could be seen from the following table 4.1, under variable one, the respondents replied that they (40.5%) agree and (27.7%) strongly agree that the organization encourages its employees to develop real skills and long term careers on the other hand (18.4%) disagree and (5.1%) strongly disagree on the issue whereas the rest (11.4%) are neutral. The mean response is 3.61 with standard deviation of 1.88 which approximately 4(Agree).

This implied that majority of respondents agree Bedele Brewery encourages its employees to develop their skills and long term goals.

Table 4.1: Analysis for Labor handling

Variable	Level of measurement	Frequency	Percent	Mean	STDV
1. Your organization encourages its employees to develop real skills and long-term careers (e.g. via training)	Strongly disagree	8	5.1	3.61	1.88
	Disagree	29	18.4		
	Neutral	18	11.4		
	Agree	64	40.5		
	Strongly agree	39	27.7		
	Total	158	100		
2. The firm encourages freedom of association of workers	Strongly disagree	43	27.2	2.59	1.41
	Disagree	55	34.8		
	Neutral	43	27.2		
	Agree	17	10.8		
	Strongly agree	0	0		

	Total	150	100		
3. Suitable arrangements for health and safety that provide sufficient protection for its employees	Strongly disagree	27	17.1	3.81	1.43
	Disagree	0	0		
	Neutral	16	10.1		
	Agree	48	30.4		
	Strongly agree	67	42.4		
	Total	158	100		
4. Your organization actively offers a good work life balance for its workers, for example, by considering flexible working hours	Strongly disagree	8	5.1	3.39	1.34
	Disagree	29	18.4		
	Neutral	77	48.7		
	Agree	44	27.8		
	Strongly agree	0	0		
	Total	158	100		
5. It creates a corporate culture that ensures prompt corrective action is taken against undesirable behavior.	Strongly disagree	27	17.1	3.39	0.96
	Disagree	10	6.3		
	Neutral	24	15.2		
	Agree	67	42.4		
	Strongly agree	30	19.0		
	Total	158	100		
Labour handling				3.25	.87

Source: survey, 2016

In cases of encourages freedom of association of workers the table above shows 27.2%strongly disagree, 34.8% disagree, 27.2% neutral and 12% agree. And no one is strongly agreeing the existence of freedom of association. While we see the mean and standard deviation respectively are 2.59 &1.41. The mean or average response is 2.6 which lie between “disagree” and “neutral”. This implied that more than half of the respondent has negative agreement on the company encouraging freedom of association of workers.

As the question three of the above table 4.1, with regard to suitable arrangements for health and safety for employees, majority of the respondents 42.4% indicated level of agreement as strongly agree & 30.4% agree and 17.1% said they strongly disagree while the remaining 10.1% indicated neutral. In addition, the mean value 3.81 which represent “Agree” and the standard deviation is 1.43 indicates that there is almost one level of average difference between respondents. Therefore, almost more than half employees have positive belief on suitable arrangements for health and safety protection provided by this company.

From table 4.1 workers response on the organization actively offers a good work life balance for its workers that most of the respondents are neutral 77(48.7%), whereas 44(27.8%) agree, 18.4% disagree and the remain 5.1% shows strongly disagree respectively. To seek further interpretation the mean of the responses is 3.39 with standard deviation 1.34 which lie down under the shade of neutral. This shows most of the respondent’s lack of decision on the idea maintained under item four on the above table.

As it was observed in the above table 4.1, the organization creates a corporate culture that ensures and prompt corrective action is taken against undesirable behavior. Majority of the respondents expressed their agreement level respectively agree 67(42.4%), strongly agree 30(19%), strongly disagree 17.1% & disagree 10(6.3%) and neutral 24(15%). Similarly the mean 3.94 which represent “agree” with the standard deviation 0.96 this indicates that there is almost one level of average difference between respondents.

The last row of the table shows the overall labor handling mean (3.25) and standard deviation (0.87) score. This score for the labor handling ranges between 2.38 and 4.12 indicating the existence of CSR practice.

To sum up, Bedele Brewery labour treatment practice is good. However, in terms of freedom of association of workers the respondent shows there is problem. Whereas, in reference to other four variables of labour handling shows the existence of CSR-practice. The data collected through interviews also supported this conclusion. It shows that the company provides different service for its workers and their family; facilitate good working environment and flexible working hours. These activities were checked through interview.

4.3.2. Analysis for consumer protection

In the following table 4.2 customer protection described in four terms or variables are the instrument to assess the existence CSR practice in terms of customer protection. The survival of a firm is directly relates to customers. Therefore, the firm should protect the needs, interests, health of customers.

Table 4.2: Analysis for consumer protection

Variable	Level of measurement	Frequency	Percent	Mean	STDV
1. The firm strives to deliver high value, quality products that meet and exceed the expectations of their customers	Strongly disagree			4.39	0.76
	Disagree				
	Neutral	27	17.1		
	Agree	43	27.2		
	Strongly agree	88	55.7		
	Total	158	100		
2. It ensures that all products meet the required safety and environmental standards	Strongly disagree			4.28	0.75
	Disagree				
	Neutral	28	17.7		
	Agree	57	36.1		
	Strongly agree	73	46.2		
	Total	158	100		

3. Your company has a process to ensure effective feedback and consultation with customers	Strongly disagree	8	5.1	3.47	0.99
	Disagree	9	5.7		
	Neutral	66	41.8		
	Agree	51	32.3		
	Strongly agree	24	15.2		
	Total	158	100		
4. The organization lets its customers to access information about its products	Strongly disagree	0	0	3.87	0.72
	Disagree	8	5.1		
	Neutral	28	17.7		
	Agree	99	62.7		
	Strongly agree	23	14.6		
	Total	158	100		
Consumer protection				3.77	0.49

Source: survey, 2016

As it can be seen the table 4.2 above, the firm strives to deliver high value and quality products for its customers. Large numbers of respondents strongly agree 88(55.7%), agree 43(27.2%) and 27(17.1%) neutrals. This level of agreements indicates that, in Bedele Brewery, there is good practice of providing high value and quality products for customers. This is also supported by the means score of levels (4.3) of agreement corresponding to variables of customer protection are between “agree” and “strongly agree”.

As the second variable in the above table asked about issues related to products meet the required safety and environmental standards. The respondent replied that strongly agree 73(46.2%), agree 57(36.1%) and 28(17.7%) neutral. Also in this variable there is no one disagree or strongly disagree. Similar to the above variable the mean values 4.28 with the standard deviation of 0.75 lay between “agree” and “Strongly agree”.

From the table 4.2 above the third variable asks existence of effective feedback process in Bedele Brewery. The respondent replied that strongly agree 15.2%, agree 32.3%, neutral 41.8% while 5.7% where disagree and 5.1% strongly disagree on effective feedback process of the company.

According to this result the respondents shows their different beliefs on feedback practice, but the large number 66(41.8%) are neutral or did not decided on the issue. Moreover, the mean values 3.47 and standard deviation of 0.99 which corresponds to level of agreement on the variable is between neutral and agree.

In case of variable four above table 4.2, the organization lets its customers to access information about its products. The discussion shows that large number 99(62.7%) respondents agreed, 23(14.6%) of the respondent strongly agreed, 28(17.7%) respondents are neutral and 8(5.1%) of the respondents disagrees accessing information about its product of the company. The mean value of 3.87 with the standard deviation of 0.75 refers approximate value of “agree” with regard to customer information about its products.

From the point of four variable expression customer protection and CSR practice majority of the respondent agreed. The overall mean score of 3.77 and standard deviation of 0.49 indicates customer protection practice ranges between agree and strongly agree. The general analysis of all the above items indicates that Bedele Brewery practices CSR in the standard of customer protection entirely. The interview conducted for the study also supports this.

4.3.3. Analysis for community welfare

Community welfare dimension of CSR described in four variables namely community service, local purchase, and dialogue with the community and supplying beneficial products for the society. Based on the responses gathered from Bedele Brewery employees, levels of agreement of respondents are described in Table 4.3.

Table 4.3: Analysis for community welfare

Variable	Level of measurement	Frequency	Percent	Mean	STDV
1. Your company offers services for local community	Strongly disagree	18	11.4	3.46	1.19
	Disagree	16	10.1		
	Neutral	21	13.3		
	Agree	81	51.3		
	Strongly agree	22	13.9		
	Total	158	100		
2. The company has an open dialogue with the local community on adverse issues	Strongly disagree	51	32.3	2.50	1.32
	Disagree	33	20.9		
	Neutral	28	17.7		
	Agree	36	22.8		
	Strongly agree	10	6.3		
	Total	158	100		
3. Your company tried to purchase locally	Strongly disagree	67	42.4	2.54	1.52
	Disagree	10	6.3		
	Neutral	33	20.9		
	Agree	25	15.8		
	Strongly agree	23	14.6		
	Total	158	100		
4. The organization provides goods that can be used for socially beneficial purposes	Strongly disagree	22	13.9	2.89	1.31
	Disagree	59	37.3		
	Neutral	11	7.0		
	Agree	47	29.7		

	Strongly agree	19	12.0		
	Total	158	100		
Community welfare				2.83	0.73

Source: survey, 2016

As it can be seen from table 4.3 variable one above, which consisted of (13.9 %) of employees strongly agreed, (51.3 %) agreed, (13.3%) neutral, (11.4%) strongly disagree and 10.1% disagreed respectively that company offers services for local community viewed. In addition, the mean value 3.46 with standard deviation of 1.19 lay between agree and strongly agree.

From the table 4.3 above second variable, The Company has an open dialogue with the local community on adverse issues, the respondent's shows that 32.3% strongly disagree, 20.9% disagree, 17.7% neutral, 22.8% agree and 6.3% strongly agree.

As it can be seen from table 4.3 variable three above, which consisted of (42.4%) of respondents strongly disagree, 6.3% disagree, 20.9% neutral,15.8% agree and 14.6% strongly agree that the company purchase local products. Similarly the mean value 2.54 with standard deviation of 1.52 is between disagree and neutral.

In responding to variable four on table 4.3 above that the respondents 13.9% strongly disagree, 37.3% disagree, 7% neutral, 29.7% agree and 12% strongly agree on the issue of the company provides goods and serves for social benefits. With respect to this analysis, the 2.89 mean score with standard deviation of 1.31 shows that the variable shows moderate CSR practice.

In table above last row, the overall mean score of community welfare is 2.83 and standard deviation of 0.73 indicates range between disagree to neutral. This indicates that there is no practice of community welfare as a standard of CSR practice. But this result is not supported by the data obtained from interview. According to interview with top management Bedele Brewery performs different community based activities like schooling service for the local community, financial support for local administration regarding the construction of various infrastructures as well as recreational centers.

4.3.4. Analysis of environmental Protection

The protection of environment is critical issue in CSR practice. It has described in terms of four variables in the following table.

Table 4.4 Analysis of environmental Protection

Variable	Level of measurement	Frequency	Percent	Mean	STDV
1. Your organization complies with the environmental laws, rules and regulations to promote environmental protection	Strongly disagree	8	5.1	3.87	0.98
	Disagree	0	0		
	Neutral	39	24.7		
	Agree	69	43.7		
	Strongly agree	42	26.6		
	Total	158	100		
2. The company tried to reduce the enterprise environmental impact	Strongly disagree	8	5.1	4.10	1.02
	Disagree	0	0		
	Neutral	26	16.5		
	Agree	58	36.7		
	Strongly agree	66	41.8		
	Total	158	100		
3. Environmental impact in terms of protection of the natural environment	Strongly disagree	24	15.2	3.41	1.30
	Disagree	9	5.7		
	Neutral	37	23.4		
	Agree	55	34.8		
	Strongly agree	33	20.9		
	Total	156	100		
4. Organization promotes environmental awareness	Strongly disagree	12	7.6	2.98	1.14
	Disagree	48	30.4		

	Neutral	47	29.7		
	Agree	32	20.3		
	Strongly agree	19	12.0		
	Total	158	100.0		
Environmental protection				3.37	.68

Source: survey, 2016

As can be seen in the above table 4.4, the respondents' reaction to each statement was computed in order to see CSR practice. When we take variable one, 26.6% strongly agree, 43.7% agree, 24.7% neutral, 5.1% strongly disagree on the organization comply with environmental laws, rules and regulation.

As it can be seen in the above table 4.4 item two, which consisted 41.8% strongly agree, 36.7% agree, 16.5% neutral and 5.1% strongly disagree on the issue of environmental impact reduction. In addition the mean value 4.10 with the standard deviation 1.02 shows that approximate value 4 that is "agree".

Item 3 in the above table 4.4 was asked to know whether the company try to protect natural environment. The respondents reply that 20.9% strongly agree, 34.8% agree, 23.4% neutral, 5.7% disagree and 15.2% strongly disagree on the variable. As it was observed the majority of respondents have agreed on the issue. Also the mean value 3.41 with standard deviation of 1.30 is between neutral and agree.

The same is true to variable four, that a considerable number of respondents reflect their agreement, that is, 12% strongly agree, 20.3% agree, 29.7% neutral, 30.4% disagree and 7.6% strongly disagree on the creating environmental awareness. Similarly the mean value 2.99 with standard deviation 1.14 shows approximate value 3(neutral).

As presented in the table above, the CSR standard of environmental protection have the mean score of 3.37 and standard deviation of 0.68 indicating that the level of agreement ranges between neutral and agree. Therefore, we can conclude that the overall practice of environmental protection exists in the factory as a standard of CSR practice.

4.3.5. Analysis of Human Right

CSR practice of a company also can be expressed in terms of whether the firm carries out human rights or not. For this section of the paper human rights articulated through promotion of human rights, investigation of how business activities affect it, comply of code of conduct with human rights and fighting discrimination.

Table.4.5. Analysis of Human Right

Variable	Level of measurement	Frequency	Percent	Mean	STDV
1. Your organization tires promote human rights in Ethiopia	Strongly disagree	29	18.4	2.99	1.14
	Disagree	17	10.8		
	Neutral	56	35.4		
	Agree	44	27.8		
	Strongly agree	9	5.7		
	Missing system	2	1.3		
	Total	158	100.0		
2. It Investigate how human rights might be affected by the various types of business operations	Strongly disagree	34	21.5	3.01	1.33
	Disagree	7	4.4		
	Neutral	55	34.8		
	Agree	37	23.4		
	Strongly agree	25	15.8		
	Total	158	100		
3. The organization includes in its code of conduct, the aspect of respect for human rights	Strongly disagree	8	5.1	3.65	1.12
	Disagree	19	12.0		
	Neutral	31	19.6		
	Agree	63	39.9		

	Strongly agree	37	23.4		
	Total	158	100.0		
4. Your organization takes adequate procedures against discrimination	Strongly disagree	22	13.9	3.132	1.146
	Disagree	19	12.0		
	Neutral	42	26.6		
	Agree	66	41.8		
	Strongly agree	9	5.7		
	Total	158	100.0		
human right				3.48	1.77

Source: survey, 2016

The above table 4.5 shows how much employees of Bedele Brewery felling in different level human right practice. As it can be seen in variable one, 18.4% strongly disagree, 10.8% disagree, 35.4% neutral, 27.8% agree and 5.7% strongly agree on the issue of the organization tires promote human rights in Ethiopia. Also the mean value 2.99 with the standard deviation 1.14 shows the approximate value of moderate CSR practice.

As it can be seen item 2 of the above , employees respond to how human rights might be affected by the various types of business operations, 15.8% strongly agree, 23.4% agree,34.8% neutral,4.4% disagree and 21.5% strongly disagree. In addition the mean value shows that 3.01 with the standard deviation of 1.33.

Similarly, variable 3 the respondents react that 23.4% strongly agree, 39.9% agree, 19.6% neutral, 12% disagree and 5.1% strongly disagree that organization includes in its code of conduct, the aspect of respect for human rights. Similarly the mean value 3.65 with standard deviation of 1.12 shows the level of agreement is between disagrees and agrees.

The last item the above table 4.5, was asked to know the company takes adequate procedures against discrimination, 5.7% respondents strongly agree, 41.8% agree, 26.6% neutral, 12% disagree and 13.9% strongly disagree respectively. Like with, the mean value 3.132 and standard deviation of 1.146.

In general, the overall response obtain from the above table the mean score of 3.48 with standard deviation of 1.77 indicate that human right practice level of agreement by respondents ranges between disagree and agree. Therefore, high variation indicates that the human right practice of CSR standard shows some problems of addressing human right issues.

4.3.6. Analysis of transparency and anti-corruption

Transparency, accountability and preventing corruption are variables which are designed to describe transparency and anti-corruption in this section. These variables are described under table 4.6 below.

Table 4.6 Analysis of transparency and anti-corruption

<i>Variable</i>	<i>Level of measurement</i>	<i>Frequency</i>	<i>Percent</i>	<i>Mean</i>	<i>STDV</i>
1. The organization is transparent in the activities that the enterprise is involved	Strongly disagree	41	25.9	3.26	1.44
	Disagree	0	0		
	Neutral	19	12.0		
	Agree	73	46.2		
	Strongly agree	25	15.8		
	Total	158	100.0		
2. The organization is also develops a sense of being accountable for the results of its activities	Strongly disagree	7	4.4	3.67	0.95
	Disagree	8	5.1		
	Neutral	36	22.8		
	Agree	85	53.8		
	Strongly agree	22	13.9		
	Total	158	100.0		
3. It ties to avoid or reduce corruption	Strongly disagree	22	13.9	3.67	1.32
	Disagree	7	4.4		

	Neutral	19	12.0		
	Agree	63	39.9		
	Strongly agree	47	29.7		
	Total	158	100.0		
Transparency and anti-corruption				3.51	0.915

Source: survey, 2016

As it can be seen from table 4.6 above, with the issue of that organization is transparent in the activities that it is involved, the employees respond 15.8% strongly agree, 46.2% agree, 12% neutral, 0% disagree and 25.9% strongly disagree. The mean value is 3.26 with standard deviation of 1.44.

The second variable, the organization is also develops a sense of being accountable for the results of its activities, the respondent 13.9% strongly agree, 53.8% agree, 22.8% neutral, 5.1% disagree and 4.4% strongly disagree. The mean value is 3.67 with standard deviation 0.95.

Finally, variable 3 of table 4.6 above, which is about to avoid or reduce corruption, 30% of respondents strongly agree, 40% agree, 12% neutral, 4% disagree and 14% strongly disagree. The mean value is 3.67 with standard deviation of 1.323.

In general, the responses obtain from general mean 3.51 and standard deviation of 0.92 implies that the levels of agreement is between agreed and strongly agree. These descriptions conclude that the company is practicing CSR in terms of transparency and anticorruption.

4.4. Summary of descriptive analysis

The previous descriptions on six standards of CSR tried to explain CSR practices in Bedele Brewery. The following table summarizes CSR practices of the Bedele Brewery.

Table 4.7: Summary of descriptive

CSR standards	CSR practice by
Labor treatment	Yes
Consumer protection	Yes
Community welfare	No
Environmental protection	Yes
Human rights	No
Transparency and anti-corruption	Yes

Source: survey, 2016

Therefore, Bedele Brewery practices CSR in terms of its standards in a better way except Community welfare and human rights.

4.5. Analysis of multiple linear regression

This sub-part of the analysis presents a discussion of the result of multiple linear regressions. The multiple linear regressions used to test how the determinant factors affect the CSR practice in Bedele Brewery.

4.5.1. Multiple linear Regression assumption tests

Before using the regression analysis, the researcher tested multi-collinearity.

1. Multi-collinearity

According to Gujarati (2004) one of the assumptions of the linear regression model is that there is no multi-collinearity among the explanatory variables, the X's. According to

Kennedy (2008) multi-collinearity problem exists when the correlation coefficient among the independent variables are greater than 0.80.

Table 4.8 shows the correlation coefficient among explanatory variables in this study. The highest correlation coefficient for this study explanatory variable is 0.708 that is between CE and SP, which is less than 0.80. Therefore, there is no evidence for presence of multi-collinearity problem in this study model.

Table 4.8: Correlation

Variables	EP	CD	CE	SP	SL	NF
EP	1					
CD	0.063	1				
CE	0.275	0.708	1			
SP	0.585	0.243	0.585	1		
SL	0.228	0.576	0.375	0.146	1	
NF	0.629	0.545	0.651	0.600	0.316	1

Source: survey, 2016

4.6. Multiple linear regressions model test

As it is discussed in chapter three, multiple linear regressions method was used to determine how CSR is affected by six factors. The regression analysis is presented as follows.

Table 10: Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.455 ^a	.207	.176	.39598	1.463

Source: survey, 2016

Analysis of table 4.10 above shows that the R Pearson correlation coefficient value of 0.455 which indicates the moderate positive association between dependent variable (CSR) and

independent variables(determinant factors). The table also shows the coefficient of determinant or the percentage variation in the dependent variable being explained by the change in the independent variable. “R” square value is equal to 0. 207 that is, 20.7% of the total variation in CSR is explained by predictors variables such as employee pressure, consumer demands, community enforcement, sustainability and profitability, social license and nature of the firm. The R square and adjusted R square column shows small variation b/n the two values (0.207 and 0. 176 respectively) justifying that the independent variables have weak ability to predict the variation in CSR practice. The positive value of R square shows positive correlation between the predictors and dependent variable.

1.3.1. ANOVA table

Table 4.11: ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.197	6	1.033	6.587	.000 ^b
	Residual	23.677	151	.157		
	Total	29.873	157			

Above ANOVA table shows the value of R square = 0.207, F (6, 151) = 6.587, p= 0.000 (significant). The P-value less than 0.05(p= 0.000) means that there is statistically significant relationship b/n dependent variable and independent variables. In better terms, smaller p-value (0.000) justifies that the independents variables i.e., employee pressure, consumer demands, community enforcement, sustainability and profitability, social license and nature of the firm statistically significant in explaining the variation in depended variable i.e. CSR practice.

4.6.1. Coefficients'

The coefficient table below shows the statistical significance of each individual's variable correlation with dependent variable.

Table 4.12: Coefficients

Model	Un-standardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero order	Partial	Part	Tolerance	VIF
(Constant)	.597	.236		2.532	.012	.131	1.063					
Employee activism	.159	.120	.160	1.318	.189	-.079	.397	-.079	.107	.096	.356	2.810
Consumers	-.334	.109	-.378	-3.064	.003	-.549	-.119	-.102	-.242	-.222	.345	2.901
Community Enforcement	-.026	.136	-.026	-.188	.852	-.294	.243	-.145	-.015	.014	.279	3.582
SPF	-.435	.167	-.297	-2.611	.010	-.764	-.106	-.155	-.208	.189	.407	2.459
SLF	.781	.150	.527	5.216	.000	.485	1.077	.248	.391	.378	.514	1.944
NFF2	.186	.168	.133	1.106	.270	-.146	.517	.006	.090	.080	.364	2.748

Source: survey, 2016

From the coefficients table we get the following results:

- ✚ Beta = 0.160, t= 1.318, p= 0.189(insignificant) employee pressure
- ✚ Beta = -0.378, t= -3.064, p= 0.003(significant) consumer demands
- ✚ Beta= -0.026, t= -0.188, p= 0.852(ineffective) community enforcement
- ✚ Beta= -0.297, t= -2.611, p= 0.010(significant) sustainability and profitability
- ✚ Beta= 0.527, t= 5.216, p= 0.000(significant) social license
- ✚ Beta= 0.133, t= 1.106, p= 0.270(ineffective) nature of the firm

The coefficient analysis result shows that the predictor variables such as employee pressure (p= 0.189), community enforcement (p= 0.852) and nature of the firm (p= 0.270) are

statistically insignificant. This indicates that employee pressure, community enforcement and nature of the firm are not good predictors of the level of CSR practice in Bedele Brewery.

In addition, predictors of CSR practice like consumer demands ($p= 0.003$), sustainability & profitability ($p= 0.010$), and social license ($p= 0.000$) are statistically significant. This indicates that consumer demands, sustainability & profitability and social license are good predictors of the level of CSR practice in Bedele Brewery.

Multiple liner regression model

The model is:

$$Y = \beta_0 + \beta_1 EP + \beta_2 CD + \beta_3 CE + \beta_4 SP + \beta_5 SL + \beta_6 NF$$

Hence, $\beta_0=0.597$, $\beta_1=0.160$, $\beta_2=-0.378$, $\beta_3 = -0.026$, $\beta_4 = -0.297$, $\beta_5 = 0.527$, $\beta_6 = 0.133$

This multiple regression equation tells us following results.

Therefore, $Y = 0.597 + 0.160EP - 0.378CD - 0.026CE - 0.297SP + 0.527SL + 0.133NF$

This multiple regression equation results:

The constant beta value under the unstandardized coefficient ($\beta_0 = 0.597$) shows the value of the dependent variable if the value of all the predictors is zero.

- One unit change in the value of employee pressure results in 0.160 increases in the value of CSR practice.
- One unit change in the value of customer demands results in 0.375 decreases in the value of CSR practice.
- One unit change in the value of community enforcement results in 0.026 decreases in the value of CSR practice.
- One unit change in the value of sustainability and profitability results in 0.297 decreases in the value of CSR practice.
- One unit change in the value of social license results in 0.527 increases in the value of CSR practice.
- One unit change in the value of nature of the firm results in 0.133 increases in the value of CSR practice.

Based on the result of regression, CSR practice in Bedele Brewery is affected by determinants (factors affecting the level of CSR practice) such as labor pressure, consumer

demands, community enforcement, sustainability & profitability, social license and nature of the firm.

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Summary of major findings

The following are the major findings for this study which are organized according to the objective of the study. According to chapter one, the study has two objectives. The first is about the CSR practice and the second is concerning the relationship between CSR practice and its determinants.

5.1.1. CSR practice

The following are the findings related to CSR practice:

- ✚ Labor handling exists in Bedele Brewery with score of mean (3.25) and standard deviation (0.869) as standard of CSR practice.
- ✚ Bedele Brewery practices CSR as the standard of customer protection entirely indicated by mean score of 3.77 and standard deviation of 0.49.
- ✚ There is poor practice of community welfare as a standard of CSR practice indicated by mean score of 2.83 and standard deviation of 0.73.
- ✚ Environmental protection has the mean score of 3.36 and standard deviation of 0.68 indicating its existence in the factory as a standard of CSR practice.
- ✚ The mean score of 3.476 with standard deviation of 1.77 indicates high variation that human right practice doesn't exist as standard of CSR practice.
- ✚ The mean score of 3.51 and standard deviation of 0.92 implies that the level of agreement is between agreed and strongly agrees. This means the company is practicing CSR in terms of transparency and anticorruption.

5.1.2. Determinants of CSR practice

The following are the findings related to CSR practice:

- ✚ CSR practice in Bedele Brewery is affected by determinants (factors affecting the level of CSR practice) such as labor pressure, consumer demands, community enforcement, sustainability & profitability, social license and nature of the firm. This

shown by the value of R square = 0.470, $F(6, 151) = 6.587$, $p = 0.000$ (significant). The P-value less than 0.05 ($p = 0.000$) means that acceptable.

- ✚ Smaller p-value (less than 0.05) justifies that the independent variables i.e., employee pressure, consumer demands, community enforcement, sustainability and profitability, social license and nature of the firm are statistically significant in explaining the variation in the dependent variable i.e. CSR practice.

5.2. Conclusion

The result of the descriptive as well as regression analysis on CSR practices and determinants of the selected company was summarized. Hence, the following conclusions were made in two parts. Part one is about CSR practices and the second is about the determinants of CSR practice.

5.2.1. CSR practices

On the basis of the findings the following conclusions were forwarded.

- ✚ Bedele Brewery practices labor handling in terms of skill and long-term career development, freedom of association, health and safety, and taking corrective action.
- ✚ With regard to consumer protection practice the factory performs practices like delivering high value quality products, safety and environmental standards, effective feedback & consultation with customers, and customers to access information about its products.
- ✚ As indicated in the analysis, Bedele Brewery poorly practices community welfare only in terms of providing schooling service for the local community and financial support for local administration.
- ✚ Practice of environmental protection exists in the factory as a standard of CSR practice. Environmental practice includes complying with the environmental laws, rules and regulations; reduce the enterprise environmental impact, protection of the natural environment. But Bedele Brewery does not create enough awareness on environmental protection.
- ✚ As a standard of CSR practice, the Brewery does not practice human rights. This affects the general practice of CSR.

- ✚ The company is practicing CSR in terms of transparency and anticorruption. Transparency and anti-corruption activities include transparency, accountable for the results, and avoid or reduce corruption in the day-to-day operation.
- ✚ The overall conclusion about the CSR practice in Bedele Brewery is that it includes good labor handling, consumer protection, environmental protection and transparency and anticorruption. In contrary to this, the CSR practice of the factory doesn't involve human right and community welfare.

5.2.2. Determinants of CSR

On the basis of the findings the following conclusions were forwarded.

- ✚ CSR practice in Bedele Brewery is affected by determinants (factors affecting the level of CSR practice) such as labor pressure, consumer demands, community enforcement, sustainability & profitability, social license and nature of the firm.
- ✚ Thus, the probability of existence of CSR practice increases as the extent of the above variables increase. In other words, the existence of the above determinants around the Beer industry affects CSR practice positively.

5.3. Recommendation

On the basis of analysis and its findings, the following recommendations have been forwarded.

- ✚ In relation to labour handling, Bedele Brewery should continue their activity to achieve better performance in CSR practice. To meet such role, the company is advisable encourages freedom of association of workers and encourage employee to participate in different associations. For example, the company should arrange training for employees to improve awareness on the potential benefits of joining different employee groups and associations.
- ✚ With reference to the analyses and the results, indicates that there is no practice of community welfare which can be used to measure the existence of CSR practice. So as maintain good relationship with local community Bedele Brewery by performing activities such as making open dialogue with the local community, try to purchase local raw materials, and providing goods that can be used for socially beneficial purposes.

- ✚ Considering environmental protection, Bedele Brewery is recommendable to design better CSR strategies and practices in the area such as comply with environmental laws, rules & regulation, waste reduction, protection of natural environment and creating environmental awareness.
- ✚ As per the finding, there is the problem of addressing human right issues. Therefore, the company is advisable work hard to change and progress the development of human rights in the country. This can be achieved through; organization try to promote human rights in Ethiopia, investigate how human rights might be affected by the various types of business operations, preparing & implementing code of conduct, and takes adequate procedures against discrimination.
- ✚ In regard to transparency and anti-corruption, Bedele Brewery needs to evolve intensively in ethical matters namely responsibility, accountability, transparency and anti-corruption. The company is better on fair operating practices with others, developing and implementing anti-corruption policies and practices.

5.4. Future Research Direction

Based on the methodological limitations of this study, the researcher recommends the following research future directions.

One of the limitations of this study is that it doesn't looked what looks like the awareness and attitude of different stakeholders including customers, employees, local community and management towards CSR. Therefore, the researcher recommends that further study should be conducted on CSR practice and stakeholders' awareness and attitude of it. It gives a clue for stakeholder to analyze and discuss the CSR practice, impact and corresponding value of CSR for the company.

This study has another limitation also which is related to content. The CSR practice can be seen from the perspective of its impact on organization performance in relation to financial performance, profitability, business sustainability and company image. For the future, the researcher and others will thoroughly examine the impact of CSR on organizational performance in general and financial performance in particular as well as on business sustainability and profitability of the companies.

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Appendix

Questionnaire and Interview guide

Dear Sir/Madam

This questionnaire is aimed for data collection on the practice of corporate social responsibility at Bedele Brewery. It is aimed at carrying out research work in partial fulfillment of the requirements for the award of Master's Degree in Public management (MPM) program Please, Kindly complete this questionnaire as honesty and carefully as you can and be assured that information provided will solely be used for the academic research purpose.

Thank you for your co-operation!

General Instruction:

- ✚ Your participation is voluntary
- ✚ Do not write your name on the questionnaire
- ✚ Please simply tick the most appropriate responses for you and your enterprise

Part I: Questions related to corporate social responsibility practices

No		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Your organization encourages its employees to develop real skills and long-term careers (e.g. via training)					
2	The firm encourages freedom of association of workers					
3	The organization has suitable arrangements for health and safety that provide sufficient protection for its employees					
4	Your organization actively offers a good work life balance for its workers, for example, by considering flexible working hours					
5	It creates a corporate culture that ensures prompt corrective action is taken against undesirable behavior including					
6	Your company does not encourage its workers so that they develop real skills and long-term careers					
7	The firm strives to deliver high value, quality products that meet and/or exceed the expectations of their customers					
8	It ensures that all products meet the required safety and environmental standards					
9	Your company has a process to ensure effective					

	feedback and consultation with customers					
10	The organization lets its customers to access information about its products					
11	Your company did not have a process to ensure effective feedback and consultation with customers					
12	Your company offers services for local community					
13	The company has an open dialogue with the local community on adverse issues					
14	Your company tried to purchase locally					
15	The organization provides goods that can be used for socially beneficial purposes					
16	Your company did not offer any service for local community					
17	Your organization complies with the environmental laws, rules and regulations to promote environmental protection					
18	The company tried to reduce the enterprise environmental impact in terms of waste minimization and pollution prevention					
19	The company tried to reduce the enterprises'' environmental impact in terms of protection of the natural environment					
20	The organization promotes environmental awareness by providing information to their employees to enhance their understanding of environmental issues					

21	The company did not try to reduce the enterprises environmental impact such as waste of the production process and pollution					
22	Your organization tires promote human rights in Ethiopia					
23	The company tries to investigate how human rights might be affected by the various types of business operations					
24	The organization includes in its code of conduct, the aspect of respect for human rights					
25	Your organization takes adequate procedures against discrimination					
26	Your organization contributes nothing to human rights in Ethiopia					
27	The organization is transparent in the activities that the enterprise is involved					
28	The organization is also develops a sense of being accountable for the results of its activities					
29	It ties to avoid or reduce corruption					
30	The organization is not transparent in the activities that the enterprise is involved					
31	In general the firm practices CSR					

Part II: Questions related to factors affecting the practice of corporate social responsibility.

The table below contains probable factors which influence the company to practice corporate social responsibility. If you perceive that a single factor affects the corporate social responsibility practices of your company tick “Yes” otherwise “No”

No	Factor	Yes	No
1	Employee activism		
2	Consumers		
3	Community Enforcement		
4	Sustainability		
5	Profitability		
6	Government		
7	Media		
8	International organizations		
9	Self-certification		
10	The size of the firm		
11	Products of the firm		
12	Production activities		
13	Location of the firm		
14	Leadership		
15	Reputation		

16	Ethics		
17	Awareness		
18	shareholder activism		

Thank you once again for your kind cooperation

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- 1) Does your company offer arrangements and procedures for the wellbeing of workers?
- 2) From the consumers' perspective, does your organization have a responsibility to the society?
- 3) What efforts are made in the enterprise to offer good community welfare?
- 4) What types of human rights you are handling?